

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. 251 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 Insurance. 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 youth 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 cope with extreme climate-related events, and are expected to experience even greater impacts. Climate change issues call for radical action. We have begun 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 addition, we have an area of the company devoted to sustainable practices in our buildings, travel, recycling, etc. In 2020, we set an aspirational goal to achieve carbon neutrality across scope 1, 2, and relevant scope 3 emission categories by 2030, and are still currently working to measure our footprint. When our full GHG footprint is mapped, we will evaluate targets laid out in CDP.

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 2021	December 31 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

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 activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	No	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	No	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	<Not Applicable>	Exposed to all broad market sectors
Insurance underwriting (Insurance company)	Yes	General (non-life) Life and/or Health	Exposed to all broad market sectors

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a CUSIP number	03115AAA1,03115AAC7
Yes, an ISIN code	US03115AAA16, US03115AAC71

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 for internal controls which suggests the Board has a lead role in the management of risk. Climate-related topics are monitored and shared within the Enterprise Climate Risk and Resilience Working Group. Members of the Climate Risk and Resilience Working Group act as liaisons for risk-based dialogue between internal and external stakeholders and may recommend actions that enhance 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 – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action 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 issues, including regulatory updates 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 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. Beginning in 2022, ERM will leverage a survey to reach a wider audience and drive efficiency. 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.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Not assessed	<Not Applicable>	<Not Applicable>	<Not Applicable>

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

C1.3

(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 incentivized	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 completion 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 criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as an investment option	The Retirement Plan Action Committee (RPAC) has not established a specific, formal ESG process or philosophy as it relates to investment selection. Rather, they have opted to make Self-Directed Brokerage (SDB) available to provide participants with that choice and flexibility to select ESG funds directly if they so choose. Choice, flexibility, and individualization are key philosophies that align with our overall enterprise employee value proposition.	<Not Applicable>

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. Risk impact is assessed using a scale of Severe, Major, Moderate, Minor and Significant. Risks with a Severe, Major or Moderate impact represent a substantive financial or strategic impact to the business.

Risks with a Severe impact may include one or more of the following criteria:

1. Media outrage, critical reputation impact
2. Critical long-term damage to customers experience, customer satisfaction impaired
3. Very significant impact on ability to achieve strategic objectives, more than one objective not achieved
4. Adverse regulatory opinion, corrective action required by regulator, litigation action or award
5. Reduction in revenue or forgone potential revenue of 3% or more
6. Increase in losses and expenses of 3% or more
7. Widespread staff morale problems, increased turnover, loss of key leadership

Risks with a Major impact may include one or more of the following criteria:

1. National press or social media coverage, extensive reputation impact
2. Severe disruption to customer experience, customer satisfaction falls below threshold
3. Significant impact on ability to achieve strategic objectives, one objective not achieved
4. Intervention by regulators or other agencies, minor regulatory enforcement, legal actions filed
5. Loss of revenue or potential revenue of 2% to 3%
6. Increase in losses or expenses of 2% to 3%
7. Widespread staff morale problems, increased turnover, loss of key staff

Risks with a Moderate impact may include one or more of the following criteria:

1. Media and community concern, high reputation impact
2. Widespread disruption to customer experience, noticeable reduction in customer satisfaction
3. Moderate impact on strategic objectives, some elements not achieved
4. Regulatory or contractual breaches, legal actions filed, increased regulatory scrutiny
5. Loss of revenue or potential revenue of 1% to 2%
6. Increase in losses or expenses of 1% to 2%
7. General reduction in staff morale, increased turnover

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (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 ESG impact 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 do not plan to in the next two years	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.

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 in the future. 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 2023 and beyond.

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 in the future. 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 2023 and beyond. 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

In the future, 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**

In the future, 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 reporting. Not only will such investments increase revenues, but they will potentially reduce risk by minimizing exposure to activities which misalign with ESG values. 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.

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**

In the future, 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

Opp4

Where in the value chain does the opportunity occur?

Insurance underwriting portfolio

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other, please specify (Use of new technologies)

Primary potential financial impact

Reduced direct costs

Company-specific description

Carriers, Managing General Agents (MGAs), Managing General Underwriters (MGUs), and reinsurers will be seeking guidance on portfolio management in the face of a changing climate in which the frequency and severity of extreme weather events will be increasing in specific geographies.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

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

By improving underwriting insights, insurers can prevent the overaccumulation of risk that are more likely to incur losses based on expected shifts in climate change. Accumulation optimization (based on current weather-related loss events) can easily save insurers \$10m+.

Cost to realize opportunity

50000000

Strategy to realize opportunity and explanation of cost calculation

Working with leaders in risk management and climate forecast data to determine most useful and efficient methods for ingesting, processing, and generating actionable insights and underwriting guidance for future portfolios. Once determined, a climate-analysis module will be designed and implemented into existing Opterrix software platform and marketed to the risk industry.

Comment

Identifier

Opp5

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Other, please specify (Development of climate adaptation, resilience, and insurance risk solutions)

Primary potential financial impact

Other, please specify (The development of new revenue streams from new/emerging environmental markets and products)

Company-specific description

Opterrix will provide carriers with forward looking insights into how future portfolios are expected to perform as a result of geographic changes in extreme weather events.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

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

Providing the risk industry with geographic insights into where their portfolio is most likely at risk will drive substantial revenue to Opterrix, and it is assumed that the market

will pay at least 10% of the value derived for the service.

Cost to realize opportunity

50000000

Strategy to realize opportunity and explanation of cost calculation

Working with leaders in risk management and climate forecast data to determine most useful and efficient methods for ingesting, processing, and generating actionable insights and underwriting guidance for future portfolios. Once determined, a climate-analysis module will be designed and implemented into existing Opterrix software platform and marketed to the risk industry.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

Not applicable as our organization does not have shareholders

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

SustainabilityClimateActionPlan_2021_lowres.pdf

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Important but not an immediate priority	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 in the future. TCFD will provide a framework to begin developing formal climate-related risk governance, strategy, risk management and metrics/targets. 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 customers. An example of this is the development of Opterrix, an American Family owned company. Opterrix foresees a tremendous opportunity to provide the risk industry with forward looking analytics tools to help better assess risk selection and portfolio management. Our products and services 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 2022. 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 through 2030. 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.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

No, but we plan to in the next two years

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

No, but we plan to include climate-related requirements and/or exclusion policies in our policy framework in the next two years

C-FS3.6c

(C-FS3.6c) Why does the policy framework for your portfolio activities not include climate-related requirements for clients/investees, and/or exclusion policies?

