

OURS TO SUSTAIN

2017 Corporate Responsibility Report



**AMERICAN FAMILY
INSURANCE**®

Insure carefully, dream fearlessly.



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On the cover — Hosted by American Family Insurance, the One Saturday to Dream Fearlessly events are ongoing celebrations to encourage participants to create a positive change in their communities, while inspiring dreams, and bringing together community volunteers, American Family agents, brand ambassadors and employees. (Learn more about One Saturday on pages 34-35.)

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PROTECTING WHAT MATTERS MOST



The first time we saw our home from this vantage point was when the three-person crew of Apollo 8 photographed it in 1968. This wonderful home — infinitely beautiful — suddenly appeared delicate, splendid and fragile. Fifty years later, Earth remains as delicate, splendid and fragile as ever. And for those reasons, protecting what matters most becomes more and more important.

A MESSAGE FROM THE CEO

I think that we all want our company to be a great insurer — the most trusted and valued customer-driven insurance company. But, don't we all want American Family to be *even more*?

We all want this to be a great place to work for agents and employees, and have a strong and vibrant brand. Isn't it also important we take a thoughtful stand on issues critical in our country so we can be a difference-maker in our communities?

Each of these on its own is crucial. When we bring them together, the power of what we can produce is amazing. I believe it's more than just philanthropy.

It's the role our agents play in their communities — serving as trusted advisers for families, farmers, and small businesses ... and giving back. It's how we respond to natural disasters. Restoring customers' lives makes a difference in the places where they live. Rebuilding homes and businesses has a ripple effect vital to people we serve — but also to their neighbors.

Our role is to be a leader — creating positive economic, social and environmental impact, together with measurable benefits. American Family customers want to see us as partners. They seek purpose-driven organizations that are authentic, transparent and intentional. We see this partnership through investments in our communities, environmental sustainability and empowering our people.

And because we have dreams — just like our customers — we seek access to life-long learning for all, a zero-waste future, and an inclusive and diverse culture for our company.

It's a learning opportunity we can share. This first-ever Corporate Responsibility Report summarizes our efforts in 2017, and highlights our story that started more than 90 years ago.

We want people to say, "This is a better community because American Family is part of it."



Jack Salzwedel
Chair & Chief Executive Officer

(Right) American Family Insurance CEO Jack Salzwedel speaks to company leaders about the importance of diversity and inclusion in our workplaces and communities. He used the moment to also honor the memory of Heather Heyer, who was killed counter-protesting a white supremacist rally in Charlottesville, Virginia in August 2017.



SOCIAL IMPACT

We are now connected globally, yet challenges continue to exist locally. Income inequality persists. Racial injustice remains. It is time to engage with communities, foster innovation and invest in ideas that help customers.

- ▶ By 2045, the U.S. population will be more diverse than ever before.^{iv}
- ▶ The percentage of the U.S. population living in urban areas continues to grow.^v
- ▶ Income inequality is more severe than ever — with the poor and middle class seeing little to no income growth, while the wealthy see their incomes rise.^{vi}

At American Family Insurance, we've been protecting dreams for more than 90 years. And we know that living in times of great uncertainty like these, the right support can make all the difference. That's why we've made it our mission to support customers and communities — making sure we're walking alongside as they work toward their next great chapter, protecting and supporting them every step of the way.

That means being a force for purpose-driven action. Our corporate responsibility includes investing in communities through grants and scholarships, developing partnerships with nonprofit organizations, and providing our employees with opportunities to practice their passions — so they can create positive social impact in their own communities.

Homelessness is one of many issues affecting our communities. Our One Saturday to Dream Fearlessly events, hosted by American Family agents, employees and brand ambassadors, bring together volunteers and community leaders to help tackle these issues — to make an impact. In Seattle, we celebrated with more than 200 volunteers after packing 3,000 personal hygiene kits for Mary's Place and Youth-Care, two nonprofits that dream of ending homelessness in Seattle.

ONE SATURDAY TO
**DREAM
FEARLESSLY**

AM
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Following a fierce wind and hail storm, American Family customers filed more than 10,000 claims in the Denver area in early May 2017.

CLIMATE RESILIENCY

The climate is changing. Catastrophic events are more frequent. Storms are more intense. We need action today, to secure a more resilient tomorrow.

- ▶ The Earth is now warming faster than any other time in history, with seven of the top 10 warmest years on record occurring since 1998.ⁱ
- ▶ The proportion of severe and intense weather events has increased substantially in the last 20-30 years, with 80 percent of the most expensive catastrophic events in U.S. history occurring during the last 15 years.ⁱⁱ
- ▶ In 2017, the global economic cost of natural disasters totaled \$353 billion, with insured costs totaling \$134 billion. Weather-related disasters totaled \$344 billion, with total insured costs totaling \$132 billion.ⁱⁱⁱ

At American Family Insurance, we recognize these facts — and how climate change puts our customers and communities at risk.

We believe in protecting what matters most, and that means managing risk to ensure our customers realize their dreams, our company remains financially strong and our communities thrive.

While more catastrophic events present a real challenge, the insurance industry has a chance to lead. To ensure a resilient future, we must counter the effects of climate change by developing innovative products, investing in adaptive and resilient infrastructure solutions, minimizing our environmental footprint and supporting agents and employees with opportunities to practice their passions so that they can create positive environmental impact in their communities.

RECENT HIGHLIGHTS

During 2017, American Family Insurance pursued a variety of projects through our Corporate Responsibility program. Here are some of the results of this work supporting our communities, environment and people.

\$11.7 MILLION TOTAL COMBINED PHILANTHROPIC GIVING 

INSTALLED AT NATIONAL HEADQUARTERS
4,488 SOLAR PANELS

51 MILLION POUNDS OF CO₂ OFFSET DURING ITS 30-YEAR SERVICE LIFE

1,471 EMPLOYEES VOLUNTEERED
8,714 HOURS

77% WASTE DIVERSION RATE
IN OTHER WORDS, WE RECYCLED
442 TONS OF WASTE OUT OF A TOTAL OF
569 TONS OF WASTE GENERATED

\$3.9 MILLION COMMUNITY GRANTS
\$415,000 SCHOLARSHIPS
\$1.9 MILLION MATCHING GIFTS

10 ELECTRIC VEHICLE CHARGING STATIONS
STEVE STICKER AMERICAN FAMILY INSURANCE FOUNDATION
\$1,625,000 PROCEEDS RAISED in 2017
68 CHARITABLE RECIPIENTS
\$14 MILLION ESTIMATED LOCAL ECONOMIC IMPACT

53 PERCENT ENGAGEMENT RATE
EMPLOYEE HEALTH & WELLNESS PROGRAM
Virgin Pulse
Getting active, eating healthy and reducing stress are our top three health-interest areas.
AVERAGE STEPS PER MEMBER PER DAY
7,246

AWARDS AND RECOGNITION

American Family Insurance is often recognized for its corporate responsibility-related work. In 2017, we received a variety of honors that mark our commitment to our communities, our environment and our people.

