



# **Sustainability Bond Report**

**March 2022**

# Sustainability at Aflac Incorporated

At Aflac Incorporated, we have helped provide financial protection to more than 50 million people worldwide since we were founded in 1955. We are dedicated to delivering exemplary service and solutions for businesses and policyholders, while staying true to our values and our culture, which embody “The Aflac Way.” The Aflac Way is how we work every day to live up to the commitments we make to our customers, to our fellow employees and to all the people who rely on Aflac. It’s about honesty, integrity, fairness, responsibility, respect and teamwork. We have learned that all things being equal, people would rather work for and do business with a company that is a good corporate citizen. Our approach extends to the way we invest responsibly and protect policyholder funds, which includes considering the environmental, social and governance risks and opportunities of an investment.

Integrating Environmental, Social and Governance (ESG) factors into Aflac Incorporated’s business has been a critical part of our core investment philosophy, and we believe this leads to better decisions with respect to balancing the risk and return profile of an investment, incorporating the drive to foster positive environmental and social impact change. Through our Sustainability Bond Program, we reinforce our longstanding commitment to uphold the core values of our “people-first” business approach that balances purpose and profit with the utmost respect for our environment and the communities we serve.

## About This Report

Within its Sustainability Bond Framework (the Framework) dated March 2021, Aflac Incorporated committed to publish a report one year after a Sustainability Bond’s issuance date, and every year thereafter until fully allocated. This report will disclose the net proceeds raised from each Sustainability Bond issuance, the allocation of proceeds into each Eligible Category under the Framework and the balance of unallocated proceeds at the reporting period end. The report will also provide, where feasible, the environmental and social impact of the assets and disclose the measurement methodology for any quantitative indicators. The Sustainability Bond Reports are made available on Aflac Incorporated’s Investor Relations website [investors.aflac.com](https://investors.aflac.com), under Sustainability.

On an annual basis upon issuance of the report, an external party will verify and provide third-party assurance with respect to the management of the Sustainability Bond proceeds and the compatibility of the selected Eligible Sustainability Assets with the [Sustainability Bond Framework](#). The third-party report may be found in the [Appendix](#).

This Sustainability Bond Report dated March 8, 2022 addresses Aflac Incorporated’s first Sustainability Bond issuance in March 2021 of \$400 million principal amount (\$397 million net proceeds after offering costs) of 1.125% senior notes due 2026.

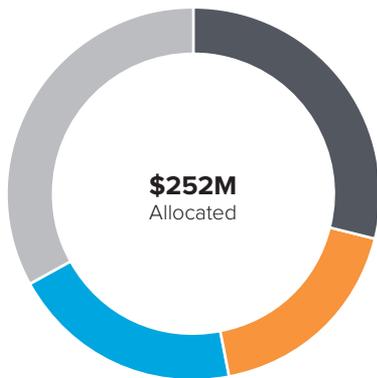
Capitalized terms used but not defined in this Sustainability Bond Report are defined in the Framework.

# Sustainability Bond Framework Summary

Aflac Incorporated will allocate an amount at least equivalent to the net proceeds from the offering exclusively to existing or future investments in, or financing of, projects that provide environmental or social benefits, meeting eligibility criteria under the Framework within eight categories: Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation, Sustainable Water Management, Pollution Prevention and Control; Socioeconomic Advancement and Empowerment; and Communities. These categories also align with and incorporate the priorities set forth in the Sustainable Development Goals (SDGs) adopted by all United Nations Member States in 2015.

The Framework may be found in the Appendix of this report.

## ALLOCATION OF NET PROCEEDS TO ELIGIBLE CATEGORY



**29%**  
Socioeconomic Advancement & Empowerment

**18%**  
Communities

**20%**  
Green Buildings

**33%**  
Renewable Energy

## TABLE 1 - ALLOCATION BY ELIGIBLE ASSET CATEGORY

Eligible Category	Amount Allocated <sup>1</sup> (\$ millions)
Renewable Energy	83
Green Buildings	50
Socioeconomic Advancement and Empowerment	73
Communities	46
<b>Total Allocation</b>	<b>252</b>

## Use of Proceeds and Impact

Since the issuance on March 8, 2021, \$252 million, which represents 63% of the net proceeds, has been allocated to four Eligible Categories under the Framework: Renewable Energy, Green Buildings, Socioeconomic Advancement and Empowerment and Communities. While the Framework permits net proceeds to be attributed to investments in or financings of Eligible Sustainability Assets completed up to 36 months before the issuance of a Sustainability Bond, 81% of the investments were new investments. The balance of unallocated proceeds has been invested in cash and cash equivalents in compliance with the Framework.