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) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

	Climate-related requirements included in selection process and engagement with external asset managers	Primary reason for not including climate-related requirements in selection process and engagement with external asset managers	Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future
Row 1	No, and we do not plan to include climate-related requirements in the next two years	Important but not an immediate priority	In 2022, American Family Insurance will be completing our inaugural materiality assessment. Pending results from this assessment, AFI will determine which topics are material to the Enterprise. Should climate-related/sustainable investing rise to a material topic, we will review our internal processes to meet the expectations of our stakeholders.

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)

Scope 1

Scope 2

Scope 3

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 5: Waste generated in operations

Category 6: Business travel

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

17886

Base year Scope 2 emissions covered by target (metric tons CO2e)

31761

Base year Scope 3 emissions covered by target (metric tons CO2e)

14551

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

64198

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

57

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

86

Target year

2025

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

32099

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

11368

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

25080

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

10928

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

47376

% of target achieved relative to base year [auto-calculated]

52.4066170285679

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

In 2020, AmFam set an aspirational goal to achieve carbon neutrality by 2030 for our scope 1, scope 2 (market-based) and relevant scope 3 upstream emissions. The upstream scope 3 emissions covered by this goal include Purchased goods and services (from cloud services only), Fuel and energy-related activities (not included in Scopes 1 or 2), waste generated in operations, and business travel. At this time we are not including paper in purchased goods and services, as we have updated our calculation methodology. We are still currently working to measure our footprint. When our full GHG footprint is mapped, we will evaluate targets laid out in CDP.

Plan for achieving target, and progress made to the end of the reporting year

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 goal, 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. In early 2021, research was completed to invest in renewable energy programs, such as community solar and partnering with utilities and their emission reduction projects. One .199-megawatt onsite project that was implemented in 2021 was an onsite solar installation at our East Regional Building and was fully operational for the majority of the year. To align with our changing real estate portfolio and strategy, 2021 & 2022 was shifted to planning years for energy efficiency projects in our owned facilities. An increase in energy usage was attributed to health and safety requirements for building ventilation to align with the CDC recommendations.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1
 Scope 2
 Scope 3

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Category 1: Purchased goods and services
 Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
 Category 5: Waste generated in operations
 Category 6: Business travel

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

17886

Base year Scope 2 emissions covered by target (metric tons CO2e)

31761

Base year Scope 3 emissions covered by target (metric tons CO2e)

14551

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

64198

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

57

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

86

Target year

2030

Targeted reduction from base year (%)

70

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

19259.4

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

11368

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

25080

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

10928

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

47376

% of target achieved relative to base year [auto-calculated]

37.4332978775485

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

In 2020, AmFam set an aspirational goal to achieve 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. At this time we are not including paper in purchased goods and services, as we have updated our calculation methodology. We are still currently working to measure our footprint. When our full GHG footprint is mapped, we will evaluate targets laid out in CDP.

Plan for achieving target, and progress made to the end of the reporting year

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 goal 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. In early 2021, research was completed to invest in renewable energy programs, such as community solar and partnering with utilities and their emission reduction projects. One .199-megawatt onsite project that was implemented in 2021 was an onsite solar installation at our East Regional Building and was fully operational for the majority of the year. To align with our changing real estate portfolio and strategy, 2021 & 2022 was shifted to planning years for energy efficiency projects in our owned facilities. An increase in energy usage was attributed to health and safety requirements for building ventilation to align with the CDC recommendations.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

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: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2019

Consumption or production of selected energy carrier in base year (MWh)

1170

% share of low-carbon or renewable energy in base year

2.5

Target year

2025

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year

3.7

% of target achieved relative to base year [auto-calculated]

1.23076923076923

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 target coverage and identify any exclusions

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 goal to reach carbon neutrality by 2030.

Plan for achieving target, and progress made to the end of the reporting year

In early 2021, research was completed to invest in renewable energy programs, such as community solar and partnering with utilities and their emission reduction projects. One .199-megawatt onsite project that was implemented in 2021 was an onsite solar installation at our East Regional Building and was fully operational for a majority of the year. To align with our changing real estate portfolio and strategy, 2021 was shifted to a planning year for energy efficiency projects in our owned facilities. An increase in energy usage was attributed to health and safety requirements for building ventilation to align with the CDC recommendations.

List the actions which contributed most to achieving this target

<Not Applicable>

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

Company-wide

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 relative to base year [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 target coverage and identify any exclusions

In 2019, AmFam committed to become zero waste (achieving a 90% diversion rate) for its owned portfolio by 2025. American Family's diversion rate includes all operations and waste streams at owned facilities. American Family's zero waste goal encompasses all solid, non-hazardous discards (referred to as "materials"). This includes materials generated during regular operations as well as those generated during episodic activities like special events. Hazardous materials are defined by the project's local jurisdiction, state, or country. Liquid wastes are included in the scope of materials if they are accepted in the landfill by the local jurisdiction, state, or country. Wastewater is not included.

Plan for achieving target, and progress made to the end of the reporting year

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 goal to reach carbon neutrality by 2030. In 2021, a new centralized waste collection system was fully implemented, and internal and external partners fully lived into a new waste metric collection system.

List the actions which contributed most to achieving this target

<Not Applicable>

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	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	3	1439
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)
173

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
17000

Investment required (unit currency – as specified in C0.4)
966

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment
NHQ Campus lighting (4,833 bulbs)

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)
166

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
9441

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

Payback period
<1 year

Estimated lifetime of the initiative
Ongoing

Comment
Fault detection and diagnostic tool

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)
1110

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
114559

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

Payback period
11-15 years

Estimated lifetime of the initiative

21-30 years

Comment

Onsite solar at owned facilities (1,566,678 kWh)

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	

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Insurance	Property & Casualty
-----------	---------------------

Taxonomy or methodology used to classify product

Internally classified

Description of product

8.7% of AFI Personal Auto policies are enrolled in our Know Your Drive user based insurance (UBI) program. AFI's UBI allows customers to receive discounts on their premium based on distance driven and safe driving habits. This incentivizes customers to drive less, and more smoothly, leading to decreased GHG emissions. Usage based insurance is eligible and offered only for certain book of business and specific lines of business – Auto.

Product enables clients to mitigate and/or adapt to climate change

Mitigation

Portfolio value (unit currency – as specified in C0.4)

% of total portfolio value

8.7

Type of activity financed/insured or provided

Other, please specify (Reduced vehicle use)

Product type/Asset class/Line of business

Insurance	Property & Casualty
-----------	---------------------

Taxonomy or methodology used to classify product

Internally classified

Description of product

Risk analysis

Product enables clients to mitigate and/or adapt to climate change

Adaptation

Portfolio value (unit currency – as specified in C0.4)

% of total portfolio value

Type of activity financed/insured or provided

Emerging climate technology, please specify

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	We are reporting additional scope 3 categories this year.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because we do not have the data yet and plan to recalculate next year	AmFam will follow the guidelines in the GHG Protocol Corporate Standard for adjusting prior years' GHG inventories. Prior inventories will be adjusted in response to any structural, methodology, or boundary changes, if the resulting adjustment is more than 0.5% of emissions.