Achieved LEED certification for our Eden Prairie, Minnesota office



PR Daily's **MEDIA RELATIONS AWARDS 2017**
Honored with a PR Daily Media Relations Award for Executive Visibility

Earned "W" recognition from 2020 Women on Boards for having 20 percent of all company board of director seats held by women

20% BY 2020
2020
WOMEN ON BOARDS

FORTUNE 500
2017
Ranked No. 315 on the Fortune 500 list

BEST PLACES TO WORK
2017 for LGBTQ Equality
100% CORPORATE EQUALITY INDEX

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

HIGHEST CUSTOMER SATISFACTION
J.D. POWER
Ranked second in the J.D. Power Auto Insurance Shopping Study

Awarded a Green Masters Certificate from the Wisconsin Sustainability Business Council

Green Masters Program

2017 CANOPUS WINNER
VEGA
DIGITAL AWARDS
Received Canopus Award from the Vega Digital Awards

OUR INSPIRATION FORWARD

At American Family Insurance, we have embraced corporate responsibility fully, continuously striving to create lasting and transformative change. In the last five years, we've made significant progress, and we're proud of our accomplishments. We know we must continue to innovate and adapt. In today's world, change occurs rapidly. As we look out five years, we are inspired to live our corporate values through bold, purpose-driven action.

Through our **Community** focus area we combine volunteerism, philanthropy, and innovative partnerships with key community collaborators. We support the dreams of individuals to overcome and flourish as included members of society. And for youth and adult dreamers to have access to the resources and opportunities that will help create supported and thriving families.

Through the **Environment** focus area, we recognize our connection to the natural environment and are dedicated to minimizing our operational impact. We understand that our dreams are dependent on the responsible use of natural resources and are committed to ensuring future generations have an equal opportunity to experience the world in all its awe and wonder.

Through the **People** focus area, we recognize the well-being of our employees is critical to our organizational success. Being a company that is committed to the well-being of its workforce also means that we want a workplace that is inclusive of all people. As a company that embraces organizational diversity and inclusion, we ensure every person's voice is heard, respected and present within decision-making processes.

Looking forward, we will lead by taking a unified stance on sensitive social and environmental issues. We recognize that inaction is action — a conscious decision with equally impactful consequences. At American Family Insurance, we will continue our pursuit of protecting what matters most — forward for all future dreamers.



Nyra Jordan
Director of Shared Services — Corporate Responsibility



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OUR STORY

WHO WE ARE

Madison, Wisconsin-based American Family Insurance group is the nation's 13th-largest property/casualty insurance group and ranked No. 315 on the Fortune 500 list in 2017. The company sells American Family-brand products, including auto, homeowners, life, business and farm/ranch insurance, primarily through its exclusive agents in 19 states. American Family Insurance is the fourth-largest Wisconsin-based company with revenue of \$8.8 billion. American Family operating companies (The General and Homesite) also provide options for consumers who want to manage their insurance matters directly over the internet or by phone. When including Homesite and The General, the American Family Insurance Group has more than 10,000 employees and nearly 3,000 agents.

OUR PURPOSE

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

OUR MISSION

To inspire, protect and restore your dreams.

OUR VISION

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

American Family's iconic logo represents more than just a company. We are changing the way people think about insurance. Inspiring, protecting and restoring dreams for more than 90 years wouldn't be possible without the support of our customers. You are part of our story, and our long history of giving back to our communities.



2017 FINANCIAL STRENGTH

American Family Insurance Group Consolidated Highlights

| | 2017 | 2016 |
|-------------------------|--------------|--------------|
| Assets | \$24,233,038 | \$22,661,640 |
| Policyholders' equity | 8,051,825 | 7,759,957 |
| Revenues | 9,253,428 | 8,725,510 |
| Life insurance in force | 97,225,115 | 95,560,192 |
| Net income | \$155,628 | \$325,579 |

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

These towering pillars — a centerpiece of our National Headquarters in Madison, Wisconsin — represent a visible symbol of American Family's financial strength and commitment to deliver on our promise to customers. We will be there for you in your times of need.



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OURS TO SUSTAIN



OURS TO SUSTAIN

At American Family Insurance, we have always been driven by doing what's right. And while we have stayed true to that original mission, we recognize we are different today than we were five years ago. We've begun to think strategically about how our business impacts extend beyond the bottom line, and we are now well positioned to create transformational and lasting change. We believe corporate responsibility is not a nice-to-have. Instead, it is what we do and who we are — embedded in company culture and demonstrated through our values.

OUR ONEAMFAM CULTURE

Our Customers

- We do what's right for our customers.
- Innovating. Creating the future.
- Imagining what could be. Then making it happen.
- Humbled by the trust our customers place in us.
- Honoring this trust with a long-term commitment to financial strength.
- Ensuring we will be here when customers need us most.

Our Company

- How we treat people is just as important as what we deliver.
- Employees and agents, working together to put our customers first.
- Humility. Integrity. Sincerity.
- Driven by an ethical foundation.
- We're different today than we were five years ago. We'll be different five years from now.
- Challenging the status quo.
- Full of curiosity. Courage. Passion.
- Celebrating the strength of diversity.
- Bring our best. Every Day.

Our Communities

- We're focused on doing what's right. For now. For the future.
- Supporting entrepreneurs. Improving the environment. Investing in communities.
- Bringing people together to understand how our differences can make us stronger.
- We are a catalyst for change.
- So people will say: *"This is a better community because American Family is part of it."*

OUR VALUES

At American Family Insurance, we live our values in all that we do, every day, for our customers, our company and communities.

