



Labrador Transparency

A Revamp of Risk Oversight Disclosures

2025 Proxy Trends with Insights for 2026

December 29, 2025

Introduction

The proxy trends series is prepared by Labrador's Lead Advisors and explores emerging trends in proxy statements in 2025 and offers insights and actionable elements for your teams to consider as you prepare your 2026 Proxy Statement.

This article, by Meredith Shaughnessy, reviews how some public companies addressed risk oversight disclosures in their 2025 proxy statements.

Evolution of the Risk Oversight disclosures

After becoming a hot topic several years ago¹, **Risk Oversight disclosures have largely settled into a standard format:** (a) a matrix showing Board/Committee oversight of key risks and the role of management, (b) a description of the company's enterprise risk management (ERM) program, and (c) deeper dives on the Board's oversight of more significant risks, with a separate section on sustainability oversight.

Among S&P 100 companies

56%

disclose an overview of the ERM process in the risk oversight section, including timeframes for assessing risks

70%

include a section, subsection or callout discussing the board's role in ESG oversight

75%

depict the distribution of specific risk oversight responsibilities among the Board, Board committees, and management in a matrix, table, graphic or using other visual elements

16%

include a table or graphic highlighting selected areas of oversight (for example, sustainability, cybersecurity)



Board oversight of Artificial Intelligence (AI) is also an emerging trend. See [page 9](#) of this Thought Piece for a Spotlight on AI disclosures.

A review of the Dow 30 and select other 2025 proxy statements shows that several companies have evolved their Risk Oversight disclosures beyond this standard approach. As you begin to think about **your 2026 proxy statement**, **consider whether to adopt any of the following Risk Oversight disclosure enhancements:**

1. Rethink the traditional committee oversight matrix;
2. Show an integrated approach to risk throughout the company; and/or
3. Reflect better alignment between risk, strategy and sustainability.

¹ See our prior Thought Pieces on this topic, available [here](#) and [here](#).

Rethink the Traditional Committee Oversight Matrix

Many companies cite the desire to **streamline text and remove duplication** in their proxy statements. We recommend taking a look at your **Committee descriptions and Risk Oversight disclosures** to see how they overlap. Similarly, think about whether key risks are overseen by the Board or a singular committee, or whether there is a more cross-functional approach.

Two companies have **moved away from the traditional Committee oversight matrix** in their Risk Oversight sections.

[JPMorgan \(p. 29\)](#) has a very short “Risk Management and Internal Framework” disclosure, with its Committees’ role in risk oversight and key oversight responsibilities discussed in “Committees of the Board” on [pp. 23–24](#).

Risk management and internal control framework

Risk is an inherent part of JPMorganChase’s business activities. When the Firm extends a consumer or wholesale loan, advises customers and clients on their investment decisions, makes markets in securities, or offers other products or services, the Firm takes on some degree of risk. The Firm’s overall objective is to manage its business, and the associated risks, in a manner that balances serving the interests of its clients, customers and investors, and protecting the safety and soundness of the Firm.

The Firm’s risk governance framework is managed on a firmwide basis. The Board of Directors oversees management’s strategic decisions, and the Risk Committee oversees Independent Risk Management (“IRM”) and the Firm’s risk governance framework. Cybersecurity risk is overseen by the full Board, with additional oversight of the relevant risk framework and controls provided by the Audit and Risk Committees. Board committees support the Board’s oversight responsibility by overseeing the risk categories related to such committee’s specific area of focus.

Committee chairs report significant matters discussed at committee meetings to the full Board. Issues escalated to the full Board may be dealt with in several ways, as appropriate, for example: oversight of risk may remain with the particular principal standing committee of the Board, the Board may establish or direct a specific purpose committee to oversee such matters, or the Board may ask management to present more frequently to the full Board on the issue.

[Fortiv \(p. 19\)](#) organizes its matrix by risk category, cross-functional Board/Committee oversight responsibility, and director expertise.

RISK CATEGORY	BOARD OVERSIGHT RESPONSIBILITY	DIRECTOR EXPERTISE
Enterprise Risk	Board of Directors Audit Committee Compensation Committee Nominating and Governance Committee Finance Committee	Eric Branderiz Daniel Comas Sharmistha Dubey Rejji Hayes Kate Mitchell Alan Spoon*
Portfolio Strategy	Board of Directors Finance Committee	Eric Branderiz Daniel Comas Sharmistha Dubey Rejji Hayes Wright Lassiter James Lico Jeannine Sargent Alan Spoon*
Cybersecurity	Board of Directors Audit Committee	Sharmistha Dubey Rejji Hayes Kate Mitchell Jeannine Sargent Alan Spoon*
Sustainability	Board of Directors Nominating and Governance Committee	Eric Branderiz Rejji Hayes Jeannine Sargent
Human Capital Management	Board of Directors Compensation Committee	Eric Branderiz Daniel Comas Sharmistha Dubey Wright Lassiter James Lico Kate Mitchell Jeannine Sargent Alan Spoon*
Management Succession	Board of Directors Nominating and Governance Committee	All Directors

The traditional Board/Committee/management oversight graphic often includes only a high-level overview of the role of management in managing risks, with a separate discussion on the ERM process. Two Dow 30 companies take a different approach, **incorporating a crisp, easy-to-digest graphic that shows their top-down/bottom-up risk management governance structure.**

We believe that our current Board leadership structure and risk management committee structure facilitates effective oversight and management over key risk areas. The following graphic illustrates our risk management committee governance structure, as further detailed below.



We take an integrated approach to risk management across the Company with coordination among our enterprise risk management (ERM) process, compliance risk management (CRM) process and our SMS Risk Register.



Reflect Better Alignment Between Risk, Strategy and Sustainability

Growing anti-ESG backlash and the current political and legal environment have caused companies to **rethink whether and how they report on sustainability-related topics** in their proxy statements and annual reports on Form 10-K.

We recommend, however, **taking a step back from the rhetoric and examining the interrelated nature of sustainability, risk management, strategy and competition, and long-term value creation.**

A *Harvard Business Review* article² published in late 2024 noted just that, when the authors argued that corporate leaders should (1) solve for sustainability issues that “have the most impact on the bottom line,” and (2) “identify the most material negative impacts your firm is having on society, and invest serious resources to developing practical solutions,” which goes directly to strategy, value creation, and long-term competitiveness.

Similarly, *PWC* makes a persuasive case for integrating sustainability into a company’s ERM process.³ Among other outcomes, PWC notes that the integration will help companies “align with strategic goals, strengthen resilience, capitalize on new opportunities, and fortify their position in an ever-evolving business environment.”

The examples on the following pages show different approaches to describing the relationship between risk, strategy and sustainability. [Travelers](#) goes the furthest in reflecting this alignment, collectively discussing “Oversight of Corporate Strategy, Sustainability and Allocation of Risk Oversight.” Other Dow 30 companies that integrate risk and sustainability, or sustainability and strategy, are [Verizon](#), [Lockheed Martin](#) and [UnitedHealthGroup](#).

² [“It’s Time to Unbundle ESG”](#) by Aaron “Ronnie” Chatterji and Michael W. Toffel, published September 20, 2024

³ [“A Holistic Approach to Sustainable Risk Management,”](#) published April 7, 2025

Travelers (pp. 22–23)

Under a section entitled “Sustainability and Risk Management,” Travelers discusses the relationship between “The Travelers Promise” and shareholder value creation, as well as “Oversight of Corporate Strategy, Sustainability and Allocation of Risk Oversight.”

Sustainability and Risk Management

Sustained Value Creation

At Travelers, our simple and unwavering mission for creating shareholder value is to: deliver superior core return on equity by leveraging our competitive advantages; generate earnings and capital substantially in excess of our growth needs; and thoughtfully rightsize capital and grow book value per share over time. Executing our long-term strategy requires that we fulfill what we call “The Travelers Promise” — our promise to take care of our customers, our communities and our employees, agents and brokers. For this reason, we take an integrated approach to sustained value creation.

We regularly engage with our investors, customers, employees, agents and brokers, regulators, rating agencies and other stakeholders on business issues and sustainability topics. We also provide robust and detailed disclosure on our website, <https://sustainability.travelers.com>, updated on an annual basis,

with respect to our comprehensive approach to creating shareholder value over time and the many Travelers initiatives that contribute to our sustainability. Our sustainability reporting is generally aligned with the Sustainability Accounting Standards Board (“SASB”) Insurance (FN-IN) Industry Standard (maintained by the International Financial Reporting Standards (IFRS) Foundation) and the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). In addition, our approach to reporting is informed by the Integrated Reporting Framework (maintained by the IFRS Foundation).

Our sustainability reporting is focused on 16 topics that we have determined, through extensive engagements with our investors as well as a formal prioritization exercise, to be most relevant to our industry, our business and our stakeholders.

- Business Strategy & Competitive Advantages
- Capital and Risk Management
- Climate Strategy
- Community
- Customer Experience
- Data Privacy & Cybersecurity
- Disaster Preparedness & Response
- Diversity & Inclusion

- Eco-Efficient Operations
- Ethics & Responsible Business Practices
- Governance Practices
- Human Capital Management
- Innovation
- Investment Management
- Public Policy
- Safety & Health

Oversight of Corporate Strategy, Sustainability and Allocation of Risk Oversight

The Board regularly reviews the Company’s long-term business strategy and works with management to set the short-term and long-term strategic objectives of the Company and to monitor progress on those objectives. In setting and monitoring strategy, the Board, along with management, considers the risks and opportunities that impact the long-term sustainability of the Company’s business model. The Board also considers whether the strategy is consistent with the Company’s risk appetite.

The Board regularly reviews the Company’s progress with respect to its strategic goals, the risks that could impact the long-term sustainability of our business and the related opportunities that could enhance the Company’s long-term sustainability. The Board oversees these efforts in part through its various committees based on each Committee’s responsibilities and expertise. Each Committee regularly reports to the Board regarding its areas of responsibility.

The Board has allocated and delegated risk oversight responsibility to various committees of the Board in accordance with the following principles:

Committee	Responsible for Oversight of:
Audit	<ul style="list-style-type: none"> • Risks related to the integrity of the Company’s financial statements, including oversight of financial reporting principles and policies and internal controls. • The Company’s process for establishing insurance reserves. • Risks related to regulatory and compliance matters.
Compensation	<ul style="list-style-type: none"> • Certain human capital management matters, including the Company’s compensation and pay-for-performance philosophy, compensation program objectives and practices designed to ensure equitable pay across the organization. • Risks related to the Company’s compensation programs, including with respect to formulation and administration of those programs and regulatory compliance with respect to compensation matters.
Investment and Capital Markets	<ul style="list-style-type: none"> • Risks related to the Company’s investment portfolio (including valuation and credit risks), capital structure, financing arrangements and liquidity.
Nominating and Governance	<ul style="list-style-type: none"> • Risks related to corporate governance matters, including director independence and related person transactions. • Certain human capital management matters, including the Company’s succession planning, the employee code of conduct and workforce diversity and inclusion efforts; public policy initiatives; and community relations.
Risk	<ul style="list-style-type: none"> • The Company’s Enterprise Risk Management activities. • Risks related to the Company’s business operations, including insurance underwriting and claims; reinsurance; catastrophe risk and the impact of changing climate conditions; credit risk in insurance operations; and information technology, including cybersecurity. • The Company’s business resiliency planning.

Each committee is also responsible for monitoring reputational risk to the extent arising out of its area of responsibility.

As a result, each committee charter contains specific risk oversight functions delegated by the Board, consistent with the principles set forth above. In that way, monitoring of strategic objectives, risk oversight responsibilities and oversight of the Company’s sustainability more generally are shared by all committees of the Board, with each committee assigned responsibility for oversight of matters most applicable to its charter responsibilities and meeting regularly with management members responsible for such matters. Further, we believe that allocating responsibility to a committee with relevant knowledge and experience improves the oversight of risks and opportunities.

The allocation of risk oversight responsibility may change, from time to time, based on the evolving needs of the Company. On at least an annual basis, the Board reviews significant risks that management, through its Enterprise Risk Management efforts, has identified. The Board then evaluates, and may change, the allocation among the various committees of oversight responsibility for each identified risk. Further, each committee periodically reports to the Board on its risk oversight activities. In addition, at least annually, the Company’s Chief Risk Officer conducts a review of the interrelationships of risks and reports the results to the Risk Committee and the Board. These reports and reviews are intended to inform

the Board’s annual evaluation of the allocation of risk oversight responsibility.

Enterprise Risk Management

Enterprise Risk Management (“ERM”) is a Company-wide initiative that involves the identification and assessment of a broad range of risks that could affect our ability to fulfill our business objectives as well as the development of plans to mitigate their effects. Our Board of Directors oversees our ERM process. The Risk Committee and the other committees of the Board, as well as our separate management-level enterprise risk and underwriting risk committees, are key elements of our ERM structure and help to establish and reinforce our strong culture of risk management. For example, having both a Board Risk Committee that oversees operational risks and our ERM activities, and a management-level enterprise risk committee that reports regularly to the Board Risk Committee, enables a high degree of coordination between management and the Board.

We describe our ERM function in more detail in our Annual Report on Form 10-K, under “Business—Enterprise Risk Management” and on the Capital and Risk Management section of our sustainability website. We also discuss the alignment of our executive compensation with our risk management below.

Verizon (pp. 14–15)

Verizon identifies Environmental Sustainability and Responsible Business as business risks, giving those matters the same prominence as ERM, and financial risk and capital allocation within its Risk Oversight disclosure.

Oversight of business risks

While senior management has primary responsibility for managing business risks, our Board of Directors is responsible for risk oversight. The Board works closely with senior management to develop a comprehensive view of Verizon's key short- and long-term business risks. Verizon has a formalized business risk management reporting process that is designed to provide visibility to the Board about critical risks and risk mitigation strategies.

The Board of Directors uses several different levels of review in overseeing the management of risks inherent in the operation of Verizon's businesses and the implementation of our strategic plan. The Board addresses the primary risks associated with Verizon's business units and corporate functions in its operations reviews of those units and functions. Further, the Board reviews the risks associated with Verizon's strategic plan throughout the year.

In addition, each of our Board committees oversees the management of risks that fall within that committee's areas of responsibility. In performing this function, each Board committee has full access to management and may engage independent advisors. As part of the Board's risk oversight function, the Board regularly brings in outside advisors and experts to speak to the Board on topics including emerging business risks.

Enterprise risk management. The Audit Committee oversees the operations of Verizon's Enterprise Risk Management program, which identifies the primary risks to Verizon's business and also assesses Verizon's overall control environment, including controls related to financial reporting, disclosure, compliance and significant financial and business risks. These risks inform Board and Audit Committee discussion topics throughout the year.

Senior management teams from across the business periodically meet with the Audit Committee to discuss the primary risks associated with their respective business units and functions, and related risk mitigation initiatives. As part of Verizon's annual enterprise risk assessment process, the Audit Committee also reviews key business risks with the CFO, the Senior Vice President of Internal Audit and the Chief Compliance Officer. The Audit Committee routinely meets privately with representatives from the independent registered public accounting firm, the Senior Vice President of Internal Audit, and the Chief Legal Officer.

Financial risk and capital allocation. The Finance Committee assists our Board in its oversight of financial risk management. In performing this function, the Finance Committee oversees the strategy for managing risks related to currency, interest rate, renewable energy, counterparty exposures and use of derivatives.

*** Environmental sustainability.** To address climate-related risks, Verizon has a long-term goal to achieve net-zero emissions in our operations by 2035. We have set interim Science-based Target Initiative (SBTI)-approved targets to reduce operational and value chain emissions, as well as renewable energy targets. In addition, in 2024, we committed to set an SBTi-approved target to reach net-zero GHG emissions across our value chain (scopes 1, 2 and 3) by 2050. We are upgrading and hardening our infrastructure to be prepared for a changing climate, improving energy efficiency across our networks and facilities and making substantial investments in renewable energy. Several of our Directors have experience with climate-related issues, including renewable energy, network resilience, innovative technological solutions and emissions management.

Each committee of the Board oversees the management of the specific risks related to our environmental sustainability strategy and the transition to a low-carbon economy that fall under the committee's area of responsibility.

- **Audit Committee.** Discusses environmental and climate-related risks as part of its annual business risk reviews.
- **Corporate Governance and Policy Committee.** Oversees Verizon's strategy for managing climate-related risks and monitors the Company's progress on meeting climate-related goals.
- **Finance Committee.** Oversees the strategy for managing risks related to Verizon's renewable energy exposure through renewable energy purchase agreements, as well as the Company's green financing program.
- **Human Resources Committee.** To incentivize management to achieve the Company's climate-related goals, the Human Resources Committee has included a carbon intensity reduction metric as one of the performance measures in the Short-Term Plan since 2014.

Data privacy and cybersecurity. The Board is committed to maintaining strong and meaningful privacy and security protections for our customers' information. The Audit Committee has primary responsibility for overseeing Verizon's risk management programs relating to data protection and privacy and cybersecurity. The Audit Committee also monitors Verizon's compliance in the areas of data protection and privacy.

- **Data privacy.** Verizon has a dedicated Chief Privacy Officer whose team advises the business on privacy risks and assesses the effectiveness of privacy controls. The Chief Privacy Officer at least annually briefs the Audit Committee on data privacy risks and mitigating actions.

- **Cybersecurity.** To more effectively address the cybersecurity threats posed today, Verizon has a dedicated Chief Information Security Officer (CISO) whose team is responsible for leading enterprise-wide information security strategy, policy, standards, architecture and processes. The CISO leads an annual review and discussion with the Board dedicated to Verizon's cybersecurity risks, threats and protections. The CISO provides a mid-year update to this annual review to the Audit Committee and, as warranted, additional updates throughout the year. The Audit Committee also receives a report from senior management on Verizon's cybersecurity posture and related matters at each of its other meetings during the year at which the CISO is not present.

- **Responsible business.** Verizon's Responsible Business Council, chaired by the CEO and composed of members of the senior leadership team, oversees the integration of responsible business practices as a core operating principle. The Chief Responsible Business Officer reports to the Board on the Council's activities and Verizon's community and social impact initiatives.

Current policy and technology issues impacting corporate reputation. The Corporate Governance and Policy Committee has primary responsibility for overseeing the Company's handling of risks related to Verizon's position and engagement on important public policy and technology issues, as well as individual events and incidents that may affect the Company's business and reputation. The Committee receives regular updates from management on the current policy and technology issues facing the Company that may generate publicity and impact corporate reputation.

Political activities and lobbying. Verizon adheres to the highest ethical standards when engaging in any political activity. The Corporate Governance and Policy Committee oversees our political activity, including lobbying, and receives a comprehensive briefing from the Senior Vice President of Public Policy and Government Affairs on these activities at least annually.

Verizon understands that transparency regarding our political activity is critical to maintaining the trust of our stakeholders. We publish a Political Engagement Report on our corporate website that is updated twice a year. This report describes our current policy priorities, provides information about lobbying activities and our Public Policy organizations' significant memberships in trade associations and issue advocacy organizations, and lists all of our PAC contributions, corporate political contributions, support for ballot initiatives and independent expenditures for the period covered. Verizon supports trade associations and issue advocacy organizations for a number of reasons, including to reflect our interest in the community, acquire valuable industry and market expertise and support our strategic policy positions, business goals and interests. We recognize that we may not always agree with every position of each organization or its members and that those groups often have a diversity of members, interests and viewpoints that may not always reflect Verizon's beliefs or priorities. In order to mitigate reputational risks associated with our engagement with these organizations, we regularly review our participation to confirm ongoing alignment with our corporate priorities and goals. When we disagree with a position of an organization we support, we communicate our concerns through the senior executives who interact with these organizations.

Human rights. As expressed in our Human Rights Statement, Verizon is committed to operating with respect for internationally recognized human rights. We have a dedicated Business and Human Rights Program that works to embed human rights considerations into responsible business decision-making processes across the Company. The Corporate Governance and Policy Committee oversees our human rights work.

Culture and employee engagement. Our Board views our employees as one of Verizon's most critical assets and regularly receives briefings from the CEO and the Chief Human Resources Officer on initiatives to strengthen our company culture and encourage employee engagement. The CEO and the Chief Human Resources Officer review with the Board the results of the "Pulse" surveys completed by employees across the Company. Periodically, our Directors attend employee town halls and participate in leadership forums with employees. Verizon is committed to creating a collaborative and inclusive environment that reflects our values of trust, care and excellence. We focus on hiring top talent and having the most engaged workforce with the skills and experience to extend our leadership. The Board views this commitment as a business imperative and a competitive advantage.

Succession planning and talent development. Our Board recognizes that one of its most important duties is to promote continuity in Verizon's senior leadership by overseeing the development of executive talent and planning for the efficient succession of the CEO. Our Board has delegated primary oversight responsibility for succession planning to the Human Resources Committee, which oversees assignments to key leadership positions. The Human Resources Committee reports on its activities to the full Board, which addresses succession planning during executive sessions.

To align the succession planning and management development process with Verizon's strategic objectives, the Board and the Human Resources Committee regularly consult with the CEO and the Chief Human Resources Officer, and receive advice on related compensation issues from the Human Resources Committee's independent compensation consultant.

Lockheed Martin (p. 25)

Lockheed is a perennial favorite in its fulsome and engaging disclosure of the Board's oversight of risk, strategy and sustainability. Lockheed uses descriptive headings throughout its proxy to inform the reader, including "We integrate sustainability governance through a risk-management lens."

We integrate sustainability governance through a risk-management lens

We take an integrated approach to managing corporate culture, ethics and business integrity, governance and sustainability issues through a risk-management lens. The Governance Committee is responsible for Board-level oversight of our sustainability program, including regular reviews of performance against the SMP. The Governance Committee also approves the Company's Code of Conduct and reviews our annual sustainability report, available on our website. Our formal sustainability governance structure is depicted below and its elements are collectively responsible for guiding and implementing our SMP.



Board of Directors

Chairman, President and CEO

Nominating and Corporate
Governance Committee

Monitors the Company's adherence to our Code of Conduct and oversees performance in corporate sustainability, employee safety and health, environmental stewardship, and ethical business practices.



Executive Leadership Team

Chairman, President and CEO

Chief Operating Officer
Chief Financial Officer
Senior Vice Presidents,
Business Functions
Business Segment Presidents

Oversees the sustainability program, supporting the Lockheed Martin strategic plan by enabling business segments and functions to pursue and implement opportunities and practices that support the sustainability policy.



Risk and Compliance Committee

Chair: Senior Vice President, Ethics and Enterprise Assurance

Vice Presidents, Business Segments and Corporate Functions

Oversees enterprise risk management to inform senior executives and the Board on risk management efforts. It further provides a forum to review and guide enterprise sustainability initiatives and provide input on SMP execution.



Sustainability Management Team

Chair: Director of Sustainability

Directors and Senior Managers responsible for functions related to specific SMP goals

Reviews SMP progress and opportunities for program enhancement and shares internal and external insights and best practices.

UnitedHealthGroup (pp. 27–28)

Following a lengthy “Risk Oversight” section, UnitedHealthGroup discusses its alignment of sustainability priorities with its long-term strategy, and notes that “[s]ustainability serves as our foundation for strategic long-term growth.”

Alignment of Our Sustainability Priorities with Our Long-Term Strategy

What Sustainability Means to Us

Sustainability serves as our foundation for strategic long-term growth, embedded in our businesses and intrinsically linked by a common mission to help people live healthier lives and help make the health system work better for everyone. The ultimate success of our Company is the creation of enduring, long-term value for both our shareholders and society at large.

We are dedicated to earning the opportunity to serve more people and drive shareholder and societal value by focusing on the following key topics determined through broad stakeholder engagement and approval from our senior leaders and Board.

Helping to Create a Modern, High-Performing Health System

- We believe moving health care from a volume-oriented, transaction-based system to one that rewards high-quality, comprehensive and proactive care can deliver better outcomes at a lower cost and keep people healthier over their lifetimes.
- We are committed to meeting consumer expectations for greater simplicity, access and transparency in health care, and we are working to fundamentally change the way people engage with the health system.

Healthy Environment

- Committing to achieve Science Based Targets initiative (SBTi) validation of near-term targets to reduce carbon emissions, reach operational Net Zero by 2035 and reach Net Zero, including scope 3, by 2050.
- Reducing our paper usage and advocating for the reduction of paper across the health system, diverting waste from landfills and ensuring efficient use of water to the greatest extent possible over the coming years.
- Achieving a 60% reduction in scope 1 and scope 2 emissions by 2030.
- Investing in and sourcing 100% of our global electricity demand from renewable sources by 2030.

Our People and Culture

- Supporting our employees through a broad, ever-evolving suite of resources and benefits so they can better care for themselves, their families and the people we serve.
- Fostering an inclusive culture, where employees feel welcomed, valued, heard and respected.
- Empowering team members to own their career journey, which we support with tools and resources focused on learning, development and career mobility.
- Helping employees care for their communities and create a positive impact through giving and volunteering.

Responsible Business Practices

- Maintaining strong and effective corporate governance to drive sustained shareholder value and respond to the interests of our shareholders.
- Adhering to our values through compliance and ethics principles that guide our behavior and help us remain a trusted partner.
- Maintaining data privacy and enhancing cybersecurity, recognizing our obligation to build and maintain the trust and confidence of our stakeholders and customers and ensuring we can protect the information of all those we serve.
- Utilizing AI to ensure technology is developed, deployed and monitored ethically and responsibly and is aligned with our mission.
- Partnering with suppliers to maximize value in our supply chain to help ensure we buy the right goods and services from the right suppliers for the right price, in a timely manner.
- Committing to developing a supplier base that reflects the communities and customers we are privileged to serve.
- Informing public policy decisions to improve the health care system and drive better outcomes.

Spotlight on Oversight of AI

Companies increasingly disclose board-level involvement in AI oversight, signaling recognition of AI as a material risk, with 48% of Fortune 100 companies explicitly citing AI as part of the Board oversight of risk, according to [EY review Cyber and AI oversight disclosures: what companies shared in 2025](#).

Disclosures often emphasize frameworks for ethical AI use, compliance with emerging regulations, and integration of AI risk into enterprise risk management. However, the depth of oversight varies: while some companies have included a section dedicated to AI governance, most mention it as one of the risks overseen by Boards.

40% of companies reviewed by EY assigned AI oversight to a specific committee, majority assigned it to the Audit committee, though AI-related disclosures in proxy statements tend to be more precise and comprehensive when the Governance or a Technology committee is tasked with AI oversight.

[Equifax p.44 and 45](#) details the structure of AI Governance in the Responsible Business section. The company includes responsibility from the Board to all employees, and the standards and policies adopted.

Responsible Business at Equifax

We have identified a series of responsible business priorities that are aligned with our corporate strategy. By doing so, we remain focused on the areas that are most relevant to our business, which drives the creation of shareholder value and positions us for long-term sustainability. For more information, see www.equifax.com/about-equifax/responsible-business-priorities.



Spotlight on AI Governance

Responsible AI at Equifax

Equifax has been driving responsible artificial intelligence (AI) innovation for more than a decade. As we use AI to innovate for future growth, we are focused on maintaining strong governance and oversight in order to ensure we operationalize responsible AI.

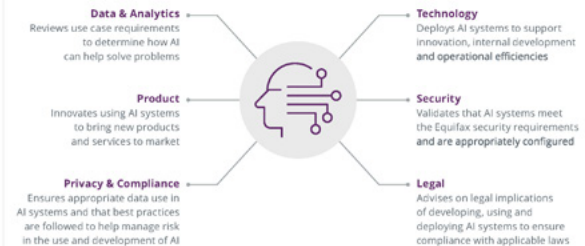
AI Governance Program

Our AI Governance Program helps to ensure we are using AI systems in a transparent, trustworthy, fair, explainable and secure manner. We believe effective governance starts with the tone at the top, and our Board of Directors and senior leadership team are directly involved in shaping our AI Governance Program, which applies to our entire workforce.



AI Governance Program Steering Committee

Our AI Governance Steering Committee consists of senior leaders from Data & Analytics, Product, Privacy & Compliance, Technology, Security and Legal, and analyzes new AI use cases to ensure responsible and ethical use of AI.



Framework for Managing AI-Related Risks

We adopted the National Institute of Standards and Technology (NIST) AI Risk Management Framework ("NIST AI Framework") as the foundation for managing AI risks across our company. The NIST AI Framework complements our NIST-aligned Security and Privacy Controls Framework and helps us define actionable requirements for managing AI risks.

We established **AI Controls and Operational Requirements** to integrate the NIST AI Framework into our business operations. We mapped these AI Controls and Operational Requirements to our overall Compliance Control Framework to help ensure we meet regulatory requirements for our use of AI systems and establish a unified set of requirements across the Company.

To implement our AI Controls and Operational Requirements, we published a global **AI Policy**. Where possible, we leverage existing governance and oversight processes and **Standard Operating Procedures** to address the risks associated with using AI, further supporting end-to-end governance and oversight.



[Allstate p.40](#) presents AI as a key risk and describes how AI oversight is integrated in the risk management structure of the company, with ultimate oversight from the whole Board and the Audit Committee regarding controls and risk management aspects.

Oversight of Certain Key Risks

Management reports regularly to the Board and its committees, including the Risk and Return Committee, on identification, evaluation and updates of key risk areas. See below for a discussion of some of the risk areas the Board and its committees reviewed in 2024.



Cybersecurity and Privacy

The quality and functionality of Allstate's security and data privacy programs are important to Allstate's reputation and customer trust. The Audit Committee and the Board oversee the company's information security capabilities, including efforts to enhance protection against emerging threats, detection of system compromise and recovery of system functionality should a cyber attack or unauthorized access occur.

- The Board oversees: (i) data protection efforts, including policies and systems designed to prevent and, if necessary, respond to cyber threats; and (ii) the company's information security program, which is designed to protect and preserve the confidentiality, integrity and continued availability of all information owned by, or in the care of, the company.
- Allstate's internal audit function regularly reviews and tests the cybersecurity program and provides status reports to the Audit Committee and the full Board.
- The Audit Committee uses an independent cybersecurity advisor to provide additional expertise to oversee the effectiveness of the privacy and cybersecurity program.
- The Chief Information Security Officer regularly updates the Audit Committee and the Board on Information Security Program status, cybersecurity risk management, the control environment, emerging threat intelligence and key risk and performance measurements.



Artificial Intelligence Strategy and Governance

Artificial Intelligence (AI) initiatives, including machine learning and Generative AI, create strategic opportunities to better serve customers. Allstate has a long history of utilizing data, analytics and advanced computing in areas such as marketing, sales, pricing and underwriting, claims, operations and investments. Development and usage of AI capabilities require a multi-faceted governance approach that enables safe and responsible innovation.

Allstate's Model Risk and Return Management Framework (Risk and Return Framework) applies controls that reduce risks to acceptable levels, in part by setting clear policies and standards, applying risk rankings to set governance requirements and ensuring appropriate levels of independent review. The Risk and Return Framework is continuously enhanced to address unique risks and characteristics of AI, including responsible usage, automated monitoring and embedded governance within model operations and supplier management processes.

Enterprise Risk and Return Management designs and coordinates the Risk and Return Framework in partnership with key areas such as Law and Regulation and Allstate Technology Solutions. The Board oversees AI strategy and execution, while the Audit Committee reviews relevant aspects of the control environment and the Risk and Return Committee oversees the design and implementation of the Risk and Return Framework.



Business Strategy

The Board provides oversight on the development and implementation of Allstate's strategic plans and associated risks. The full Board oversees strategy and Board committees have additional oversight of various aspects of Allstate's strategy. Strategy is discussed at each regular Board meeting and presentations are provided by management on specific initiatives and topics such as short- and long-term strategic and operational plans, associated risk and return considerations, capital utilization, investment strategy, acquisitions and divestitures and capital market transactions.



Labrador Transparency

About Labrador Transparency

Labrador Transparency exists to offer the science of transparency to corporations wishing to communicate effectively with their readers.

Our experienced and passionate team is composed of attorneys, designers, project managers, thinkers, and web developers. We collaborate together around a process that encompasses drafting, editing, designing, and publishing across all digital and print channels.

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In turn, our commitment to our clients has resulted in meaningful long-term relationships with some of the most respected public and private companies in the world.

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