C5.2

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

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

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

10860

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

7880

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

956

Comment

Scope 3 category 6: Business travel

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

5693

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) 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)

11368

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

25080

Scope 2, market-based (if applicable)

25080

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

Emissions in reporting year (metric tons CO₂e)

186768

Emissions calculation methodology

Spend-based method

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

99

Please explain

AmFam's GHG inventory includes indirect emissions associated with its purchased goods and services and capital goods. A worksheet containing the total spend amount and internal spend category of each item is provided by AmFam. The appropriate EEIO ("US Environmentally-Extended Input-Output") category and associated emission actor are then mapped and assigned by the consultant. Categories marked "exclude" are those that do not represent a good or service provided. Additionally, some spend is included elsewhere in the inventory, in scopes 1, 2 or 3, and is excluded from the purchased goods and services emissions to avoid double counting. Each EEIO category is marked as Purchased Goods and Services or Capital Goods. Emissions are calculated by multiplying total spend by EEIO category by the emissions factor. Emissions from all Purchased Goods and Services and Capital Goods categories are summed separately to calculate total emissions per category. For cloud services, CO₂e data in metric tons is provided directly to AmFam by the cloud services vendor(s). For vendors where emissions data cannot be obtained, an estimated emissions calculation using available data from another vendor, that is then scaled to the approximate use of the missing vendor, is performed.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

8228

Emissions calculation methodology

Spend-based method

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

100

Please explain

AmFam's GHG inventory includes indirect emissions associated with its purchased goods and services and capital goods. A worksheet containing the total spend amount and internal spend category of each item is provided by AmFam. The appropriate EEIO ("US Environmentally-Extended Input-Output") category and associated emission factor are then mapped and assigned by the consultant. Categories marked "exclude" are those that do not represent a good or service provided. Additionally, some spend is included elsewhere in the inventory, in scopes 1, 2 or 3, and is excluded from the purchased goods and services emissions to avoid double counting. Each EEIO category is marked as Purchased Goods and Services or Capital Goods. Emissions are calculated by multiplying total spend by EEIO category by the emissions factor. Emissions from all Purchased Goods and Services and Capital Goods categories are summed separately to calculate total emissions per category.

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

6025

Emissions calculation methodology

Fuel-based method

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

100

Please explain

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 lifecycle 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).

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

6432

Emissions calculation methodology

Spend-based method

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

100

Please explain

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.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

299

Emissions calculation methodology

Waste-type-specific method

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

49

Please explain

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.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1387

Emissions calculation methodology

Distance-based method

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

100

Please explain

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).

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2491

Emissions calculation methodology

Distance-based method

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

52

Please explain

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. For the data year 2021, the impacts of the COVID-19 pandemic were taken into account by using the results from the 2020 survey for the first 12 weeks of the pre-pandemic year (January 1st, 2020 – March 15th, 2020) when AmFam offices were still open. An adjusted emissions value for the entirety of 2021 (January 4th, 2021 – December 31st, 2021) based on average weekly occupancy data provided by AmFam's Protective Services Division was then calculated by multiplying the pre-covid weekly commuting emissions by the average weekly occupancy for 2021.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons 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

Emissions in reporting year (metric tons 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

Emissions in reporting year (metric tons 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

Emissions in reporting year (metric tons 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

Not relevant, explanation provided

Emissions in reporting year (metric tons 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 physical products that require disposal.

Downstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

331

Emissions calculation methodology

Fuel-based method

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

100

Please explain

Emissions from the leased assets AmFam owns are calculated. The Spark Building in Madison, Wisconsin is the current building owned by AmFam that contains space leased to other tenants. Both electricity and natural gas emissions are calculated for the leased spaces by taking the percentage of the building square footage that is tenant space and multiplying it by the purchased electricity or natural gas used for the entire Spark Building to obtain usage scaled to the tenant space. Those values are then multiplied by the appropriate emission factor for the emissions source to get total emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons 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

Not relevant, explanation provided

Emissions in reporting year (metric tons 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

N/A

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons 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

N/A

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

0.000026

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

36448

Metric denominator

unit total revenue

Metric denominator: Unit total

14227335642

Scope 2 figure used

Market-based

% change from previous year

13

Direction of change

Decreased

Reason for change

The primary reason for change is that AmFam implemented several emission reductions initiatives in 2021, including onsite solar at our owned facilities and vehicle use reductions. In addition, our revenue increased from the prior year.

Intensity figure

0.010421

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

36448

Metric denominator

square foot

Metric denominator: Unit total

3497418

Scope 2 figure used

Market-based

% change from previous year

5

Direction of change

Decreased

Reason for change

The primary reason for change is that AmFam implemented several emission reductions initiatives in 2021, including onsite solar at our owned facilities and vehicle use reductions. In addition, our square footage increased from the prior year.

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	1110	Decreased	2.9	AmFam implemented several emission reductions initiatives in 2021, including onsite solar at our owned facilities and vehicle use reductions. The resulting market-based emission reduction was 1,110 t CO2e, divided by our total emissions in the previous year of 38,034 t CO2e gives a 2.9% reduction $(1,110/38,034)*100 = 2.9\%$.
Other emissions reduction activities	339	Decreased	0.9	AmFam implemented several emission reductions initiatives in 2021, including onsite solar at our owned facilities and vehicle use reductions. The resulting market-based emission reduction was 339 t CO2e, divided by our total emissions in the previous year of 38,034 t CO2e gives a 0.9% reduction $(339/38,034)*100 = 0.9\%$.
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		<Not Applicable >		

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	54006	54006
Consumption of purchased or acquired electricity	<Not Applicable>	0	40749	40749
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>	1567	<Not Applicable>	1567
Total energy consumption	<Not Applicable>	1567	94755	96322

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

United States of America

Consumption of electricity (MWh)

42316

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

42316

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

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

American Family purchased a carbon offset from The Arbor Day Foundation to balance the carbon emissions associated with the production of our 2020 Corporate Responsibility (CR) Report. The offset is equivalent to carbon sequestered by 6 tree seedlings grown for 10 years. This estimate was calculated using the EPA Greenhouse Gas Equivalencies Calculator for .314 metric tons of CO₂. The footprint calculation included the emissions associated with paper production, the shipping of paper, shipping of ink cartridges, production of ink cartridges, printing of the CR report, and electricity used to power the computer with which the report was designed. The calculation for the paper was provided using the Environmental Paper Network's Paper Calculator. This calculation included the carbon from burning fossil fuels, methane from paper decomposing in landfills, short-living climate pollutants, and the forest carbon storage loss from logged forests. The emissions associated with the shipping of paper and ink to American Family facilities were calculated using the Carbon Fund's product shipments equation based on the weight of paper and ink estimated to produce 300 reports. Emissions associated with the production of ink cartridges was based off a standard size ink cartridge and the average number of printed pages one ink cartridge can support to identify the estimated number of ink cartridges required for printing 300 reports. Printing emissions were calculated based on the average amount of emissions released using an American Family-owned inkjet printer. Finally, as we produced both a physical and digital copy of the CR report, we estimated the amount of time in hours that was spent on the computer drafting, designing, collaborating, and producing the CR report. We then calculated the average amount of electricity required to power computer use for that length of time to quantify the total amount of carbon emissions in metric tons released throughout this usage period.