Innovative

Proactive, Learning, Curious

Caring

Helpful, Empathetic, Respectful

Agile

Flexible, Open-Minded, Responsive

Trustworthy

Fair, Collaborative, Integrity

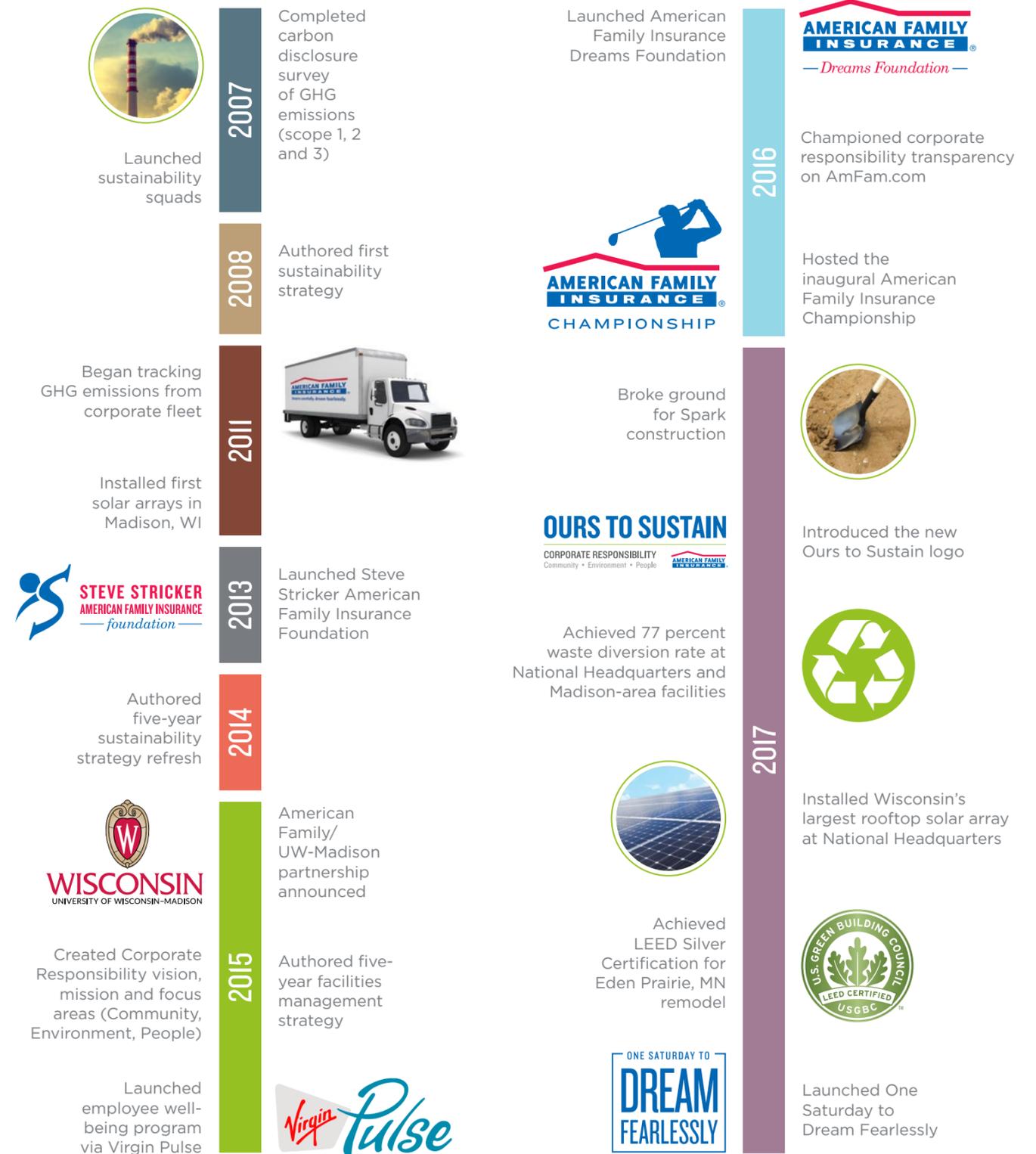
Transparent

Honest, Forthright, Candid

Passionate

Committed, Energetic, Driven

CORPORATE RESPONSIBILITY HISTORICAL TIMELINE



CORPORATE RESPONSIBILITY: OUR FRAMEWORK

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

- ▶ **Investing in our communities:** Lead collaboration in community involvement, and empower our communities to be more socially impactful and resilient.
- ▶ **Sustaining our environment:** Reduce our environmental footprint by integrating sustainability principles and practices throughout our company and our communities.
- ▶ **Empowering our people:** Promote well-being for ourselves, customers and communities.

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

OURS TO SUSTAIN

CORPORATE RESPONSIBILITY
Community • Environment • People



COMMUNITY



ENVIRONMENT



PEOPLE

CORPORATE RESPONSIBILITY PROGRESS AND PERFORMANCE

At American Family Insurance, we understand the importance of measuring our progress and performance. While many measurements related to corporate responsibility and sustainability exist, we have worked with corporate stakeholder groups to identify the 15 most critical measurements, or key performance indicators (KPIs). Each corporate responsibility pillar has five KPIs that help determine our success. Using 2017 as a baseline, we will continue to update and measure these critical indicators annually. When applicable, we will establish goals and targets for future evaluation.

Investing in Our Communities

| TOPIC | MEASURE | 2017 VALUE | % Δ 2015 - 2017 |
|--|--|---------------|--------------------|
| Philanthropic Giving ¹ | Total American Family Community Investment (Dreams Foundation, Stricker Foundation & UW Partnership) | \$ 11,742,242 | N/A |
| American Family Insurance Dreams Foundation ² | Total Contributions (grants, scholarships, matching gifts & disaster relief) | \$ 6,328,537 | N/A |
| UW Partnership ³ | Total Contributions | \$ 3,788,705 | 22%▲ |
| Stricker Foundation ⁴ | Total Contributions | \$ 1,625,000 | 33%▲ |
| Volunteerism ⁵ | Total Employee Hours Volunteered | 8,713 | N/A |

Sustaining Our Environment

| TOPIC | MEASURE | 2017 VALUE | % Δ 2015 - 2017 |
|--|--|------------|--------------------|
| Energy Use Intensity (EUI) ⁶ | Total Facility Energy/Facility Square Footage/Year | 84.69 | 6%▼ |
| Renewable Energy Production ⁷ | Total Renewable Energy Produced (kWh) | 282,169 | 84%▲ |
| Waste Diversion Rate ⁸ | Total Waste Recycled/Total Waste Generated (tons) | 77.4% | 3%▼ |
| GHG Emissions ⁹ | Total GHG Emissions (mtco2e) (fleet, facilities, travel) | 42,829 | 8%▼ |
| Water Consumption ¹⁰ | Total Water Consumed (gallons) | 36,250,252 | 4%▼ |

Empowering Our People

| TOPIC | MEASURE | 2017 VALUE | % Δ 2015 - 2017 |
|--|---|---------------|--------------------|
| Well-being Commitment ¹¹ | Total Well-being Program Expenditures | \$ 1,209,934 | N/A |
| Employee Satisfaction ¹² | Annual Percent Employee Retention | 91.2% | 0% |
| Trainings Offered ¹³ | # of distinct courses | 1,533 | N/A |
| Tuition Reimbursement Paid ¹⁴ | Annual Total Employee Tuition Reimbursement | \$ 834,761 | N/A |
| Talent Development ¹⁵ | Training Expenditures | \$ 19,436,252 | N/A |

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INVESTING IN OUR COMMUNITIES

The American Family Children's Hospital in Madison, Wisconsin, is a world-class pediatric hospital, created with strong financial support — more than \$20 million — from American Family, its employees and agents. Featuring a pediatric intensive care unit, a transplant surgery program and a children's cancer center, the hospital has treated thousands of ill or injured children from 49 states since opening in 2007.



CREATING POSITIVE COMMUNITY IMPACT

American Family Insurance is actively engaged in the communities where our customers, employees, and agents live, work and raise their families. Our mission to inspire, protect and restore dreams is the foundation from which we operate our business and central to our efforts in improving the quality of life for those most in need. Our community investment initiatives accompany a commitment to environmental sustainability, employee well-being, and diversity and inclusion. These make up a comprehensive corporate responsibility program.

A commitment to our communities emanates through the work of the American Family Insurance Dreams Foundation, the Steve Stricker American Family Insurance Foundation, and our partnership with the University of Wisconsin-Madison. Our community giving has evolved into community investing — aligning with our corporate goals, and creating strategic alliances with nonprofit organizations.