### NET PROCEEDS ALLOCATED

**63%**

### NET PROCEEDS<sup>2</sup>

**\$397M**

**TABLE 2 - IMPACT BY ELIGIBLE ASSET CATEGORY**

Eligible Category	UN SDG <sup>3</sup>	Impact Indicators <sup>4</sup>	Aflac Share of Impact Indicator <sup>5</sup>
<b>Renewable Energy</b>		<ul style="list-style-type: none"> <li>Total installed capacity (MW); or expected</li> <li>CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e); or expected</li> </ul>	<ul style="list-style-type: none"> <li>69,954 MW of solar power generation</li> <li>49,575 tCO<sub>2</sub>e reduction</li> </ul>
<b>Green Buildings</b>		<ul style="list-style-type: none"> <li>Floor space of green real estate (m<sup>2</sup>)</li> <li>CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e); or expected</li> </ul>	<ul style="list-style-type: none"> <li>39,237 m<sup>2</sup> green space</li> <li>2,318 tCO<sub>2</sub>e reduction</li> </ul>
<b>Socioeconomic Advancement and Empowerment</b>		<ul style="list-style-type: none"> <li>Employment generation</li> <li>Jobs created and/or retained</li> <li>Number of businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>Creation of 912 jobs</li> <li>5,200 cooperative customers being served</li> <li>\$1.2 million in loans to small and medium-sized businesses focused on the Black community</li> <li>\$7 million in deposits at Black-owned banks</li> </ul>
<b>Communities</b>	 	<ul style="list-style-type: none"> <li>Number of dwellings</li> <li>Number of individuals/families benefiting from subsidized housing, education, healthcare, etc.</li> <li>Students reached</li> <li>Number of education facilities and/or initiatives</li> </ul>	<p><b>Dwellings:</b></p> <ul style="list-style-type: none"> <li>889 affordable housing units</li> </ul> <p><b>Education:</b></p> <ul style="list-style-type: none"> <li>15,000 students receiving accelerated learning supplies</li> <li>1,650 students with increased access to quality education</li> </ul> <p><b>Healthcare:</b></p> <ul style="list-style-type: none"> <li>Acceleration of 15 million vaccines for children around the world</li> <li>Acceleration of 654,000 COVID-19 vaccine doses globally</li> <li>20,400 patients receiving access to quality healthcare</li> <li>7,800 people receiving access to healthy food</li> </ul>
<b>Sustainable Water Management</b>		<ul style="list-style-type: none"> <li>Volume of water saved/reduced/treated</li> <li>Total population served by the system</li> </ul>	<ul style="list-style-type: none"> <li>927,940 gallons of plumbing water reduction annually</li> </ul>
<b>Pollution Prevention and Control</b>		<ul style="list-style-type: none"> <li>Waste diverted from landfill</li> <li>CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e); or expected</li> </ul>	<ul style="list-style-type: none"> <li>3,978 lbs of waste diversion from landfills</li> </ul>

# Investment Highlights

## UNICEF Bridge Fund for Children<sup>6</sup>

Time is a matter of life and death for the world’s most vulnerable children, and the Bridge Fund is all about speed. The Bridge Fund is an innovative financing tool created by the UNICEF USA Impact Fund for Children to help close the timing gaps that arise between monetary commitments to UNICEF and receipt of cash. It fast-tracks life-saving assistance to children and their families months sooner than otherwise would have been available. Highlights from 2021 include:

- Polio was one of the hardest-hit immunization efforts by the COVID-19 pandemic: at the height of lockdowns, 60 immunization campaigns were postponed in 28 countries. In March 2021, the Bridge Fund accelerated \$20 million to ensure that 200 million oral polio vaccine doses were in place six months sooner to prepare countries to respond to outbreaks, which were expected to increase from COVID-19-related disruptions.
- In May 2021, India’s COVID-19 surge was one of the worst witnessed anywhere since the beginning of the pandemic, with three people dying every minute at the peak. In response, the Bridge Fund fast-tracked over \$6 million to the field, enabling oxygen machines to arrive one month earlier for approximately 5,000 hospital patients, helping save many lives.
- A powerful earthquake struck Haiti in August 2021 leaving 1,250 schools damaged or destroyed, just weeks before the new school year was scheduled to begin. In the wake of the crisis, the school provided children with a sense of normalcy and a safe place to play. Just four days after the earthquake, the Bridge Fund accelerated \$500,000, by two months, to enable 100,000 children to resume their education earlier.