Verified to which standard

ACR (American Carbon Registry)

Number of credits (metric tonnes CO₂e)

0.31

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

0.31

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/clients
- Yes, our investees
- Yes, other partners in the value chain

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients

Customers/clients of Insurers

Type of engagement

Engagement & incentivization (changing client behavior)

Details of engagement

Run an engagement campaign to educate clients about climate change

% client-related Scope 3 emissions as reported in C-FS14.1a

Portfolio coverage (total or outstanding)

Rationale for the coverage of your engagement

Engagement targeted at clients with increased climate-related risks

Impact of engagement, including measures of success

American Family Insurance encourages policyholders to prevent or mitigate losses caused by covered perils, whether 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 to reduce losses related to fire, water damage and exposure to carbon monoxide poisoning.

Type of clients

Customers/clients of Insurers

Type of engagement

Engagement & incentivization (changing client behavior)

Details of engagement

Other, please specify (Incentives associated with driving habits that benefit people and planet)

% client-related Scope 3 emissions as reported in C-FS14.1a

Portfolio coverage (total or outstanding)

8.7

Rationale for the coverage of your engagement

Other, please specify (Self-selected engagement by auto insurance customers)

Impact of engagement, including measures of success

8.7% of AFI Personal Auto policies are enrolled in our Know Your Drive user based insurance (UBI) program. AFI's UBI allows customers to receive discounts on their premium based on distance driven and safe driving habits. This incentivizes customers to drive less, and more smoothly, leading to decreased GHG emissions. Usage based insurance is eligible and offered only for certain book of business and specific lines of business – Auto.

C-FS12.1c

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

Type of engagement

Information collection (Understanding investee behavior)

Details of engagement

Include climate-related criteria in investee selection / management mechanism

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

Investing (Asset managers) portfolio coverage

<Not Applicable>

Investing (Asset owners) portfolio coverage

1

Rationale for the coverage of your engagement

Engagement targeted at investees with the highest potential impact on the climate

Impact of engagement, including measures of success

The American Family Office of Community and Social Impact manages their own Venture fund, investing in social impact startups. Approximately 25% of this fund has been engaged on climate-related issues. AFI has not measured their full investments portfolio. We will continue to investigate further climate-related investment opportunities in the future. We have not measured our full investments portfolio at this time. Within the venture fund, this engagement covers approximately ¼ of the American Family Institute (the Institute) for Corporate and Social Impact portfolio companies. During the diligence process, the Institute evaluates on several metrics including revenue, scalability, innovation, team, and social impact. This fund sends out a survey covering ESG topics to all startups in its portfolio. It aims for at least an 80% response rate. For the Resilient Communities thesis, which accounts for ¼ 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. 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

Innovation & collaboration (changing markets)

Details of engagement

Carry out collaborative engagements with other investors or institutions

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

Investing (Asset managers) portfolio coverage

<Not Applicable>

Investing (Asset owners) portfolio coverage

1

Rationale for the coverage of your engagement

Non-targeted engagement

Impact of engagement, including measures of success

The American Family Office of Community and Social Impact manages their own Venture fund, investing in social impact startups. AFI has not measured their full investments portfolio. We will continue to investigate further climate-related investment opportunities in the future. We have not measured our full investments portfolio at this time. Within the venture fund, 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 and Imagine H2O. Additionally, they promote the work of the startups and partners who are engaged in climate-related issues on their social media channels. We promote 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. We invite all portfolio companies to all events. Measures of success include event attendance and qualitative feedback from portfolio companies.

Type of engagement

Engagement & incentivization (changing investee behavior)

Details of engagement

Encourage better climate-related disclosure practices among investees

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

Investing (Asset managers) portfolio coverage

<Not Applicable>

Investing (Asset owners) portfolio coverage

1

Rationale for the coverage of your engagement

Non-targeted engagement

Impact of engagement, including measures of success

The American Family Office of Community and Social Impact manages their own Venture fund, investing in social impact startups. Approximately 25% of this fund has been engaged on climate-related issues. AFI has not measured their full investments portfolio. We will continue to investigate further climate-related investment opportunities in the future. We have not measured our full investments portfolio at this time. Within the venture fund, this engagement covers approximately ¼ 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 1/4 of our investment portfolio. Through the board positions, they encourage companies to collect and disclose climate related metrics. 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.

C12.1d

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

An example of employee engagement is our employee green team, the Sustainability 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.

Our Sustainable Land Management (SLM) team hosts trainings and seminars annually to educate employees and members of the public on ways to reduce impact. Topics in 2021 included but not limited to, Helping Children Explore the Natural Environment, Bringing Birds to your Yard, What Homeowners can do about Invasive Species, Gardening for All, Creating Prairie Gardens & Meadows, and Organic Lawncare. 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. In 2021, 51.3 acres of total land has been converted to native. In 2021 roughly 11 acres were managed for invasive species and is actively managed to restore the ecosystem. Our goal is for 25% of our landscape to be native by 2030. 57% of this goal has been completed. To increase our native land restoration we have partnered with the University of Wisconsin-Madison to preform research using goat grazing for invasive species. We also educated 670 employees and general public members, including 64.5 hours of seminars and trainings offered. There have been nine 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 the addition of a National Wildlife Federation Certification for a site-specific certified wildlife habitat at our national headquarters. We also effectively managed winter salting to reduce chlorides entering surrounding water resources by requiring certification and training of Salt Wise techniques and best practices. We have seen an average of 50% reduction from our baseline year and continue to reduce pollutants.

American Family Insurance has developed an external research partnership with Northern Illinois University (NIU). NIU has well established meteorological and climate expertise. Funding supports the transfer of knowledge in existing weather and climate data foundations, expansion of both weather and climate datasets, model research and development, and climate simulation/scenario analysis. NIU runs a large amount of climate simulation data to research how different perils may change over time, particularly the severe storm risk. With this data, American Family can run thousands of simulations of how its book of business could be impacted. For example, if it is discovered that tornadoes will be more common in one area and less common in another, this new environment can be simulated. This could be an indication of how directionally American Family's losses might change. This partnership helps us navigate mitigation and adaption to climate risk.