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

► *“Strong communities exist when families have access to food and stable housing; there is a well-trained workforce; and residents have a sense of security and belonging, clean air and water, and exposure to culturally enriching experiences. When these needs are met, people thrive and feel empowered to pursue their dreams.”*

-Judd Schemmel, Director of Community Investment



\$11.7 MILLION TOTAL COMBINED PHILANTHROPIC GIVING



Whether it's volunteering his time at community events like American Family's One Saturday to Dream Fearlessly, or raising a record amount of donations for Hurricane Harvey victims, brand ambassador JJ Watt is a key member of our family. To JJ, dreaming fearlessly means you can accomplish anything. And despite adversity, he's shown time and again that a dream is never too far out of reach. From reaching elite status in his sport to overcoming multiple injuries, JJ continues to embody what it means to be a dream champion by investing in local communities and leading massive philanthropic efforts.



More than 150 employees and volunteers rolled up their sleeves to frame two Habitat for Humanity homes. The panels were assembled in a parking lot at our National Headquarters. Volunteers framed all interior and exterior walls for two area homes, thanks to community grants from the American Family Insurance Dreams Foundation and the Steve Stricker American Family Insurance Foundation.



— *Dreams Foundation* —

AMERICAN FAMILY INSURANCE DREAMS FOUNDATION

Launched in 2016, the Dreams Foundation supports a variety of philanthropic programs, each designed to bring positive impact to individuals and communities. The Foundation awards grants to nonprofit organizations across our operating territory. Additionally, the Foundation advances the philanthropic giving of American Family employees and agents through a matching gift program, and supports the dreams of college-bound students through a scholarship program for dependent children of employees, agents and agency staff.

Community Grants

The Dreams Foundation community grants program supports nonprofit organizations across the company's 19-state operating territory. The Foundation focuses on two areas:

- Life-long learning, incorporating wrap-around services to the K-16 educational continuum, and workforce readiness.
- Basic needs, which addresses common barriers to life-long learning, with an emphasis on food and housing insecurity, as well as access to transportation and day care.

Matching Gifts

Through the Dreams Foundation, American Family Insurance employees and agents have access to

a matching gift program. Funds are set aside and used to match gifts made across the country. This program provides employees and agents the ability to leverage American Family's financial strength to positively impact what matters most — the support of organizations in their own backyards.

Scholarships

The college-bound students of our full-time employees, agents, and agency staff can apply for scholarships that can help offset college expenses. Annually, the Foundation awards scholarships to 25 percent of all applicants. Students selected as Dreams Foundation Scholarship recipients receive a \$2,500 award that can be renewed for up to three additional years. The award can be applied toward costs at any accredited two- or four-year college or university.



\$1.9 MILLION
MATCHING GIFTS



\$3.9 MILLION
COMMUNITY GRANTS



\$415,000 SCHOLARSHIPS

Scholarship recipients (from left): Crystal Jing, Garron Daniels, and Chandler Hellenbrand.

CREATING COMMUNITY IMPACT

In 2017, The American Family Insurance Dreams Foundation made a \$500,000 commitment to Operation Fresh Start, a Madison, Wisconsin-based organization committed to providing disconnected youth with a path to self-sufficiency. The gift supports the organization's Building Futures Campaign, which will help fund the transformation of Operation Fresh Start's new home into an education and employment-training center. The grant will help Operation Fresh Start serve twice as many youth.

The grant also supports a youth construction crew and community partners, who are renovating the space. These youth can job shadow the electrical, HVAC and plumbing contractors working on the space.

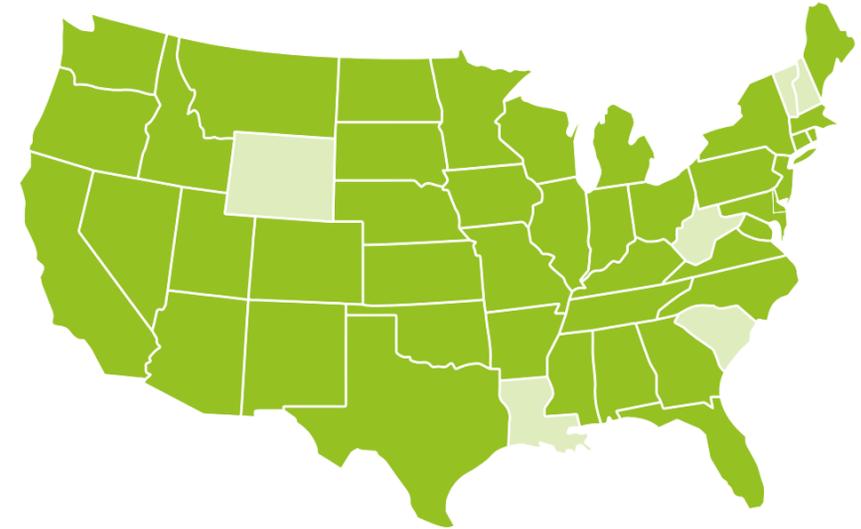
"We're proud to support the efforts of Operation Fresh Start and its work, which restores hope, dignity and self-confidence to young people so they can find their path to self-sufficiency," said Judd Schemmel, director of the American Family Insurance Dreams Foundation.



"It's a wonderful feeling to help young people finish high school, learn a trade, and hold their heads high for what they have accomplished," said Lau and Bea Christensen, Building Futures Campaign chairs (right). "We are so appreciative of the generous gift from American Family Insurance Dreams Foundation and others who have contributed to this campaign."

2017 COMMUNITY INVESTMENT

In 2017, the Dreams Foundation made 5,704 gifts to organizations in 44 states (and Puerto Rico), including community grants, matching gifts, hurricane relief efforts and United Way campaign donations.



HURRICANE HARVEY RELIEF
\$150,000+ SEMI-TRUCK LOADED WITH
 TO AMERICAN RED CROSS **DONATED SUPPLIES**
 FROM EMPLOYEES AND AGENTS IN WI



SCHOLARSHIP SUPPORT
STUDENTS SUPPORTED 166 \$415,000 PROVIDED

1,471 EMPLOYEES VOLUNTEERED
HOURS: 8,714

MATCHING GIFTS **\$1,440,322 MATCHED** **765 ORGANIZATIONS SUPPORTED**
EMPLOYEES 967 ORGANIZATIONS SUPPORTED **AGENTS \$438,767 MATCHED**

STEVE STRICKER AMERICAN FAMILY INSURANCE FOUNDATION



Created in 2013, the Steve Stricker American Family Insurance Foundation is an extension of our partnership with brand ambassador, and PGA TOUR professional, Steve Stricker. The Steve Stricker American Family Insurance Foundation supports charities, educational initiatives, and organizations aimed at building strong families and healthy kids.

The American Family Insurance Championship, a PGA TOUR Champions golf tournament held in Madison, Wisconsin, primarily funds this foundation. While it serves as the tournament's host organization, American Family Insurance is the title sponsor of the championship.

Since the AmFam Championship began in 2016, more than 120,000 spectators have attended the tournament. More 2,000 volunteers have helped with tournament execution, and an additional 300+ sponsors support this annual event.

Half of all tournament proceeds support the American Family Children's Hospital, a world-class hospital, located in Madison, Wisconsin, and serving the needs of children from across the country. The Steve Stricker American Family Insurance Foundation distributes the remaining tournament proceeds — through grant awards to nonprofit organizations across South Central Wisconsin. Besides its philanthropic impact The American Family Insurance Championship has generated nearly \$26 million in estimated economic impact in the region in its first two years.