## Black Economic Development Fund<sup>7</sup>

A LISC STRATEGIC INVESTMENTS MANAGED FUND

LISC is one the country’s largest community development organizations, helping forge vibrant, resilient communities across America. They work with residents and partners to close systemic gaps in health, wealth and opportunity and advance racial equity so that people and places can thrive. Since founding in 1979, LISC has invested \$24 billion to create more than 436,320 affordable homes and apartments and develop 74.4 million square feet of retail, community and educational space.

The Black Economic Development Fund (BEDF) is an impact investment fund built specifically to address economic challenges in the Black community and to help close the racial wealth gap. The Fund invests in Black-led developers, financial institutions, anchor organizations, and businesses, with the goal of growing these organizations and strengthening their contributions to the Black community. The Fund’s deployment strategy is industry agnostic and deploys capital across a diverse set of borrowers and geographies in the U.S.

Transactions include:

- Hannibal Square Community Land Trust, supporting Black home ownership in Orlando, Florida
- \$10 million Investment Agreement between the BEDF and The Cayemitte Group, a certified minority-owned, full-service insurance brokerage and surety bonding firm working to promote Black contractors [Minority/Women-owned Business Enterprises (MWBE) and Service-Disabled Veteran-Owned Small Businesses (SDVOB) inclusive] to be awarded prime contracts from the Dormitory Authority of the State of New York

**“Access to bridge financing was pivotal to keep polio vaccine stockpiles at necessary levels. Vaccine stockpiles are critical in the global fight to end polio and allow us to respond immediately to sudden outbreaks – particularly important in a year with additional challenges due to COVID-19.”**

— **Michiyo Shima**  
FINANCE SPECIALIST,  
UNICEF PROGRAM POLIO TEAM



- Bridge loan to Menkiti Group for The MLK Gateway II project in Anacostia D.C., which is bringing commercial activity and tech and real estate training opportunities to Ward 8
- \$5 million predevelopment credit facility to Dantes Partners to preserve and build 3,000 additional units of affordable housing in Washington, D.C. and New York City

## Calhoun County Solar Farm Project<sup>8</sup>

In partnership with Silicon Ranch Corporation, one of the largest solar developers in the United States, NT Solar, organized solar tax equity financing of more than \$80 million in investment tax credits for an installation spanning nearly 600 acres in Calhoun County, Georgia. The investment was accomplished through the Climate Impact and Revitalization Fund, an Aflac Investment Platform managed by NT Solar.

Once completed, the installation will generate nearly 114 megawatts (MW) of power and will be purchased by one of the largest electric cooperatives in the country, which currently supplies energy to over 133,000 customers in northeast Georgia. The installation site will use a regenerative approach to land use, allowing agricultural and animal grazing alongside the panels.

The 114 MW installations, which will generate an estimated 210 million kilowatt-hours (kWh) per year of renewable energy:

- Create enough electricity to take nearly 17,000 homes off the grid
- Is the equivalent of taking 34,000 passenger cars off the road
- Sequester the same amount of carbon from the atmosphere as over 182,000 acres of forest
- Offset 149,187 tCO<sub>2</sub>e annually



## Methodology

Aflac Incorporated is reporting the estimated impact of investments at an aggregate level per eligible framework category. Quantitative share of impact indicators represent estimates based on Aflac's proportional commitment in a given investment. To the extent available, Aflac Incorporated utilizes actual data made available by issuers to quantify and report metrics.

Metrics reported are based on information reasonably available at the time of report publication. They should be viewed with the understanding that base years and data availability may differ across investments. Aflac Incorporated will continue to apply prudent measures in the collection and reporting of impact metrics, while recognizing that the standardization of metrics across diverse investment channels is challenging.