American Family in partnership with NationSwell is continuing 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 are actively engaging with 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 are utilizing what we learned during a 2021 listening tour as the basis for a program designed to support the work of youth advocates and activists.

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

	Exercise voting rights as a shareholder on climate-related issues	Primary reason for not exercising voting rights as a shareholder on climate-related issues	Explain why you do not exercise voting rights on climate-related issues
Row 1	No, but we plan to in the next two years	Important but not an immediate priority	Our fiduciary partner is instructed to vote on what is in American Family's best interest.

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

(C12.3)(12.4) American Family pledges carbon neutrality by 2030.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

On a bi-monthly basis, American Family's Government Affairs team participates in a Climate Risk and Resilience Working Group meeting to share out any climate-related legislative, regulatory, or trade associations developments. This multi-divisional group then provides input and guidance to Government Affairs about how each public policy will impact our Enterprise and whether further engagement on a policy is aligned with our overall climate change strategy. In between meetings, Government Affairs also meets with internal partners on climate-related and resiliency issues on an as-needed basis.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change

Renewable energy generation

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Wisconsin Task Force on Climate Change

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

American Family Insurance was an active contributor on the Wisconsin Task Force on Climate Change. This includes leading regular team meetings, representing corporate stakeholders in discussions, and supporting the development of deliverables. Over the course of 2020, 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. In December 2020, the Task Force published the Climate Change Task Force Report that included recommendations on key climate change provisions to create healthy communities and a strong economy, promote clean, renewable energy and energy conservation, elevate sustainable transportation options and address the potential for our agricultural and forest lands to capture carbon. In May 2021, Task Force members, including American Family, coauthored an op-ed encouraging the Wisconsin Legislature to adopt its recommendations. In April 2021, Governor Evers included in his 2021 budget millions for flooding as well as carbon neutral grants as a direct result of the Climate Change Task Force Report.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change

Renewable energy generation

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Stronger Wisconsin

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

American Family representatives have participated in the Stronger Wisconsin multiagency campaign focused on building a more resilient Wisconsin in the face of our changing climate. Stronger Wisconsin is an initiative being led jointly by OCI Commissioner Afaible, Department of Safety and Professional Services Secretary Dawn Crim, and Department of Financial Institutions Secretary Kathy Blumenfeld. The initiative brings together state agencies, industry partners, and community leaders to focus on mitigation opportunities and aims to highlight the importance of appropriate and sufficient insurance coverage for consumers across the state. On June 28, 2021, Stronger Wisconsin toured six Door County sustainable, resilient homes using passive - house principles of design that achieve high energy efficiency through net -zero or net -zero -

ready standards that use less energy and fewer resources and are healthier for the occupants. On October 12, 2021, Stronger Wisconsin met with Milwaukee community leaders to learn more about how neighborhood -level flood mitigation projects have helped their communities prepare for and withstand severe weather events. American Family joined both tours to learn how the insurance industry can partner with the Wisconsin government on needed changes and help to build more resilient communities.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Mandatory climate-related reporting

Specify the policy, law, or regulation on which your organization is engaging with policy makers

NAIC Climate Risk Disclosure Survey

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

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. In 2021, American Family Government Affairs team attended NAIC Spring, Fall, and Summer conferences, including the NAIC's Climate & Resiliency (EX) Task Force sessions. During these conferences, American Family engaged with regulators on the Disclosure Workstream of the NAIC's Climate and Resiliency (EX) Task Force. The Disclosure workstream was tasked with considering modifications to the Climate Risk Disclosure Survey to align with Task Force on Climate - related Financial Disclosures (TCFD) and promote uniformity in reporting requirements. As of December 2021, 15 states require certain insurers to submit either the NAIC Climate Survey or the Task Force on Climate -Related Financial Disclosures Survey. American Family also participated in insurance trade association calls to develop a public comment on the work going on within the Disclosure workstream.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Institute for Business and Home Safety (IBHS)

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

American Family joined the Insurance Institute for Business and Home Safety (IBHS) along with 21 other Insurance provider signatories on the Insurers' Principle for Climate Change Adaptation December 2021. These principles are: 1. Climate change adaptation is necessary 2. Building codes and land use support tomorrow's resilience 3. Prioritize funding for increasing resilience of existing structures 4. Make resilience available for all 5. Leverage climate data and analytics to support climate adaptation 6. Enhance resilience for public infrastructure and facilities Corporate statement: As an insurance organization, American Family, and the customers and communities it serves, are greatly impacted by the effects of climate change. In recent years, extreme climate -related events like hurricanes and wildfires have become more frequent and more severe. It's important that American Family – and the insurance industry as a whole – speak out and act on an issue that has such devastating effects. American Family will continue its long -time support of research and testing to make homes safer and stronger, prevent injuries, save lives and mitigate damage when catastrophes occur, including through a partnership with the Insurance Institute for Business & Home Safety (IBHS), and as a signatory of the Insurers' Principles for Climate Change Adaptation with IBHS and industry peers.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Other, please specify (Infrastructure Bill)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

H.R.3684 (2021)

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Federal Infrastructure legislation. Applauding bipartisanship and encouraging more. September 21, 2021. In watching lawmakers work the federal physical infrastructure bill through the U.S. Senate and successfully pass it over to the House of Representatives in August, we were encouraged. We were encouraged by the fact that this legislation will help create jobs and improve lives for all Americans, but we were equally encouraged by the bipartisan collaboration that was required to pass this legislation and keep it moving forward. As an insurance organization that partners to invest in economic empowerment, education and health equity and climate resilience, there are many elements of this legislation we support including: Expanding broadband to unserved areas of the country, while making it more affordable and accessible to lower -income households, replacing lead pipes and service lines and to ensure cleaner and safer drinking water for more communities, highway and other transportation improvements that would make highways, bridges, and intersections safer for all communities, while also improving and increasing public transit options, and initiatives that help address climate change and its effects, such as those that lower emissions and help people better prepare their homes for flooding and wildfires. And now, as lawmakers resume discussions on reconciling the federal budget, we encourage them to pursue additional opportunities to improve lives across all communities such as a focus on foundational education, policies that make it easier for employees to successfully balance work and family, and measures to address student debt that makes financial security out of reach for many college graduates. We will continue taking action in these areas through our own business practices, the partnerships and investments in social impact startups we make through the American Family Institute for Corporate and Social Impact, and with our community investment in nonprofit and other organizations through the American Family Insurance Dreams Foundation . We will also continue our long -time support of research and testing to make vehicles and homes safer and stronger, prevent injuries, save lives, and mitigate damage when accidents and catastrophes occur. We applaud the U.S. senators and representatives from both parties who have worked together and urge them – and lawmakers at all levels of government – to focus on important legislative priorities for all.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers

H.B. 1168

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

United States of America

Your organization’s position on the policy, law, or regulation

Neutral

Description of engagement with policy makers

During the Washington state 2021 legislative session, House Bill 1168, an act relating to long-term forest health and the reduction of wildfire dangers was passed by the legislature. HB 1168 states an intent to provide \$500 million over the next four biennia in a new dedicated fund for forest health. Specifically, the legislation requires the Department of Natural Resources to implement a variety of wildfire preparedness, prevention, and forest health initiatives including increasing coordination with various entities, developing a forest health work force, providing an aviation support program, creating a small forest landowner forest health program, and exploring and developing markets for woody biomass residuals from forest health treatments. The direct correlation between increased wildfires and climate change was considerably the driving motivator for the policy and its stakeholder support. American Family monitored the proposal and supported our state and national trades partners participation in providing public testimony indicating insurance industry backing for the intent of the bill, so long as the funding was provided by the Washington state general fund. The legislation passed with industry support.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers

S.B. 762

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

United States of America

Your organization’s position on the policy, law, or regulation

Neutral

Description of engagement with policy makers

During the Oregon 2021 legislative session, the legislature passed Senate Bill 762, a comprehensive bill regarding wildfire preparedness and mitigation. Senate Bill 762 was an omnibus wildfire bill that emerged at the end of the legislative session. It focused on improving and modernizing Oregon’s wildfire preparedness with three strategies: creating fire-adapted communities; developing safe and effective responses; and increasing the resiliency of Oregon’s landscapes. Among its many provisions, it creates a State Wildfire Programs Director, who may explore additional opportunities to reduce wildfire risk, including by engaging with insurance companies regarding insurance policy coverage provisions, underwriting standards, insurance rates and any other topics relevant to enhancing the protection of property from wildfire at a reasonable cost. American Family participated in monitoring the proposal through our state and national trades partners and ultimately supported the intent of the policy as it relates to mitigating wildfire risk and creating more resilient communities but remained neutral during its speedy passage that occurred during the final days of the legislative session.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (Insurance Institute for Business & Home Safety (IBHS))

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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. AFI's Personal Lines Regional Product AVP serves on the board of this trade association. In 2020, AFI 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.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (American Property Casualty Insurance Association (APCIA))

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

On July 2, 2021, 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. 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. AFI's Direct President serves on the Board of this trade association. Additionally, AFI 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 will devise a legislative and regulatory strategy to promote federal mitigation and resiliency efforts related to natural disasters.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is not aligned

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

(C12.4)(C15.6) (FW-FS6.1) 2020-CorporateRespReport_Digital (1).pdf

Page/Section reference

Complete Document

Content elements

Strategy

Emissions figures
Emission targets
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. 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 2020 in our latest 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 voluntary sustainability report

Status

Underway – previous year attached

Attach the document

SustainabilityClimateActionPlan_2021_lowres.pdf

Page/Section reference

Complete Document

Content elements

Strategy
Emissions figures
Emission targets
Other metrics

Comment

In 2021, we updated our Sustainability and Climate Action Strategic Plan. The original strategy did not specify the scope of our carbon neutrality goal. The updated plan displays our aspirational goal to achieve carbon neutrality across scope 1, 2, and relevant scope 3 emissions categories by 2030. We are still currently working to measure our footprint.

Publication

In other regulatory filings

Status

Complete

Attach the document

(C12.4) NAIC Climate Risk Survey_Reporting Year 2020.pdf
(C12.4) NAIC Climate Risk Survey_Reporting Year 2020- AFLIC.pdf

Page/Section reference

The entire document relates to climate change and GHG as per the Insurance Commissioners requirements in the following States: California, Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Minnesota, New Mexico, New York, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington.

Content elements

Governance
Strategy
Risks & opportunities

Comment

State insurance regulators from 15 states including California, Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Minnesota, New Mexico, New York, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington require the completion of an annual Climate Risk Disclosure Survey for insurance companies licensed in their jurisdictions. American Family Insurance complies with this regulatory filing, with the most recent submission completed in August of 2021.

Publication

In voluntary communications

Status

Underway – previous year attached

Attach the document

(C12.4) At the forefront, with a sound climate action strategy _ Compass.pdf

Page/Section reference

Complete Document

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.

Publication

In voluntary communications

Status

Complete

Attach the document

(C12.3)(12.4) American Family pledges carbon neutrality by 2030.pdf

Page/Section reference

Complete Document

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 not a part of it.

Publication

In voluntary communications

Status

Complete

Attach the document

(C12.4) Building resilient communities_ Tackle the climate crisis with the AmFam enterprise _ Compass.pdf

Page/Section reference

Complete Document

Content elements

Strategy
Emission targets

Comment

Our communities are at the heart of what we do. As we work to navigate risk and protect the communities where we live and work, no goal is too small, no issue too big. Building resilient communities through climate is one of these goals—one that was highlighted in a Social Impact Spotlight webinar.

Publication

In voluntary communications

Status

Complete

Attach the document

(C12.4) American Family's commitment to sustainability grows.pdf

Page/Section reference

Complete Document

Content elements

Strategy
Emissions figures
Emission targets
Other metrics

Comment

In December 2021, American Family Insurance announced its upcoming participation in the United Airlines EcoSkies Alliance program, in which United corporate travelers purchase sustainable aviation fuel (SAF), to reduce emissions from employee business travel.

C-FS12.5

(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	CDP Signatory 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. 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. 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. AFI's decision to submit to CDP is driven by our strategic vision to be recognized as an industry leader through our actions in Environmental Sustainability. We believe that the first step in becoming a leader is to better understand how we compare to our peers.

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Investing all carbon-related assets (Asset owner)

Are you able to report a value for the carbon-related assets?

Please select

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

<Not Applicable>

Investing in coal (Asset owner)

Are you able to report a value for the carbon-related assets?

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

<Not Applicable>

Investing in oil and gas (Asset owner)

Are you able to report a value for the carbon-related assets?

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

<Not Applicable>

Insuring all carbon-related assets

Are you able to report a value for the carbon-related assets?

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

<Not Applicable>

Insuring coal

Are you able to report a value for the carbon-related assets?

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

<Not Applicable>

Insuring oil and gas

Are you able to report a value for the carbon-related assets?

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

<Not Applicable>

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

<Not Applicable>

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

<Not Applicable>

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (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>	As the ESG strategy is further defined and matures we anticipate this will occur in the future.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	<Not Applicable>	As the ESG strategy is further defined and matures we anticipate this will occur in the future.