\$1,625,000 PROCEEDS RAISED in 2017



"The Stricker family is overwhelmed by the incredible generosity of everyone who has supported this event in its first two years," say Steve and Nicki Stricker — both key partners in the Steve Stricker American Family Insurance Foundation and American Family Insurance Championship. "It means so much to our team to be able to offer an experience that keeps fans coming back, while meeting our primary goal of helping deserving nonprofit organizations who have such a strong, positive impact on our communities."



Big Brothers Big Sisters of the Greater Twin Cities volunteers mentor more than 2,000 local children every year. These one-to-one relationships help kids thrive with mentors supporting their emotional, physical and academic success every step of the way.



ONE SATURDAY TO #DREAMFEARLESSLY

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

In 2017, American Family hosted 25 One Saturday events, generating support from more than 1,000 volunteers. An extra-special One Saturday event in the Twin Cities joined volunteers with representatives of Big Brothers Big Sisters of the Greater Twin Cities-area. In addition, award-winning recording artist John Legend made a surprise appearance to perform and participate in the event.

The event participants helped 100 Big Brothers Big Sisters matches enjoy a number of fun and educational activities together. Activities included an introduction to computer programming and robotics, using technology in a studio to mix and create music compositions, a graphic arts station using design software and photography, and even a session on how a music video is shot and choreographed, while "Bigs" and "Littles" expressed themselves together through dance.

▶ *"One Saturday is our company, agents, employees and customers all coming together to do good in the communities where we live and work. Events like this help us live out our mission by creating a positive impact and inspiring fellow dreamers."*

- Telisa Yancy, Chief Marketing Officer



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SUSTAINING OUR ENVIRONMENT

At American Family, we recognize our connection to the environment. We acknowledge the very real effects of climate change on our customers, company and communities — *today*. It is our responsibility to address them directly — for a better *tomorrow*. It's why we installed one of the largest rooftop solar arrays in Wisconsin at our National Headquarters. Rep. Melissa Sargent (48th Assembly District-Wisconsin) toured the array with Sean Hyland (right), facilities program administrator, and presented American Family with a citation of commendation for our commitment to renewable energy.





A visible representation of our sustainability at work. In 2017, American Family completed the largest solar installation in the state of Wisconsin on the rooftop of the company's Madison, Wisconsin headquarters. The array will produce about 1.26 million kilowatt hours annually, offsetting six to nine percent of the building's electrical use and saving approximately \$191,000 a year. In addition, the installation is expected to offset approximately 1.7 million pounds of CO₂ gas annually and 51 million pounds of CO₂ during its 30-year service life.

FACILITY ENERGY MANAGEMENT

Energy management and conservation are vital to a sustainable future. American Family's operations are spread geographically across the U.S. We have aggressive goals at our 17 corporate-owned facilities for energy efficiency, onsite renewables, expense management and carbon-footprint reduction.

Highlights of this work include the largest roof-based solar energy project in Wisconsin, a comprehensive energy management metering system, and in-depth data analytics to identify and prioritize future energy-saving opportunities. We have also added an internal cost of carbon to our capital project cost-benefit analyses — allowing a true understanding of project impacts beyond the bottom line.

GREENHOUSE GAS EMISSIONS

To better understand the contribution to climate change and strategically adapt our operations, American Family estimates our total greenhouse gas emissions from operations, including Scope One (fleet fuel consumption), Scope Two (facility energy use) and Scope Three (corporate travel) sources.

From 2015-17, American Family reduced total greenhouse gas emissions by 3,481 metric tons of carbon dioxide (CO₂) equivalent — an eight percent reduction. That is equivalent to removing 745 passenger vehicles from the road for one year, or the equivalent of carbon sequestered by 90,214 tree seedlings grown for 10 years.

FLEET MANAGEMENT

American Family owns an extensive inventory of fleet vehicles, which provide important transportation for our claims adjusters around the country. In 2007, our fleet numbered close to 1,500 vehicles. Since then, we have worked to balance the need for vehicles in meeting customer expectations, while looking for ways to reduce our carbon footprint.

Thanks to a fleet vehicle utilization study — which continues on a monthly basis — we have dropped the number of company-owned vehicles on the road to just more than 1,000. This program allows American Family to continually find ways to minimize reliance on fossil fuels.

EDEN PRAIRIE OFFICE REMODEL

As American Family grows, we are mindful of our impact on the environment and strive to develop sustainably. Our company embraced the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) certification system for real estate construction, remodeling and demolition processes.

In 2017, American Family achieved its first LEED silver certification for our Eden Prairie, Minnesota office remodeling project. As part of this certification, we were able to:

- Divert more than 98 percent of demolition and construction waste from the landfill.
- Ensure more than 40 percent of the campus is protected, with open space for existing wildlife, and for access and views to nature by employees.
- Operate the building's energy optimization strategy 20 percent more efficiently than the Minnesota state energy code, and 12 percent more efficiently than the LEED energy performance requirements.
- Generate two percent of the total energy used by the facility through a rooftop solar-panel installation.
- Maintain the use of 99 percent of the existing building structure.
- Source more than 50 percent of the lumber from a certified sustainable wood supply chain.
- Meet a third-party certification for rigorous indoor air quality and low-emissions standards for 100 percent of the new furniture and workstation systems installed.

➤ *"We're honored to have received the LEED silver certification. A team of employees partnered with contractors to ensure this renovation was conducted in the most efficient, sustainable means possible. In addition, this achievement aligns directly to our Corporate Responsibility strategy and our mission to make a meaningful difference in our communities, our environment and the people we serve."*

~ LeeAnn Glover, Director of Real Estate and Workplace Solutions



WILL SAVE APPROXIMATELY **\$191,000** ANNUALLY

EXPECTED TO OFFSET 1.7 MILLION POUNDS OF CARBON DIOXIDE ANNUALLY or 51 MILLION POUNDS OVER 30 YEARS

SOLAR POWER IN EDEN PRAIRIE



Our Eden Prairie office is the first American Family facility to achieve any LEED certification for sustainable design and construction methods. LEED certification is a rigorous, third-party verification based on measurable strategies and solutions that achieve high performance in multiple areas including water savings, energy efficiency, materials selection, indoor environmental quality and innovation.





THE SPARK

In 2017, American Family Insurance made significant progress on our newest facility — Spark. The nine-story building on East Washington Avenue in Madison, Wisconsin, is part of American Family’s commitment to making our communities better, by providing entrepreneurs space to innovate, collaborate and expand their ideas. Spark was designed with a sustainable mindset and focus on the well-being of those working in the building.

“Plants in a tray system on the roof will provide an urban terrace setting and help remove pollutants and carbon dioxide in the air,” says LeeAnn Glover, real estate and workplace solutions director. “Spark also includes 500-foot-deep geothermal wells to reduce heating/cooling costs, and a system to capture rainwater for our cooling system and reduce run-off.” Spark also features state-of-the-art workplace well-being features such as purified air, water and building materials. It opened in 2018. American Family will pursue LEED v4.0 certification for the building.