## Renewable Energy

Renewable Energy impact indicators are sourced from the issuers which calculate them based on Environmental Protection Agency (EPA) methodology.

## Green Buildings

Green Buildings are LEED Gold Certified and Energy Star Rated. Avoided emissions are an average annual savings based on Energy Star calculations provided by issuers.

## Socioeconomic Advancement and Empowerment

According to the U.S. Department of Treasury, Community Development Financial Institutions (CDFI) are mission-driven organizations that fill gaps by offering affordable financial products and services that meet the unique needs of economically underserved communities. Impact metrics are provided by issuers or extracted from issuers' websites.

## Communities

The number of "affordable housing units" is estimated by summing the total number of units expected from affordable housing projects. According to the Community Reinvestment Act, "affordable rental housing" refers to apartments that are reserved for families or individuals whose income is not greater than 80% of the Area Median Income (AMI) as defined by the U.S. Department of Housing and Urban Development.

## Sustainable Water Management

Gallons of plumbing water saved are a result of qualifying Indoor Water Use Reduction projects based on the LEED for Building Design and Construction framework and requirements. Gallons saved are calculated and provided by issuers.

## Pollution Prevention and Control

Pounds of waste diverted from landfills are a result of qualifying Storage and Collection of Recyclables projects based on the LEED for Building Design and Construction framework and requirements. Pounds of waste diverted from landfills are calculated and provided by issuers.

## Disclaimer

This Sustainable Bond Report is provided by Aflac Incorporated for informational purposes only and is subject to change without notice.

Aflac Incorporated does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events or otherwise. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein. No liability whatsoever is or will be accepted by Aflac for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

This Sustainable Bond Report does not constitute, or form part of, any offer or invitation to purchase, underwrite, subscribe for or otherwise acquire or dispose of, or any solicitation of any offer to purchase, underwrite, subscribe for or otherwise acquire or dispose of, any debt or other securities (“securities”) of Aflac Incorporated and is not intended to provide the basis for any credit or any other third-party evaluation of securities. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of a pricing supplement, prospectus supplement, an accompanying prospectus or other equivalent document and a related pricing term sheet (the “Offering Documents”) and any decision to purchase or subscribe for any securities pursuant to such offer or invitation should be made solely on the basis of such Offering Documents and not this Sustainable Bond Report.

This Sustainable Bond Report is not incorporated by reference into, or a part of, any Offering Documents or any security. Any failure of Aflac Incorporated to comply with its Sustainable Bond Framework will not constitute a default under or breach of any security.

This Sustainable Bond Report should not be considered as a recommendation that any investor should subscribe for or purchase any securities, nor as an assessment of the

economic performance and creditworthiness of the securities. Any person who subsequently acquires securities must rely solely on the Offering Documents prepared by Aflac Incorporated in connection with such securities, on the basis of which alone purchases of or subscription for such securities should be made. In particular, investors should pay special attention to any sections of Offering Documents describing any risk factors. The merits or suitability of any securities or any transaction described in these materials to a particular person’s situation should be independently determined by such person. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of the securities or such transaction.

Certain statements in this Sustainable Bond Report constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as “expects”, “believes”, “anticipates”, “includes”, “plans”, “assumes”, “estimates”, “projects”, “intends”, “should”, “will”, “shall”, or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Aflac Incorporated and its subsidiaries. Aflac’s actual results and the use of proceeds from the Sustainable Bonds may differ materially from expectations or estimates reflected in such forward-looking statements. Certain important factors that could cause actual results and the use of proceeds to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the “Risk Factors” and “Forward-Looking Statements” sections included in Aflac’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Quarterly Earnings Releases. Our execution of the Sustainable Bond Framework is subject to the risk that we will be unable to execute our strategy because of economic, market or competitive conditions or other factors. Aflac does not undertake to update any particular forward-looking statement included in this Sustainable Bond Report.

# Appendix

## Endnotes

1. Allocated amounts as of February 15, 2022. An “allocation” is defined when an investment is funded in cash or where there is a legally binding commitment to provide cash funding by the investment counterparty.
2. In compliance with the Framework, net proceeds, which represent total proceeds less debt issuance cost, can be attributed to investments or financings of Eligible Sustainability Assets completed up to 36 months prior to the issuance of a Sustainability Bond. Aflac Incorporated has invested \$145 million of unallocated proceeds, along with unfunded committed proceeds, in cash and cash equivalents.
3. Reflects category alignment to the 17 Sustainable Development Goals (SDGs) outlined by the United Nations.
4. Impact indicators provided reflect a sample of possible outcomes; expected outcomes are not limited to the sample provided and can vary based on the nature of the investment.
5. As part of its Sustainability Bond Program, Aflac Incorporated made investments in each fund and project featured in this section. Examples of impact provided are indicative of the general scope of organizational projects, not necessarily specific Aflac funding.
6. All related data and images provided by UNICEF Bridge Fund for Children.
7. All related data and images provided by LISC Black Economic Development Fund (BEDF).
8. All related data and images provided by National Trust Community Investment Corporation (NTCIC).

## Management Assertion

Aflac Incorporated is responsible for the completeness, accuracy and validity of the information presented in this report. Aflac Incorporated asserts that as of February 15, 2022, \$252 million of the \$397 million net proceeds from the 2021 Sustainability Bond issuance has been allocated to Eligible Sustainability Assets that meet the Eligibility Criteria defined in the “1. Use of Proceeds” section of the [Sustainability Bond Framework](#).

Eligible Sustainability Assets include existing assets within the General Account or the holding company funded up to 36 months prior to the Aflac Incorporated Sustainability Financing issuance date and new sustainability assets acquired within the General Account or at the holding company post issuance.



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## Independent Accountants' Report

### Aflac Incorporated's Management:

We have examined management of Aflac Incorporated's ("Aflac") assertion ("management's assertion") set forth on page 9 of the Sustainability Bond Report March 2022 that \$252 million of the \$397 million net proceeds from the March 8, 2021 issuance of 1.125% senior notes due 2026, as of February 15, 2022, has been allocated to Eligible Sustainability Assets in accordance with the Eligibility Criteria defined in section 1 of Aflac's Sustainability Bond Framework dated March 2021. Aflac's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is in accordance with the criteria and is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination was not conducted for the purposes of evaluating information found in the Sustainability Bond Report other than management's assertion. Accordingly, we do not express an opinion or any other form of assurance on information other than management's assertion.

In our opinion, management's assertion that \$252 million of the \$397 million net proceeds from the March 8, 2021 issuance of 1.125% senior notes due 2026, as of February 15, 2022, has been allocated to Eligible Sustainability Assets in accordance with the Eligibility Criteria defined in section 1 of Aflac's Sustainability Bond Framework dated March 2021, is fairly stated, in all material respects.

**KPMG LLP**

Atlanta, Georgia  
March 8, 2022

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

# Sustainability Bond Framework

March 2021

## Introduction

For more than six decades, Aflac Incorporated through its insurance subsidiaries has provided financial protection to more than 50 million people worldwide, principally through its leading supplemental health and life insurance products. By doing so, our policyholders have the opportunity to focus on recovery, not financial stress. At the same time, Aflac Incorporated has focused on doing the right thing. We believe that all things being equal, people, including employees, investors, and customers, would rather do business with a company that is also a good corporate citizen. This philosophy has been ingrained in our culture and what we refer to as “The Aflac Way.”

Environmental, Social and Governance (ESG)/Sustainability considerations have long been integrated into the Aflac Way. While continually remaining focused on the footprint of our own operations, Aflac Incorporated has been integrating ESG-related considerations into the assessment of its insurance subsidiaries’ General Account investment portfolios. This includes analyzing sectors and businesses that are more energy- and emissions-intensive and exploring opportunities related to alternative energy and green bonds, as well as investment opportunities that address social challenges. In addition,

Aflac Incorporated’s executive and senior management under the oversight of the Corporate Social Responsibility and Sustainability Committee of Aflac Incorporated’s Board of Directors continue to further the integration of ESG through various actions and initiatives, such as the following Sustainability Bond Framework.

Visit [esg.aflac.com](https://esg.aflac.com) to learn more about sustainability at Aflac Incorporated.

# Aflac Incorporated’s Sustainability Bond Framework

“The Framework” applies to Sustainability Bonds issued by Aflac Incorporated or its subsidiaries on or after January 1, 2021. It sets out the guidelines for Aflac Incorporated’s Sustainability Bond issuances in accordance with the International Capital Markets Association (ICMA) Sustainability Bond Guidelines (June 2018), Green Bond Principles (June 2018) and Social Bond Principles (June 2020):

1. Use of Proceeds
2. Process for Investment & Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

Aflac Incorporated’s Sustainability Bond Framework allows the company to issue Sustainability Bonds under different formats, including public or private placements.

## 1. Use of Proceeds

An amount at least equivalent to the net proceeds of the Sustainability Bonds will be allocated exclusively to existing or future investments in or financing of Eligible Sustainability Assets, which are assets, businesses or projects within the general accounts of Aflac Incorporated’s insurance subsidiaries (General Account) or at the holding company that meet Aflac Incorporated’s Sustainability Bond Framework Eligibility Criteria as defined below. Eligible Sustainability Assets include existing assets within the General Account or the holding company funded up to 36 months prior to the Aflac Incorporated Sustainability Financing issuance date and new sustainability assets acquired within the General Account or at the holding company post issuance. It is Aflac Incorporated’s intention to fully allocate the net proceeds of such bonds within 24 months of issuance. Each of Aflac Incorporated’s eligible categories has been aligned with the relevant UN Sustainable Development Goals (SDGs).

### 1.1 Eligibility Criteria and Example Assets

Use of proceeds for eligible green assets will focus on providing specific environmental benefits and address climate change. Green assets eligible under the Framework will be allocated to finance or refinance loans and investments made in projects and assets as set out below, in alignment with ICMA’s Green Bond Principles (2018).

Eligible Green Assets	Examples of Eligible Green Assets	Examples of Impact Indicators
<b>Renewable Energy</b>	<p>Investments in facilities and equipment dedicated to generation, distribution and transmission of renewable energies such as:</p> <ul style="list-style-type: none"> <li>• Wind</li> <li>• Solar</li> <li>• Hydro (small-scale &lt; 25MW or run-of-river (with low storage capacity); new hydro or facilities &gt; 25 MW with storage capacity with life-cycle carbon intensity below 100gCO<sub>2</sub>/kWh; all hydro projects will be assessed for environmental and social risk impact</li> </ul>	<ul style="list-style-type: none"> <li>✓ Total installed capacity (MW); or expected</li> <li>✓ CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e); or expected</li> </ul>

<b>Energy Efficiency</b>	<p>Investments and financings related to activities that contribute to the reduction of energy consumption, help manage and store energy, and contribute to increase the share of renewable energy in the network such as:</p> <ul style="list-style-type: none"> <li>• Energy-efficient investments in new or refurbished buildings including retrofit, thermal insulation and upgrade of air conditioning system, resulting in at least 20% energy savings</li> <li>• Energy storage systems</li> <li>• Energy-efficient lighting (LED lighting)</li> <li>• Smart grid investments for more efficient transmission and distribution of energy</li> </ul>	<ul style="list-style-type: none"> <li>✓ Expected Energy savings</li> <li>✓ per year (MWh)</li> <li>✓ Expected CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e)</li> </ul>
<b>Green Buildings</b>	<p>Investments and financings related to existing or new construction/ renovation of residential and commercial buildings that have received or expect to receive, based on the design, construction or operation plans, any of the following certifications such as:</p> <ul style="list-style-type: none"> <li>• Leadership in Energy and Environmental Design (LEED) Gold or Platinum</li> <li>• Energy STAR (minimum of 75)</li> <li>• Building Owners and Managers Association (BOMA BEST) Gold or Platinum</li> <li>• Building Research Establishment Environmental Assessment Method (BREEAM) Excellent or Outstanding (or equivalent internationally recognized standards)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Floor space of green real estate (m<sup>2</sup>)</li> <li>✓ CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e); or expected</li> </ul>
<b>Clean Transportation</b>	<p>Investments in sustainable and efficient transit infrastructure including:</p> <ul style="list-style-type: none"> <li>• Rolling stock, infrastructure and vehicles for electric, hybrid or nonmotorized public and private transport, with:</li> <li>• Hybrids at 75gCO<sub>2</sub>/km</li> <li>• Individual rail &lt; 50gCO<sub>2</sub>e/p-km (passenger) or &lt; 25gCO<sub>2</sub>/t-km (freight)</li> <li>• Infrastructure dedicated to mass public transportation</li> </ul>	<ul style="list-style-type: none"> <li>✓ New clean transportation infrastructure built (km)</li> <li>✓ CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e); or expected</li> </ul>
<b>Sustainable Water Management</b>	<p>Investments in facilities and equipment that reduce water consumption or improve the efficiency of resources, including:</p> <ul style="list-style-type: none"> <li>• Installation of water-efficient products or technologies or xeriscaping/ drought-tolerant landscaping</li> <li>• Projects for collection, treatment, recycling or reuse of water, rainwater or waste water</li> <li>• Infrastructure for flood prevention, flood defense or storm-water management</li> </ul>	<ul style="list-style-type: none"> <li>✓ Volume of water saved/ reduced/ treated (m<sup>3</sup>)</li> <li>✓ Total population served by the system</li> </ul>
<b>Pollution Prevention and Control</b>	<p>Investments and financings related to activities that contribute to soil remediation, waste prevention and collection, waste reduction and waste recycling such as:</p> <ul style="list-style-type: none"> <li>• Development, operation and upgrade of recycling (metals, plastic and paper) plants</li> <li>• Facilities for collection, sorting and material recovery that are used to divert waste from landfills</li> </ul>	<ul style="list-style-type: none"> <li>✓ Waste diverted from landfill (tons)</li> <li>✓ CO<sub>2</sub> emission avoided (tCO<sub>2</sub>e); or expected</li> </ul>

Use of proceeds for eligible social assets will focus on providing specific social benefits and help build more inclusive and strengthened communities. Eligible social assets will focus on benefiting predominantly target populations in line with those defined in the ICMA Social Bond Principles 2020 and include, but are not limited to:

- Low- and moderate-income populations
- Minorities, vulnerable and/or marginalized populations
- Underserved/underbanked micro, small- and medium-sized businesses
- Businesses owned, managed or controlled by minorities, vulnerable and / or marginalized populations

Eligible Social Assets Category	Examples Of Eligible Social Assets	Examples of Impact Indicators
<b>Socioeconomic Advancement and Empowerment</b>	<ul style="list-style-type: none"> <li>• Investments and financings that seek to promote and spur inclusive and sustainable growth through financial inclusion, increase economic mobility and access to economic opportunity, and foster productive employment for all, including:</li> <li>• Investments and financings to support businesses, properties or projects that are at least 51% owned, managed or controlled by minorities, vulnerable or marginalized populations</li> <li>• Investments and financings in association with certified Community Development Financial Institutions (CDFIs) to support target populations; eligible CDFIs would focus on aspects such as, but not limited to, supporting access to financing and banking services to underserved / underbanked micro and small businesses, financing low income / affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>✓ Employment generation</li> <li>✓ Jobs created and/ or retained</li> <li>✓ Number of businesses supported</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Investments and financings that seek to improve equity and inclusion of target populations, including:</li> <li>• Investments and financings to increase access to, affordability of, and/or quality of affordable housing for target populations with income below 80% of the area median income (AMI) or as defined by the applicable jurisdiction</li> <li>• Investments in nonprofit social housing providers in the U.S. and overseas that provide rental homes at below-market rents to low- income earners, including teachers, nurses, the elderly and infirm</li> <li>• Investments and financings in infrastructure to increase access to, affordability of, and/or quality of essential products and services</li> <li>• Investments and financings in infrastructure to support sustainable community development</li> <li>• Investments and financings in infrastructure for the provision of child, youth or adult education and vocational training services in underserved communities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Number of dwellings</li> <li>✓ Number of individuals/ families benefiting from subsidized housing, education, healthcare, etc.</li> <li>✓ Students reached</li> <li>✓ Number of education facilities and/or initiatives</li> </ul>

## 2. Process for Asset Evaluation and Selection

Asset screening and selection is a key process in ensuring that the assets of the Sustainability Bonds program meet the criteria established under Aflac Incorporated's Sustainability Bond Framework.

- Aflac Incorporated's Sustainability Bond Council is comprised of representatives of Aflac Global Investments, Aflac Incorporated's Treasury team, and other Aflac senior management supporting Aflac's ESG and sustainability initiatives. Aflac has established the following process for selection and monitoring of Eligible Sustainability Assets:
- Aflac's investment teams will identify and propose to the Sustainability Bond Council potential assets suitable as Eligible Sustainability Assets under the Sustainability Bond Framework's criteria.
- The Sustainability Bond Council will be responsible for validation of the investment team's recommendations and for selection of Eligible Sustainability Assets to which the Sustainability Bond proceeds will be allocated.

The Sustainability Bond Council will also review the post-issuance external verification report and annual review reports, and will monitor developments related to Sustainability Bond market practices, including those related to disclosure and reporting.

All Eligible Sustainability Assets will be subject to a review consistent with Aflac's policies governing investments and responsible investing.

## 3. Management of Proceeds

Aflac Incorporated's Sustainability Bond Council will be responsible for monitoring the allocation of Sustainability Bond proceeds.

For any Sustainability Bonds issued, an amount at least equal to the net proceeds will be earmarked for allocation to the portfolio of Eligible Sustainability Assets within the General Account or at the holding company as selected by Aflac's Global Investments or Treasury and validated by the Sustainability Bond Council.

Aflac Incorporated's or its subsidiaries' portfolio of Eligible Sustainability Assets will be dynamic with Eligible Sustainability Assets maturing and new Eligible Sustainability Assets being added. The tracked proceeds will be monitored quarterly and adjusted as needed to ensure that the aggregate amount in the portfolio of Eligible

Sustainability Assets is equal to or greater than the aggregate amount raised by Sustainability Bonds. Net proceeds can be attributed to investments in or financings of Eligible Sustainability Assets completed up to 36 months before the issuance of a Sustainability Bond.

Aflac Incorporated will use reasonable efforts to substitute any Eligible Sustainability Assets that are no longer eligible as soon as practicable upon identifying an appropriate substitute Eligible Sustainability Asset.

## Unallocated Proceeds:

Pending the allocation or reallocation, as the case may be, of the net proceeds, Aflac Incorporated will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalents and/or other liquid marketable instruments.

## 4. Reporting

A year after a Sustainability Bond's issuance date, and every year thereafter until full allocation of a Sustainability Bond, Aflac Incorporated will publish a report describing the allocation of proceeds, Eligible Sustainability Assets supported by the Sustainability Bond and, where feasible, the environmental and social impact of the assets. Such report will include the information described under 4.1 and 4.2 below, and will be available on Aflac Incorporated's Investor Relations website.

### 4.1 Allocation Reporting

The Allocation Report will provide the following information:

- Net proceeds raised from each Sustainability Bond;
- Aggregate amount of funds allocated to each Eligible Category within Aflac Incorporated's Sustainability Bond Framework; and
- The balance of unallocated proceeds at the reporting period end

### 4.2 Impact Reporting

Where feasible, Aflac Incorporated will report on relevant impact metrics and disclose measurement methodology for any quantitative indicators.

### 4.3 External Review

#### Second-Party Opinion:

Aflac Incorporated has obtained a second-party opinion from Sustainalytics on this Sustainability Bond Framework.

### Post Issuance External Verification Report:

On an annual basis, an external party will verify and provide third-party assurance with respect to the management of the Sustainability Bond proceeds and the compatibility of the selected Eligible Sustainability Assets with the Sustainability Bond Framework.

## Disclaimer

This Sustainability Bond Framework is provided by Aflac Incorporated for informational purposes only and is subject to change without notice.

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This Sustainability Bond Framework is not incorporated by reference into, or a part of, any Offering Documents or any security. Any failure of Aflac Incorporated to comply with this Sustainability Bond Framework will not constitute a default under or breach of any security.

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Certain statements in this Sustainability Bond Framework constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,” “anticipates,” “includes,” “plans,” “assumes,” “estimates,” “projects,” “intends,” “should,” “will,” “shall” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Aflac Incorporated and its subsidiaries. Aflac Incorporated’s actual results and the use of proceeds from the Sustainability Bonds may differ materially from expectations or estimates reflected in such forward-looking statements. Certain important factors that could cause actual results and the use of proceeds to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the “Risk Factors” and “Forward-Looking Statements” sections included in Aflac Incorporated’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Quarterly Earnings Releases. Our execution of the Sustainability Bond Framework is subject to the risk that we will be unable to execute our strategy because of economic, market or competitive conditions or other factors. Aflac Incorporated does not undertake to update any particular forward-Sustainability Bond Framework.