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, and we do not plan to in the next two years	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 1.5-degree world.
Insurance underwriting (Insurance company)	No, and we do not plan to in the next two years	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 1.5-degree world.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, executive management-level responsibility	The Business and Workplace Vice President understands and oversees our efforts in biodiversity of our site. Our facilities teams strive to be leaders in sustainable land management while making a difference in our communities. We are committed to balancing business value with environmental stewardship through education, collaboration, protection, and restoration. Our sustainable land management program supports our corporate responsibility commitment to Community, Environment and People. We measure our objectives by tracking the amount of land that is restored to native classification, the number of educational opportunities we supply our employees, the amount of wildlife programs that we support on our properties and the tracking of pollutants used on site and creating reduction plans.	Risks and opportunities to our own operations The impact of our own operations on biodiversity

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, and we do not plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify (Key performance indicators include the number of acres restored to native land classification, number of wildlife programs on our properties, and number of education hours we offer employees.)

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Details on biodiversity indicators	Biodiversity data is located in table in "Our Data Environment" pages 26 and 27 in our corporate responsibility report. (C12.4)(C15.6) (FW-FS6.1) 2020-CorporateRespReport_Digital (1).pdf

C16. 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.

C16.1

(C16.1) 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)

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	No, but we plan to within the next two years	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 for internal controls which suggests the Board has a lead role in the management of risk. Climate-related topics are monitored and shared within the Enterprise Climate Risk and Resilience Working Group. Members of the Climate Risk and Resilience Working Group act as liaisons for risk-based dialogue between internal and external stakeholders and may recommend actions that enhance 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).
Water	No, but we plan to within the next two years	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 for internal controls which suggests the Board has a lead role in the management of risk. Climate-related topics are monitored and shared within the Enterprise Climate Risk and Resilience Working Group. Members of the Climate Risk and Resilience Working Group act as liaisons for risk-based dialogue between internal and external stakeholders and may recommend actions that enhances 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).

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area

Not assessed

Criteria used to assess competence of board member(s) on this issue area

<Not Applicable>

Primary reason for no board-level competence on this issue area

Important but not an immediate priority

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future

American Family has not yet assessed forests-related competency of our board members. In 2021 we completed a Sustainalytics ESG evaluation of our company, and we remain actively involved in identifying improvement opportunities, including defining more explicit ESG board accountabilities.

Water

Board member(s) have competence on this issue area

Not assessed

Criteria used to assess competence of board member(s) on this issue area

<Not Applicable>

Primary reason for no board-level competence on this issue area

Important but not an immediate priority

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future

American Family has not yet assessed water-related competency of our board members. In 2021 we completed a Sustainalytics ESG evaluation of our company, and we remain actively involved in identifying improvement opportunities, including defining more explicit ESG board accountabilities.

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Name of the position(s) and/or committee(s)

ESG Portfolio/Fund manager

Reporting line

Corporate Sustainability/CSR reporting line

Issue area(s)

Water

Responsibility

Both assessing and managing risks and opportunities

Coverage of responsibility

Risks and opportunities related to our investing (asset ownership) activities

Frequency of reporting to the board on forests- and/or water-related issues

As important matters arise

Name of the position(s) and/or committee(s)

Business unit manager

Reporting line

Finance – CFO reporting line

Issue area(s)

Forests

Water

Responsibility

Both assessing and managing risks and opportunities

Coverage of responsibility

Please select

Frequency of reporting to the board on forests- and/or water-related issues

As important matters arise

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking - Forests exposure	<Not Applicable>	<Not Applicable>
Banking – Water exposure	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests exposure	No, and we do not plan to in the next two years	Our team within the Institute has developed a survey to request ESG impact data from the ventures that we have invested in. We plan to evolve this reporting in future years.
Investing (Asset owner) – Water exposure	No, but we plan to within the next two years	Our team within the Institute has developed a survey to request ESG impact data from the ventures that we have invested in. We plan to evolve this reporting in future years.
Insurance underwriting – Forests exposure	No, and we do not plan to in the next two years	As it stands today, our policyholders' forests related information will not be evaluated in a 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, the same would likely happen for forests related risks if we were to do this in the future.
Insurance underwriting – Water exposure	No, and we do not plan to in the next two years	As it stands today, our policyholders' water related information will not be evaluated in a 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, the same would likely happen for water related risks if we were to do this in the future.

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	<Not Applicable>	<Not Applicable>
Banking – Water-related information	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests-related information	No, and we do not plan to in the next two years	Our team within the Institute has developed a survey to request ESG impact data from the ventures that we have invested in. We plan to evolve this reporting in future years.
Investing (Asset owner) – Water-related information	No, but we plan to do so within the next two years	Our team within the Institute has developed a survey to request ESG impact data from the ventures that we have invested in. We plan to evolve this reporting in future years.
Insurance underwriting – Forests-related information	No, and we do not plan to in the next two years	As it stands today, our policyholders' forests related information will not be evaluated in a 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, the same would likely happen for forests related risks if we were to do this in the future.
Insurance underwriting – Water-related information	No, and we do not plan to in the next two years	As it stands today, our policyholders' water related information will not be evaluated in a 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, the same would likely happen for water related risks if we were to do this in the future.

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	No	Not yet evaluated	Not yet evaluated
Water	No	Not yet evaluated	Not yet evaluated

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	No	Opportunities exist, but none with the potential to have a substantive financial or strategic impact on business	Wildfire risk is not currently a material risk to the Enterprise Insurance portfolio therefore it is not driving reinsurance costs, capital allocation or target combined ratios at the enterprise level. However, there is an appreciation regarding the volatility that wildfire risk presents which are being managed through underwriting guidelines and activities aimed to manage and reduce the enterprise exposure including the implementation of wildfire scores and catastrophe modeling-based pricing. In addition, in 2021 the Property Line of Business launched the Wildfire Defense Systems ("WDS") initiative. WDS is a private fire service that provides suppression activities which (1) clears debris from roofs and property; (2) sprays fire retardant on the home; (3) installs temporary sprinkler systems; (4) seals vents and home openings; and (5) installs portable water tanks. These services are provided before, during and after when an insured property is in eminent danger of a wildfire with no explicit cost to the policyholder.
Water	No	Not yet evaluated	Given Enterprise prioritization of impacts this item has not yet been considered.

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

No, we do not take risks and opportunities into consideration

Description of influence on organization's strategy including own commitments

<Not Applicable>

Financial planning elements that have been influenced

<Not Applicable>

Description of influence on financial planning

<Not Applicable>

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

Not yet assessed.

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

No, we do not take risks and opportunities into consideration

Description of influence on organization's strategy including own commitments

<Not Applicable>

Financial planning elements that have been influenced

<Not Applicable>

Description of influence on financial planning

<Not Applicable>

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

Not yet assessed.