▶ *“Spark is not just a building, it’s a catalyst to develop new ideas and successful entrepreneurs, as well as fuel new businesses with a measurable social impact.”*

~ Peter Gunder, Chief Business Development Officer



OUR DREAM OF A ZERO-WASTE FUTURE

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

To accomplish this, we focus on reducing, reusing and recycling various products to minimize the amount of landfill waste. In 2017, American Family:

- ▶ Achieved a 77 percent diversion rate for our National Headquarters and Madison-area facilities.
- ▶ Reduced our use of high-grade white paper by 71,117 pounds.
- ▶ Recycled 176 tons of electronic waste.
- ▶ Achieved an average 93 percent diversion rate of construction and demolition waste during the Eden Prairie, East Regional Building and Spark building projects.

Paper Reduction

American Family prints almost everything in-house. Our commitment to sustainable business practices inspired innovative thought in printing technology and processes, pushing us to continuously improve delivery methods that reduce our impact on the environment.

Organics Recycling

American Family recycles organics at our National Headquarters. And, at our Eden Prairie office, a grant from Hennepin County allowed for the purchase of new indoor and outdoor containers, expansion of recycling stations and employee education. Paramount to the success of this program are strong partnerships with our waste hauler, food service and housekeeping vendors and suppliers.



Taking more of our printing in-house helps us control costs and reduce the impact printing has on the environment. Bryan Persson (front) and Mike Birkholz use their expertise of the company's six-color press to help us get closer to our dream of a zero-waste future.

LANDSCAPE MANAGEMENT

Set on a beautiful area of Madison, our National Headquarters is also home to a native prairie, thanks to a pioneering program to return the land to its natural state. This area includes 22 acres of restored and preserved habitat, with 10 more acres planned that is home to a variety of native Wisconsin species.

WATER MANAGEMENT

American Family has achieved a 20 percent reduction in water use. Retrofitting a condenser water-cooling system allows us to use soft water in the cooling tower system at our National Headquarters.

This change saves four million gallons of water a year by reducing the mineral content in the water. Previously, American Family used hard water as part of the cooling process, at an average of 10 million gallons of water annually. We have since implemented this solution at several of our other regional offices, with similar success.

Additionally, we tied our water-cooled ice machines, refrigerators and freezers into the existing chilled water loop used to cool the facility. This change saves around 1.5 million gallons of water annually.

▶ *“We want to be leaders in sustainable land management, with a team of experts who are passionate in delivering best-in-class land management strategies. We are committed to balancing business value with land stewardship through education, collaboration, protection and restoration. We’re dedicated to the communities and environment where we live and work.”*

- **Wayne Rayfield, Facility Land Management Administrator**



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EMPOWERING OUR PEOPLE

During June, we raise the Pride Month flag at our National Headquarters. “It’s a celebration and recognition of human rights for the LGBT community,” says Jim St. Vincent, American Family’s human resources senior vice president. “Promoting diversity is not only the right thing to do, it’s a business imperative for companies like ours that serve an increasingly diverse customer base and seek to attract and retain diverse employees.”



DIVERSITY AND INCLUSION

At American Family, diversity and inclusion is a strategic initiative. Our CEO, Jack Salzwedel, summed up our position, saying we are “fully committed to a diverse and inclusive environment for our people. All people.”

We believe a strong, conscious culture of inclusion helps us all do our best work. Our efforts are intentionally focused on growth and retention in diversity among our employees, agents and leaders. We also strive to make diversity and inclusion-focused business decisions, building on a culture aligned with our core values.

To support this work, we created a Diversity and Inclusion department, establishing an Executive Diversity Council. Additionally, we have formed Business Resource Groups (BRGs), developed specific diversity and inclusion metrics, and created employee training and development programs.

CHAMPIONING A DIVERSE AND INCLUSIVE CULTURE

BRGs are key components of our diversity and inclusion efforts. This network of employees shares common identities, characteristics or interests, and include employees from many locations who represent a variety of divisions, job levels, and generations. BRG members are employees who serve as resources for the entire organization, and help American Family bring diverse perspectives forward.

BRG members champion a diverse and inclusive culture by:

- Providing a diverse and inclusionary viewpoint into customer-driven corporate initiatives.

➤ “Diversity and Inclusion are part of who we are as an organization. Our commitment to diversity, inclusion and equality creates opportunities for people, increases the value we provide to our customers and improves our business results. These efforts also allow us to make a positive impact on our communities.”

- Tyler Whipple, Director of Diversity and Inclusion



- Proactively presenting ideas that promote business development.
- Providing professional development opportunities for members.
- Sponsoring events or activities that promote diversity and inclusion awareness for, and about, our customers, employees and communities.

THE FOUR PILLARS

These represent the main areas each BRG focuses on, providing opportunities to achieve individual yearly goals.

Making Connections

- Employees involved in BRGs connect with other employees through networking and professional development events.

Community Involvement

- BRGs engage and support community relationships in the cities we live in and serve.

Building Cultural Competence and Learning

- BRGs host and celebrate educational needs around diverse topics.
- They are conduits to employees and external audiences, championing our company’s commitment to diversity and inclusion.

Impacting the Business

- BRGs are collective voices around shared experiences, and culture-related business issues and concerns.
- They help promote an inclusive and respectful workplace.
- They uncover issues specific to the needs of a diverse community in the organization.
- They provide the voice of the customer to help influence our products and services in light of changing demographic realities.

AMERICAN FAMILY BUSINESS RESOURCE GROUPS: AT A GLANCE

Women’s BRG

Membership: 742

- Women’s Professional Development Series
- Annual Women’s Speaker Series
- “The Balancing Act: Self, Family, Work”
- “Leading with Authority”
- Partnership established with Lean In to provide additional resources to AmFam women

LGBT+ Allies BRG

Membership: 241

- Pride Flag Raising for June PRIDE Month
- Wear Your Pride week
- Participated in Madison OutReach Pride Parade

Veteran’s and Military BRG

Membership: 217

- Fallen Hero Table for Memorial Day — across all regions
- Veteran’s Day Ceremony and Celebration
- Dough for Dogs fundraiser — Raised \$10,000 to place a service dog with a veteran

Multicultural BRG

Membership: 454

- Black History Month celebration — Two-day event celebrating young dreamers
- Partnership with Centro Hispano for Escalera events
- Passport to Diversity event — Theme “Share Your Culture”

Share Your Culture: American Family’s Multicultural Business Resource Group hosts an annual Passport to Diversity event at several of our office locations. It features a variety of foods, music and more, providing employees with a sampling of the many cultures represented in our organization.



EMPLOYEE GARDEN

American Family's National Headquarters is located on 450 acres, some of which had been agricultural. In 2011, several employees enrolled in the Edgewood College Sustainability Leadership master's program, and proposed a volunteer-run employee garden on an unused parcel of tillable land.

The pilot started with 56 plots and six fruit trees. Thanks to growing interest, the company doubled the number of plots the following year. After a third expansion, our National Headquarters hosts 122 garden plots, an orchard with more than 30 fruit and nut trees, 20 fruit-bearing bushes, wren houses and several hundred feet of raspberries and asparagus.

Additionally, a group of employees built and manage a large flower garden designed to nurture and protect Monarch butterflies. Started in 2016, the butterfly garden (see photo at right) is a certified wildlife habitat and a certified Monarch waystation. It contains a mixture of annuals and perennials that provide a steady source of nectar all season long.

The garden is also good for employee gardeners, who appreciate the benefits of growing their own food, enjoying outdoor activities and meeting new people. A workplace garden also reduces driving to a traditional community garden, because our employee gardeners are already commuting to work, which is immediately adjacent to the garden.

American Family is dedicated to caring for the environment through sustainability efforts — while also improving lives in our communities. Our employee garden is a living example of this intersection. During the 2017 harvest season, employee gardeners donated 1,018 pounds of produce to local food pantries. Pictured here (from left) are employee garden leaders Rob Roedner, Angela Freedman, Ben Coblenz, Josh Feyen and LeeAnn Glover.





American Family employees Bill Eberle, and his wife, Jean Folts-Eberle, drive their electric-powered Tesla to work every day. They take advantage of one of our company-provided electric vehicle-charging stations.

EMPLOYEE ELECTRIC VEHICLE-CHARGING STATIONS

In 2015, American Family installed three, two-port, level-two electric vehicle-charging (EV) stations at its National Headquarters, where employees could recharge their EVs for free. In December 2017, the company added three stations. With more than 30 unique EV drivers, employees use charging stations an average of 76 percent during weekday office hours.

The Corporate Responsibility team continues to assess current and future needs, looking for ways to encourage rapid EV adoption. Two other office locations also have level-two charging stations. The lifetime environmental impact of the installed charging stations helps avoid 10,739 kg of greenhouse gas emissions, the equivalent of planting 275 trees and letting them grow for 10 years.

EMPLOYEE DEVELOPMENT

American Family provides the tools and culture to enable employees to do their jobs now — and to prepare for the jobs of the future — through access to customer-driven learning and development. Regardless of location, employees have access to leadership and professional development classes. The company's Talent Development area can also customize curriculum to support specific initiatives.

American Family's mandatory training program mitigates risk by providing employees with the knowledge and skills they need to follow corporate, legal and regulatory guidelines. Because an educated workforce is an invaluable asset to the company, American Family offers several options for employees to continue their education. This includes tuition reimbursement of \$5,250 per year and a college loan repayment program and insurance education courses.

A CULTURE FOCUSED ON CUSTOMER, COMPANY AND COMMUNITY

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

Employee Well-Being Program

Partnering with Virgin Pulse, the program cultivates positive lifestyle habits for employees. Teamwork, competition, rewards and fun motivate employees to embrace healthy behaviors and maintain these habits over time.

The program is designed to:

- ▶ Encourage all employees to participate
- ▶ Increase physical activity focused on improvement in all areas of well-being
- ▶ Motivate employees to participate in daily healthy behaviors and achieve healthy outcomes

▶ *"For years I didn't pay enough attention to my health and fitness. Since we started the Virgin Pulse program, I've started to change habits a little bit at a time. While I'm still a work in progress, I am going to do all I can to make it the best me I can be. Ultimately, it's up to each and every one of us to decide how we go through life. I choose to live life fearlessly and pursue what truly inspires me."*

- Cheryl Swenson, Instructional Designer



Incentives create long-term habits, and through the Virgin Pulse program, employees can earn up to \$355 per year through a combination of annual/daily events, such as biometric screenings, health assessments and daily step tracking. To bolster these activities, employees have access to walking/running trails, chair massages, meditation, on-site fitness classes and treadmill walkstations.

Well-Being Champions

More than 600 employees volunteered to join the company's Well-Being Champion community, which was revitalized in 2017. Champions serve as ambassadors, reinforcing our culture of well-being, advocating for specific programs, and encouraging healthy lifestyles and behaviors.

Employee Benefits

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

A healthy lifestyle includes a focus on the mind and body. American Family employees Beth Churchill (left) and Lauren Williams take time to refocus and re-energize in a meditation room at our National Headquarters.



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APPENDIX

ABOUT THIS REPORT

Ours to Sustain, The American Family 2017 Corporate Responsibility Report, was prepared in 2018. Data utilized in this report represents information collected between the dates of Jan. 1, 2017 and Dec. 31, 2017. This is the first comprehensive Corporate Responsibility Report for American Family Insurance and was developed to establish a baseline from which annual reporting can evaluate performance and progress. While this report referenced the Global Reporting Initiative (GRI) Standards for Sustainability Reporting, it is not intended to meet all requirements necessary to be in accordance with GRI Standards.

ENVIRONMENT

| TOPIC | INDICATOR | MEASURE | 2013 | 2014 | 2015 | 2016 | 2017 | % Δ 2015 - 2017 |
|------------------|--|--|------------|------------|------------|------------|------------|---------------------------|
| GHG Emissions | Total GHG Emissions | mtco2e | 50,518 | 46,565 | 46,310 | 44,633 | 42,829 | -8 |
| | Scope 1 (Fleet Emissions) | mtco2e | 11,383 | 10,935 | 10,298 | 9,040 | 8,891 | -16 |
| | Scope 2 (Facility Energy Use) | mtco2e | 39,135 | 35,630 | 32,605 | 31,594 | 30,295 | -8 |
| | Scope 3 (Corporate Travel) | mtco2e | - | - | 3,408 | 3,999 | 3,643 | 6 |
| Energy | Energy Use Intensity (EUI) | kBTU/SqFt/yr | 91.83 | 99.96 | 90.12 | 87.47 | 84.69 | -6 |
| | Renewable Energy Production | kWh | 41,241 | 45,544 | 45,792 | 46,647 | 282,169 | 84 |
| | % LEED Facilities | LEED facility s.f./portfolio s.f. | 0 | 0 | 0 | 0 | 6.91 | 100 |
| | Facility Utility Cost | USD | 4,870,268 | 5,135,060 | 4,631,914 | 4,469,239 | 4,384,798 | -6 |
| | Facility GHG Emissions | mtco2e | 39,135 | 35,630 | 32,605 | 31,594 | 30,295 | -8 |
| Waste | Total Waste Generated | US tons | 1,121.64 | 1,078.92 | 1,171.81 | 1,166.38 | 1,203.93 | 3 |
| | Waste Diversion Rate | total recycled waste/ total waste generated | 74.83 | 77.64 | 79.35 | 76.31 | 77.40 | -3 |
| | Total Waste to Landfill | US tons | 282.3 | 241.2 | 242 | 276.3 | 272.1 | 11 |
| | Total Waste Recycled | US tons | 839.34 | 837.72 | 929.80 | 890.078 | 931.832 | 0 |
| | Construction & Demolition Diversion Rate | total recycled waste/ total waste generated | - | - | - | - | 93 | - |
| | Total Paper Reduction | pounds | - | - | - | 72,758 | 71,117 | -2 |
| Corporate Fleet | Fleet Inventory | # of vehicles | 1060 | 1101 | 970 | 960 | 953 | -2 |
| | Miles Driven | miles | 24,310,596 | 23,709,523 | 22,854,797 | 20,173,911 | 17,581,182 | -30 |
| | Fuel Spend | USD | 4,400,000 | 4,100,000 | 3,100,000 | 2,400,000 | 2,700,000 | -15 |
| | Fleet GHG Emissions | mtco2e | 11,383 | 10,935 | 10,298 | 9,040 | 8,891 | -16 |
| Corporate Travel | Air Travel Segments | # of segments | - | - | 29,692 | 34,298 | 30,674 | 3 |
| | Air Miles | # of miles | - | - | 18,806,923 | 21,968,638 | 20,054,292 | 6 |
| | Air Travel GHG Emissions | mtco2e | - | - | 3,408 | 3,999 | 3,643 | 6 |
| Water | Water Consumption | gallons | 38,483,884 | 39,636,070 | 37,818,078 | 35,369,125 | 36,250,252 | -4 |
| Land Management | Native Land Restored | acres | - | - | - | - | 12.5 | - |

COMMUNITY

| TOPIC | INDICATOR | MEASURE | 2013 | 2014 | 2015 | 2016 | 2017 | % ^Δ 2015 - 2017 |
|---|---|--|------|------|-----------|------------|------------|-------------------------------|
| Philanthropic Giving | Total American Family Community Investment | USD | - | - | - | - | 11,742,242 | - |
| American Family Dreams Foundation | Total American Family Dreams Foundation Contributions | USD | - | - | - | - | 6,328,537 | - |
| | Grant Contributions | USD | - | - | - | - | 3,884,448 | - |
| | Matching Gift Contributions | USD | - | - | - | - | 1,879,089 | - |
| | Scholarship Contributions | USD | - | - | - | - | 415,000 | - |
| | Disaster Recovery | USD | - | - | - | - | 150,000 | - |
| | Grants Awarded | # of grants | - | - | - | - | 178 | - |
| | Scholarships Awarded | # of students supported | - | - | - | - | 166 | - |
| | Scholarship University Attendance | # of universities with scholarship recipient attendees | - | - | - | - | 52 | - |
| Steve Stricker American Family Insurance Foundation | Total Stricker Foundation Contributions | USD | - | - | - | 1,089,500 | 1,625,000 | 33 |
| | Stricker Foundation Economic Impact | USD | - | - | - | 12,000,000 | 14,000,000 | 14 |
| | Stricker Foundation Volunteering | # of volunteers | - | - | - | 1,200 | 930 | 23 |
| | Charitable Recipients | # of recipients | - | - | - | 34 | 68 | .5 |
| | Number of Event Attendees | # of attendees | - | - | - | 56,000 | 65,000 | 14 |
| | Sponsorship | # of sponsors | - | - | - | 135 | 185 | 27 |
| University of Wisconsin-Madison Partnership | Total UW-Madison Partnership Contributions | USD | - | - | 2,954,550 | 3,336,050 | 3,788,705 | 22 |
| American Family One Saturday | One Saturday Events | # of events | - | - | - | - | 25 | - |
| | One Saturday Volunteering | # of volunteers | - | - | - | - | 1,000 | - |
| United Way | Employee Volunteer Hours | # of hours | - | - | - | - | 8,713 | - |
| | Employee Volunteers | # of volunteers | - | - | - | - | 1,417 | - |

PEOPLE

| TOPIC | INDICATOR | MEASURE | 2013 | 2014 | 2015 | 2016 | 2017 | % ^Δ 2015 - 2017 |
|----------------------------------|--|------------------------------|-------------------------|-------|---------|-----------|------------|-------------------------------|
| Employees | Number of Employees | # of employees | 7,393 | 7,569 | 7,828 | 8,234 | 8,890 | 12 |
| Well-being Program | Total Employee Well-being Contributions | USD | - | - | 839,050 | 1,400,415 | 1,209,934 | 31 |
| | Average Employee Incentive Earned | USD | - | - | - | - | 195 | - |
| | Percent Employees Engaged with Program | % of employees | - | - | - | 65 | 53 | - |
| | Percent Employees Attaining Incentive Level 2 out of 4 | % of employees | - | - | - | 46 | 41 | - |
| | Population Health Risk Score | Health Risk Assessment Score | - | - | - | 67.23 | 67.24 | - |
| | Satisfaction | Employee Retention | % of employees retained | 90.2 | 91.3 | 91.3 | 90 | 91.2 |
| Satisfaction & Engagement Survey | | Survey score | 4.11 | 4.18 | 4.24 | 4.23 | - | - |
| Talent Development | Total Training Expenditures | USD | - | - | - | - | 19,436,252 | - |
| | Trainings Offered | # of distinct courses | - | - | - | - | 1,533 | - |
| | Tuition Reimbursement Paid | USD | - | - | - | - | 834,761 | - |
| | Employees Participating in Tuition Reimbursement Program | # of employees | - | - | - | - | 177 | - |

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- v. Urban population data sourced from <http://www.worldometers.info/world-population/us-population>
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ENDNOTES

1. Philanthropic Giving: Measured as total annual community contributions, including gifts made by the American Family Insurance Dreams Foundation, UW Partnership, and Steve Stricker American Family Insurance Foundation. Gifts from the American Family Insurance Dreams Foundation include grants, scholarships, employee/agent matching gifts and disaster relief.
2. American Family Insurance Dreams Foundation: Measured as total annual community contributions, including gifts made through grants, scholarships, employee/agent matching gifts and disaster relief. Please note, all Colorado, Idaho and Utah organizations were paid by AFMIC.
3. UW Partnership: Measured as total annual contributions to UW-Madison. Annual giving for each giving area fluctuate year by year, but the total is what American Family Insurance is committed to spend annually.
4. Steve Stricker American Family Dreams Foundation: Measured as total annual community contributions, including gifts made to various charities on a year by year basis.
5. Volunteerism: Measured as total annual employee volunteer hours. This measure is self-reported and includes American Family Insurance employees only.
6. Energy Use Intensity (EUI): Measured as Total Facility Energy/Facility Square Footage/Year. Calculated as baseline reductions in energy consumption with 2007 as baseline year. Adjusted for real estate purchased and sold. Year 2021 Target = 35% reduction.
7. Renewable Energy Production: Measured as total annual

on-site renewable energy produced in kilowatt hours (kWh). Currently all renewable energy provided by solar production.

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

9. Greenhouse Gas (GHG) Emissions: Measured as total annual metric tons of carbon dioxide equivalents (mtco2e) from Scope 1 (fleet emissions), Scope 2 (facility energy usage) and Scope 3 (corporate air travel emissions). Facility energy usage includes all owned facilities. Corporate air travel includes all air miles traveled with the exception of the corporate owned jet.

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

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

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

13. Trainings Offered: Measured as number of distinct courses offered to learners in 2017. Courses coded as mandatory are not reflected in this measure.

14. Tuition Reimbursement Paid: Measured as total annual dollars invested in employees for educational purposes.

15. Talent Development: Measured as total annual talent development training expenditures, including all expenses for providing and building training for both employees, agents and agent staff. Expenditures reflective of talent development salaries, travel, course materials, catering for courses and tuition reimbursement.

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