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used

<Not Applicable>

Parameters, assumptions, analytical choices

<Not Applicable>

Description of outcomes for this issue area

<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy

<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

This issue is important to American Family Insurance but not an immediate priority.

Water

Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used

<Not Applicable>

Parameters, assumptions, analytical choices

<Not Applicable>

Description of outcomes for this issue area

<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy

<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

This issue is important to American Family Insurance but not an immediate priority.

FW-FS3.3

(FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	No, and we do not plan to address this in the next two years	This issue is important to American Family Insurance, but it is not an immediate priority.
Water	No, and we do not plan to address this in the next two years	This issue is important to American Family Insurance, but it is not an immediate priority.

FW-FS3.4

(FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	No, and we do not plan to include this issue area in the next two years	This issue is important to American Family Insurance but not a priority.
Water	No, and we do not plan to include this issue area in the next two years	This issue is important to American Family Insurance but not a priority.

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	Yes	<Not Applicable>
Clients – Water	No, and we do not plan to in the next two years	Not yet assessed.
Investees – Forests	No, and we do not plan to in the next two years	We invest in several climate-impact startup companies through the American Family Insurance Institute for Corporate and Social Impact venture capital fund, including clean water, clean energy, and disaster tech. At this time, we do not plan to expand our investment thesis to include forests. We recognize the importance of forests but need to strategically focus our limited investment dollars into areas where we can have the greatest impact; in addition to our investment thesis that encompasses climate change (i.e., "Resilient Communities"), our overall fund also invests in three other verticals unrelated to climate change but still focused on creating social impact.
Investees – Water	Yes	<Not Applicable>

FW-FS4.1a

(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.

Type of clients

Clients of Insurers

Issue area this engagement relates to

Forests

Type of engagement

Education/information sharing

Details of engagement

Other, please specify (Engagement via educational materials about loss reduction)

Portfolio coverage of engagement

Rationale for the coverage of your engagement

Please select

Impact of engagement, including measures of success

American Family Insurance encourages policyholders to prevent or mitigate losses caused by covered perils, whether the losses can be attributed to climate change. This includes providing customers with informational newsletters and brochures related to loss reduction. For example, we've provided brochures that outline how to reduce wildfire risk.

FW-FS4.1b

(FW-FS4.1b) Give details of your forests- and/or water-related engagement strategy with your investees.

Issue area this engagement relates to

Water

Type of engagement

Other, please specify (Information collection (understanding investee behavior))

Details of engagement

Other, please specify (Included climate change in investee selection/management mechanism)

Investing (asset manager) portfolio coverage of engagement

<Not Applicable>

Investing (asset owner) portfolio coverage of engagement

1

Rationale for the coverage of your engagement

Other, please specify (Targeted at start ups that are under consideration for the Institute's Resilient Communities thesis)

Impact of engagement, including measures of success

The American Family Office of Community and Social Impact manages their own Venture fund, investing in social impact startups. This engagement covers approximately ¼ of the American Family Institute (the Institute) for Corporate and Social Impact portfolio companies. During the diligence process, the Institute evaluates several metrics including revenue, scalability, innovation, team and social impact. This fund sends out a survey covering ESG topics to all startups in its portfolio. It aims for at least an 80% response rate. For the Resilient Communities thesis, which accounts for ¼ 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. 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 water - related goals. They will, however, be measuring impact for watertech/cleantech portfolio companies in the coming year.

FW-FS4.2

(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

	We exercise voting rights as a shareholder on this issue area	Issues supported in shareholder resolutions	Give details of the impact your voting has had on this issue area	Explain why your organization does not exercise voting rights on this issue area and any plans to address this in the future
Forests	No, and we do not plan to in the next two years	<Not Applicable>	<Not Applicable>	This issue is important to American Family Insurance but not an immediate priority.
Water	No, and we do not plan to in the next two years	<Not Applicable>	<Not Applicable>	This issue is important to American Family Insurance but not an immediate priority.

FW-FS4.3

(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Agricultural commodity	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	No, but we plan to in the next two years	Important but not an immediate priority	Organizations that AmFam engages in have not participated in direct or indirect advocacy or influence on policy, law, or regulation regarding forests.
Water	No, but we plan to in the next two years	Important but not an immediate priority	Organizations that AmFam engages in have not participated in direct or indirect advocacy or influence on policy, law, or regulation regarding water.

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Banking – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Forests	No, and we don't plan to in the next two years	<Not Applicable>	Important but not an immediate priority	As the ESG strategy is further defined and matures we anticipate this will occur in the future.
Investing (Asset owner) – Impact on Water	No, and we don't plan to in the next two years	<Not Applicable>	Important but not an immediate priority	As the ESG strategy is further defined and matures we anticipate this will occur in the future.
Insurance underwriting – Impact on Forests	No, and we don't plan to in the next two years	<Not Applicable>	Important but not an immediate priority	As the ESG strategy is further defined and matures we anticipate this will occur in the future.
Insurance underwriting – Impact on Water	No, and we don't plan to in the next two years	<Not Applicable>	Important but not an immediate priority	As the ESG strategy is further defined and matures we anticipate this will occur in the future.

FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the timber products supply chain	Please select	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the palm oil products supply chain	Please select	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cattle products supply chain	Please select	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the soy supply chain	Please select	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the rubber supply chain	Please select	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cocoa supply chain	Please select	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the coffee supply chain	Please select	<Not Applicable>	<Not Applicable>
Insuring companies operating in the timber products supply chain	Please select	<Not Applicable>	<Not Applicable>
Insuring companies operating in the palm oil products supply chain	Please select	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cattle products supply chain	Please select	<Not Applicable>	<Not Applicable>
Insuring companies operating in the soy supply chain	Please select	<Not Applicable>	<Not Applicable>
Insuring companies operating in the rubber supply chain	Please select	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cocoa supply chain	Please select	<Not Applicable>	<Not Applicable>
Insuring companies operating in the coffee supply chain	Please select	<Not Applicable>	<Not Applicable>

FW-FS6.1

(FW-FS6.1) Have you published information about your organization’s response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In a voluntary sustainability report

Status

Underway – previous year attached

Attach the document

(C12.4)(C15.6) (FW-FS6.1) 2020-CorporateRespReport_Digital (1).pdf

Page/Section reference

Page 12 (LEED Certification) and Page 26 (Water and Land Management Data)

Content elements

Strategy

Other, please specify (Employee engagement)

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. Our recent achievements in these areas are highlighted in our most recent Corporate Responsibility Report. Our efforts in forests and water are featured throughout the report. Regarding our effort related to forests, we discuss our biodiversity effort such as native land restoration and employee education hours surrounding sustainable land management practices. We also feature information about our LEED Gold Certified building known as “The Spark” located in Madison, WI as well as information about how much water has been utilized in and saved throughout AFI owned facilities.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms