

Task Force on Climate-related Financial Disclosures Report

2023



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About Aflac Incorporated

Aflac Incorporated (NYSE: AFL) is a Fortune 500 company helping provide protection to our policyholders through its subsidiaries in Japan and the U.S., where it is a leading supplemental insurer by paying cash fast when policyholders get sick or injured. For more than 67 years, insurance policies of Aflac Incorporated's subsidiaries have given policyholders the opportunity to focus on recovery, not financial stress. In the U.S., Aflac is the number one provider of supplemental health insurance products.¹ Aflac Life Insurance Japan is the leading provider of cancer and medical insurance in Japan.

For more than 67 years, Aflac has had the unique privilege of helping to provide financial protection and peace of mind to our millions of policyholders and customers worldwide. While many things have changed over the decades, one thing that has not wavered is Aflac's commitment to all of its stakeholders. Each and every day, we deliver on this commitment to be there for our policyholders when an illness, health event or life situation occurs — those challenging times when our policyholders need us most. We are dedicated to championing people's pursuit of their dreams and careers as employees and independent sales agents and through our diverse distribution networks. We are committed to our decades-long track record of creating value for our shareholders for the investment and trust they place in Aflac Incorporated. We consider ourselves privileged to be in a position to give back and help improve our communities where we can with our philanthropic commitments, including helping children who are facing cancer and other serious illnesses.

Aflac Global Investments includes Aflac Incorporated's asset management subsidiaries responsible for investing approximately \$111 billion on behalf of our insurance subsidiaries in Japan and the U.S. (as of year-end 2022). This team contributes to Aflac's long-term success by seeking to maximize long-term returns consistent with the preservation of capital based on an investment foundation of strategic asset allocation.

Sustainability and corporate responsibility have long been integrated into the Company's values and culture and embodied in "The Aflac Way" which are the core values that the Company has relied upon to live up to its commitment to its policyholders, employees, shareholders and other stakeholders. In 2022, Aflac Incorporated was named to the Dow Jones Sustainability North America Index for the ninth year in recognition of the Company's efforts and commitment to sustainability. This mindset extends to environmental considerations, where the Company continues to work to improve its standing as an environmental steward.

In 2020, to be a good steward of the planet, Aflac committed to net zero emissions by 2050 (Scopes 1, 2, and 3 including Category 15). As a path to achieve this goal, Aflac aims to procure 100% of electricity used for owned and controlled facilities from renewable sources by 2030. In addition, Aflac has been carbon neutral for Scopes 1 and 2 since 2020. We will expand our scope to include Scope 3 excluding Category 15 by 2040. We anticipate setting science-based targets provided there is no material change in industry and sustainability best practices. In

November 2021 Aflac Incorporated became a signatory of the Principles for Responsible Investment (PRI).

¹ LIMRA 2021 U.S. Supplemental Health Insurance Total Market Report.

About This Report

This report discusses our approach to evaluating and managing climate change risks and opportunities and is guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The recommendations of the TCFD focus on four thematic areas that represent core operational elements, including: (1) governance, (2) strategy, (3) risk management, and (4) metrics and targets.

References

In this report, we may refer to Aflac Incorporated's businesses collectively as "Aflac" or the "Company," the Company's U.S. businesses as "Aflac U.S." and the Company's Japan businesses as "Aflac Japan." We may also refer to climate-related risks and opportunities as "climate-related issues." References in this report are related to year-end 2022 unless otherwise noted.

Statement on Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" to encourage companies to provide prospective information, so long as those informational statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. The Company desires to take advantage of these provisions. This report contains cautionary statements identifying important factors that could cause actual results to differ materially from those projected herein and in any other statements made by Company officials in communications with the financial community and contained in documents filed with the Securities and Exchange Commission (SEC). Forward-looking statements are not based on historical information and relate to future operations, strategies, financial results or other developments. Furthermore, forward-looking information is subject to numerous assumptions, risks and uncertainties. In particular, statements containing words such as "expect," "anticipate," "believe," "goal," "objective," "may," "should," "estimate," "intends," "projects," "will," "assumes," "potential," "target," "outlook" or similar words as well as specific projections of future results generally qualify as forward-looking. Aflac undertakes no obligation to update such forward-looking statements. For a discussion of assumptions, risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed in the forward-looking statements, see our most recent reports on Form 10-K and Form 10-Q filed with the SEC.

Governance

The Board's Oversight

Aflac Incorporated has established and maintains a robust corporate governance framework to meet the expectations of stakeholders through the appropriate oversight of the operational execution of the holding company system. This framework is referred to as Aflac's "Global Group Governance." Aflac Incorporated's direct and indirect subsidiaries in each country operate pursuant to Global Group Governance and maintain management soundness in order to continue providing products and services that are valuable to customers and earn their trust. Aflac's Global Group Governance framework ensures appropriate oversight of and cooperation between Aflac Incorporated's direct and indirect subsidiaries in accordance with U.S. and Japanese laws and regulations.



Aflac Incorporated's Board committees play critical oversight and leadership roles through their efforts to identify, promote, and monitor responsible and ethical corporate governance mechanisms; corporate social responsibility and sustainability goals; compensation programs; and risk management practices that identify and assess climate-related risks.

The Corporate Social Responsibility and Sustainability (CSR&S) Committee provides guidance and oversight of the Company's sustainability and corporate social responsibility activities, including metrics and procedures to track progress toward achievement of the Company's goals. This committee is charged with monitoring and reviewing the Company's policies, procedures and practices to foster the sustainable growth of the Company on a global basis, including climate change. The CSR&S Committee also oversees all climate matters and supports the company's SmartGreen® goals and philosophy to wisely choose, use and dispose

of the resources we use each day and focus on five categories: business operations, strategic sourcing and procurement, facilities management, waste management and employee management. The CSR&S Committee also coordinates with other committees of the Board on climate-related matters within their purview. The CSR&S Committee generally meets three times a year.

The Finance and Investment Committee's climate-related responsibilities include a review of the strategic asset allocation and performance of investment portfolios and oversight of the Company's Global Investment Policy, investment process and policies, strategies and programs of the Company and its subsidiaries, including sustainability bonds. The Finance and Investment Committee generally meets four times a year.

The Audit and Risk Committee assists with oversight of the Company's compliance with legal and regulatory requirements and oversees the Company's policies, process and structure related to enterprise risk engagement and management, which includes climate-related risks. The Audit and Risk Committee has oversight over and reviews updates to key and emerging risks including climate-related risks that may affect the Company and related risk mitigation plans. The Audit and Risk Committee typically meets at least nine times a year and receives risk updates at least on a quarterly basis.

The Compensation Committee reviews the Company's general compensation plans to ensure they promote our goals and objectives, including incorporating sustainability factors into executive compensation programs. The Compensation Committee generally meets four times a year.

The Role of Management

The highest level of management with direct oversight of climate-related issues is Aflac Incorporated's President and Chief Operating Officer (COO) who regularly reports to the CSR&S Committee on these matters including progress on related goals and targets. The COO oversees, in consultation with the Company's Chief Executive Officer (CEO), how climate-related and other sustainability issues are incorporated into the Company's business strategy and leverages the work, insight and expertise of the Company's ESG Working Group ("Working Group") (see below). The governance structure of the Working Group allows the COO to remain informed about practices and approaches being taken across the Company's business to both understand the risks and opportunities the Company faces as a result of climate change, as well as the Company's areas of largest impact.

Specific climate-related responsibilities of the COO include assessing the importance of climate issues and driving the response. The COO works to ensure that the Company's climate-related actions are coordinated and aligned with the broader goals of the Company. The COO's informed understanding of the Company's business, authority to direct resources and prioritization, as well as connectivity with the Board is the reason why responsibilities for climate-related issues have been assigned to this position.

The Working Group, which is comprised of employees and chaired by the COO, provides management-level oversight of climate-related issues relevant to the Company's business. The Working Group consists of leadership within the Company who have responsibility for governance, enterprise risk management, investments, facilities, human resources government and regulatory relations, brand and marketing, cybersecurity, corporate social responsibility, and investor relations. The Working Group supports setting sustainability performance objectives, monitors implementation and performance of objectives, and oversees progress made toward our environmental goals, including climate-related goals.

Aflac's Global Group Governance committee framework, which is aligned with and overseen by the Board and its committees, ensures appropriate operational execution and governance over the Company's management activities. These management committees meet quarterly.

The Global Executive Management Committee (GEMC) serves as an executive committee governing the overall internal management committee structure, including risk management. Company executive management, including the CEO, COO, Chief Financial Officer (CFO), Global Chief Risk Officer (Global CRO), U.S. and Japan Presidents, General Counsel and other business unit executives, has overall responsibility for managing risk. The CEO, supported by the COO, CFO and Global CRO, recommends to the Board the amount and type of risk that Aflac is willing and able to accept and recommends appropriate risk management strategies. The Working Group provides regular reports to the GEMC on the progress of sustainability goals as well as enhancement of the reporting/disclosure framework regarding climate change risks.

The Global Risk Committee (GRC) receives updates from management and sub-working groups on key and emerging risks including any review or assessment of climate-related risks, and provides visibility, awareness and oversight at key levels of the organization, up to and including the Audit and Risk Committee and the Board. Management and sub-working groups monitor climate-related risks based upon their functional duties within the organization.

The Global Investment Committee (GIC) provides operational governance over the Company's investment activities, which includes strategies associated with sustainable investments, and related processes to support the assessment of climate-related risks and opportunities within the investment portfolios, subject to the Finance and Investment Committee's oversight.

Management Incentives

Management governance and oversight activities also include accountability for achieving certain climate-related goals. The compensation of certain employees is linked to achieving climate-related targets.

ESG and Executive Compensation

In 2021, recognizing the importance of tying our ESG goals to our business strategy, an ESG Modifier was introduced to the Management Incentive Plan for all officers across the Company's global operations. This modifier included five specific critical path objectives, as reviewed by the Corporate Social Responsibility and Sustainability Committee (CSR&S), and continued in 2022. These five goals and related achievements appear below.

Achievement of all five objectives results in a +5% adjustment to the incentive; two or fewer objectives results in a -5% adjustment; and there is no adjustment for achieving three or four of the objectives.

ESG Modifier	Achievements
Responsible investing (Insurance subsidiary portfolios) Commit \$500 million in Sustainable and DEI investments.	<ul style="list-style-type: none">Aflac Incorporated committed \$741 million in 2022 to sustainable and DEI investments.64% in Sustainable investments and 36% in DEI investments.
Responsible investing (Corporate portfolio) Allocate 100% of the (net) proceeds of the sustainability bond issued in 2021.	<ul style="list-style-type: none">Fully allocated the net proceeds from the \$400 million sustainability bond issued by Aflac Incorporated on March 8, 2021.59% of the funds were allocated to Social investments and 41% to Green investments.
Diversity, equity and inclusion <ul style="list-style-type: none">Achieve 2022 "Women in Leadership" objective in Japan of at least 25%.Increase overall U.S. diversity of senior management population by 2% in 2022 as part of the objective to increase by 5% by 2026.	<ul style="list-style-type: none">25.3% of Aflac Life Insurance Japan's manager or general manager positions were filled by women.47% of U.S. senior management positions were diverse, an increase of 4%.
Climate: Net Zero Source ≥ 30% of electricity used for owned and controlled facilities from renewable resources and submission of a formal path to 100% by 2030.	<ul style="list-style-type: none">Sourced 31.3% of electricity for owned and controlled facilities from renewable resources.Mapped a path to 100% renewable electricity by 2030.
Climate Risk & Reporting Report Scope 1-3 emissions and attestation, including at least 3 categories of Scope 3 emissions.	<ul style="list-style-type: none">Received attestation for FY2021 greenhouse gas emissions, not only Scopes 1 and 2 but also 5 categories of Scope 3: 1, 5, 6, 7 and 8.

Based on the achievement of all five ESG objectives in 2022, the MIP pool was adjusted positively by 5%. A similar four-objective ESG Modifier is being utilized in the MIP for 2023 and applies to all officers, starting at the highest levels of leadership (with the CEO and the COO, as the highest management-level positions with responsibility for climate-related issues).

Strategy

Climate-Related Risks and Opportunities

The Company evaluates climate-related risks and opportunities over the short, medium, and long term. Our evaluation of short, medium, and long-term risks is consistent with our business strategy and financial planning cycles with short-term being less than three years and long-term being considered five years or more.

The most significant climate-related risks identified relate to reputational and market-related transition risks as well as acute and chronic physical risks. The potential impact from these risks primarily will be experienced over the long term as climate conditions evolve. However, reputational risks have the potential to impact short and medium-term periods as the Company navigates evolving stakeholders' expectations for information and action.

The Company also considers climate-related opportunities, such as digitalizing Japan's policyholder application system to reduce paper usage to lower the Company's carbon footprint. One area that the Company is closely monitoring for business opportunities is our investment portfolio and future investment opportunities.

Below is a discussion of each of the climate risk categories, related potential impacts and opportunities to the Company.

Transition Risks

Reputational – As a supplemental health and life insurance company, climate-related reputational risks are associated with how the Company communicates its climate risk management practices to its stakeholders and whether those actions are consistent with stakeholder expectations.

Market – Market risks are primarily relevant for our investment portfolio as changes in supply and demand for products and services of our issuers will subject the Company to potential credit losses in the event that the issuers cannot adapt to changing conditions driven by the transition to a lower carbon economy.

Other Transition Risks – The Company considers other transitional risk categories including current and emerging regulations, technology, and legal risks, but these other transition risks currently do not represent a significant risk to the Company.

Physical Risks

Acute Physical – Acute physical risks are relevant for consideration related to our operations, investments that are backed by or related to real estate assets, and our insurance products.

For impacts on operations, these risks are incorporated into the Company's Business Continuity Planning (BCP), which considers the impact that climate change could have on our existing

contingency plans. The BCP ensures that there are processes in place to mitigate climate change risks such as hurricanes and other natural disasters that can cause business interruption through damaging or destroying property.

For investments, we consider risks to investments backed by or related to real estate assets that could be impacted by climate-related events as part of our credit underwriting process. Risks from acute physical events linked to climate change could include hurricanes flooding, or other extreme weather.

For impacts on products, we have assessed risks related to areas hard hit by a natural disaster, such as a hurricane, wildfires and heatwaves to assess if such events could lead to higher policy lapse rates or higher claims.

Chronic Physical – Chronic physical risks are relevant for the Company's investments and insurance products.

For investments, risks would include potential impacts where the issuer's underlying businesses or assets backing the investment could be impacted by longer-term shifts in climate patterns or rising sea levels.

For insurance products, risks would primarily relate to how climate-related conditions may impact human health over time such as the increase in occurrences of types of cancer or other adverse health effects.

Business and Strategy Impact

The Company has assessed the climate-related risks and opportunities associated with our business strategy specifically noting the impacts below that we have evaluated related to our operations, products and services, investments and supply chain. The assessment of these risks will continue over time and may change as the Company evaluates the implications of the risks and opportunities created by climate change.

Products and Services

The Company's primary products and services are supplemental life and health insurance policies which are not directly or substantially impacted by climate change based on our current assessment of recent experience. As a result, our strategy has not been directly influenced by climate-related risks or opportunities. However, we acknowledge the potential for climate risk to have a negative impact on human health that could adversely impact our claims over time and continue to evaluate implications on our business and products from climate-related risks.

Investments

Climate-related risks and opportunities are becoming an increasingly important consideration of the Company's investment portfolio activities. The impact of these activities is expected to occur over time as our portfolio evolves to reflect our progress toward meeting our 2050 net zero emissions target. The portfolio will also evolve to reflect the management of asset allocation to

sectors with elevated climate-related risks. These factors, along with other portfolio management considerations, will influence our investment strategy over the short, medium and long term.

The Company recognizes that an active and responsible approach to managing climate-related issues is a factor that can impact financial performance, particularly over the longer term. The primary objective of Aflac's investment strategy is to fulfill its fiduciary responsibility to invest in assets in a prudent manner in order to meet present and future policyholder obligations and to realize an appropriate risk-adjusted, long-term financial return on invested assets. The Company designs its investment strategies to meet the foregoing objectives within specific risk management limits and practices, including asset quality, diversification and liquidity. We consider the impact of climate change and other sustainability considerations among the factors assessed in evaluating and monitoring investment risks and opportunities. Our portfolio holds investments diversified across multiple sectors that may be affected by the physical and transition risks of climate change.

Climate-related risks have been considered in the Company's investment portfolio in relation to the risks associated with the transition to a lower-carbon economy, and certain exposures in the investment portfolio have been assessed accordingly. The Company has increased investment in clean energy companies and projects, including 100% renewable power producers, solar farms and sustainable infrastructure debt. The Company has taken other steps to diversify the portfolio to take advantage of climate-related opportunities, including over \$4.5 billion in sustainable and DEI investments as of December 2022. This investment shift is driven by the financial risks and opportunities associated with innovations driving the transition to a lower-carbon economy.

Supply Chain

We believe it is important to seek feedback from stakeholders in the communities in which we operate. In 2022, Aflac sent out surveys to our suppliers in the U.S. and Japan to better understand suppliers' climate-related initiatives. Supplier engagement will help influence supplier behaviors and support our net zero emission goal.

Operations

Climate-related risks and opportunities have an impact on the Company's business operations in relation to the Company's drive toward digitalization, energy efficiency and renewable energy. To respond to this, the Company is strengthening its digital capabilities and presence to reach and continue to support customers in the event of a climate-associated event, as discussed below. The Company's remote work procedures implemented during 2020 have been adjusted to accommodate the evolving nature of people's work location (e.g., remote, in-person or a hybrid combination of remote and in-person) that may lead to reduced commute times and real estate footprint. This work style was developed to ensure customers' needs are met. We have established and are actively using online platforms that are leading to opportunities as

consumers adapt to the new normal and an increasing number of employees continue to work remotely. The transformed digital systems are having a positive impact on the Company's carbon footprint with regards to commuting, business travel and use of office facilities.

Aflac Japan created a system that allows applications to be completed online by combining a digital pamphlet, an electronic application system and an electronic signature function. Aflac Japan also provides a service that allows customers to confirm policy details, change premium payment methods, change address and telephone number, change beneficiaries and perform various other procedures from a smartphone or personal computer.

As the Company continues with digital transformation initiatives, we are aware of the potential impact that increased technological demands may have on energy use. Therefore, the Company is taking steps to reduce energy consumption at its facilities by conducting energy efficiency measures and increasing the use of renewable energy. In 2022, the Company completed the installation of a [1.3MW solar array](#) at the U.S. campus and signed a contract to expand the array by approximately 50%. The number of kilowatt hours produced by the expanded array is expected to be an amount that is at least equal to 15% of the electricity used in Aflac's U.S. operational boundary. Additionally, the Chief Information Officer is looking into joining a sustainable IT organization to establish sustainable practices as a global industry standard.

Financial Planning Impact

As a supplemental health and life insurance company, the Company has identified limited climate-related risks and opportunities with a substantive impact on its financial planning. The Company's financial planning process considers any impact from investments in more efficient equipment or the generation of renewable electricity, like its onsite solar arrays, as part of its efforts to reduce emissions and transition to net zero emissions. In addition, the financial planning process considers the impact of investments in solar equipment in various communities, and tax credits generated by these investments are recorded as an income tax benefit in the consolidated statement of earnings. The Company monitors emerging risks and opportunities to factor into the financial planning process, should they become more substantive.

Strategy Resilience

As a supplemental health and life insurance company, our primary climate-related risks are related to our reputation, investment portfolio and insurance products. These risks are currently assessed as part of our ongoing risk management processes for adverse conditions or changes where climate-related risks represent a subset of risks or factors that could impact our performance.

We have assessed acute physical risks related to areas hard hit by a natural disaster, such as a hurricane, wildfires, and heatwaves to assess if such events could lead to higher policy lapse

rates or higher claims. The Company has not found that climate change is significantly affecting policyholder lapses or human health (acute physical risks) related to the types of insurance that the Company issues. Should this begin to demonstrate a notable impact, it is the Company's belief that it will happen gradually and that there will be adequate time to adjust.

While we recognize the importance of climate-related scenario analysis and plan to incorporate that into our strategy in the future, we are not expecting such an assessment will have a meaningful impact on our near-term strategy that would not otherwise be captured as part of our on-going processes and therefore, have not incorporated climate-related scenario analysis at this point.

Risk Management

Risk Identification and Assessment Process

Enterprise Risk Management Process

The Company integrates climate risk into its Enterprise Risk Management (ERM) process. As part of the risk identification and assessment process, the Company conducts an annual risk assessment, taking both a top-down and bottom-up approach. The risk identification process requires that business units evaluate risks and identify potential emerging risks (including climate risks). Additionally, questionnaires are sent to business units to proactively identify any emerging risks (including emerging climate risks) with the potential to substantively impact the business. Emerging risks are viewed from both an internal and external perspective (e.g., macro-economic, geopolitical, industry level) and from internal surveys facilitating feedback from Aflac personnel across business units. The objective is to understand whether identified risks will have an impact on the organization's objectives. This process ensures that the perspective of all business units and geographies are being considered on the global, Company-wide level. After risks have been identified, the risk management team undertakes a filtering process using the Company's risk matrix (described below) to determine the most substantive risks. Risks are then assessed to consider whether the identified risk is already being mitigated and the residual impact and likelihood to determine the residual risk rating (after considering management actions) for each risk identified, including climate risks.

The Company utilizes a risk assessment matrix (which includes climate-related risks) to determine risk rating and corresponding prioritization. The risk rating matrix classifies risks as either low, medium, high or critical based upon the impact and likelihood. The five impact levels include: minor, moderate, adverse, major and extreme and are based upon quantitative and qualitative factors. The five likelihood levels include: rare, unlikely, possible, likely and frequent and are based upon quantitative factors. The intersection of the impact and likelihood is the risk rating (as described above as either low, medium, high or critical).

A high or critical risk rating would have a substantive financial and/or strategic impact on the business. To expand, a high-risk rating ranges from a moderate impact with a frequent likelihood to an extreme impact with an unlikely likelihood. The middle ground of a high-risk rating is a major impact of \$100 million and possible likelihood (once in 20 years). A critical-risk rating ranges from a major impact with a frequent likelihood to an extreme impact with a likely likelihood. The middle ground of a critical-risk rating is extreme impact of \$500 million and likely likelihood (once in 10 years).

Based upon the risk rating, management decides whether to accept, mitigate, transfer, or avoid the risk and reports on the high or critical risks to the GRC and as needed from the GRC to the GEMC, (as discussed in the Role of management section above), and ultimately, the Board for guidance and direction to ensure that the Company's earnings, solvency and brand are protected.

In addition to our overall risk management processes to identify risks, we also periodically assess climate-related risks and undertake further analysis to evaluate those risks as demonstrated by the Company's assessment of acute physical risks discussed in the Strategy Resilience section above.

The Company has performed an assessment of climate-related risks noting the most significant areas of potential climate risks related to our reputation, products and investments.

Climate-Specific Risk Assessment Processes

Reputation

The Company's stakeholder engagement helps the Company identify and address key climate-related risks and opportunities, while also taking environmentally-friendly and prudent business actions that protect and strengthen its brand reputation.

The Company has a risk that key stakeholders may expect or demand certain actions to be taken related to climate change. Lack of action or supporting information on climate-related impacts from the organization could lead to a decreased share price or reduced interest in Aflac products due to negative company perception. The Company believes that this risk is mitigated significantly by management actions regarding emissions targets and commitments to carbon neutral and net zero emission goals, such that the residual risk is low.

With increased regulatory, legislative, investor and consumer expectations surrounding sustainability, the Company's inability to achieve our emissions reduction goals could negatively impact our brand and reputation. These potential negative impacts on our brand and reputation could result in adverse impacts to our ability to attract talent and to execute upon the Company's strategy, including any strategies requiring regulatory, legislative and investor support.

Investments

The Company considers both impact and potential exposure to climate change alongside many factors in the assessment of individual investments and industry sectors. This assessment of risk is critical in underwriting investments in any specific security issuer to understand the entity's exposure to specific environmental issues and is informed by materiality considerations. The Company's approach is periodically reviewed and refined to incorporate the latest industry and market practices.

To assess climate-related risks for internally managed investments in corporate debt, the Company reviews, by utilizing available resources, each issuer's sustainability considerations, including, but not limited to, the specific industry of the issuer in order to assign an internal sustainability score to each investment. As it relates to climate-related risks, including physical and transition risks, the Company's proprietary sustainability scoring incorporates factors such as the issuer's carbon footprint, efforts to improve their operations' impact and the environmental impact of their specific products. These scores reflect the Company's judgment on how these factors could impact the issuer's overall business and financial condition on aspects such as reduced revenue, increased costs, the potential for regulatory action including sanctions, fines, shut-downs, lawsuits, reputational risk, industry dynamics including relative competitive positioning and other factors. We include the sustainability score as a consideration in the overall credit underwriting process, as well as a consideration in the periodic monitoring of the investment.

To assess climate-related risks for externally managed investments, the Company uses responses to an environmental and social questionnaire along with other due diligence responses to select external managers. Sustainability-related processes and assessments are reviewed to ensure climate-related issues are included in the selection and periodic monitoring of investments.

The Company's external managers, as part of their standard credit underwriting processes, may assess sustainability factors for prospective issuers, including issuers' internal sustainability policies and climate-related factors such as GHG (greenhouse gas) emissions. Physical risks due to climate change are incorporated during the assessment of our commercial real estate investment portfolio. For example, the Company's external managers consider the risk exposure of potential investments to sea level rise as part of their credit underwriting.

We continue to evaluate external tools and climate stress testing scenarios prescribed by regulators to inform potential impacts of climate risk on our investment portfolio, recognizing the limitations in the existing approaches. While we consider sustainability-related risks, including climate risks, in our overall assessment of credit risk for issuers, we have not specifically quantified the potential impact of climate-related risks on our portfolio. Our most significant risk would likely be related to a scenario in which there is a disorderly transition to a lower carbon economy that would significantly impact issuers with elevated climate-related risks due to the inability to adapt their business model. Longer-term or orderly transition risks are less likely to

have a significant impact as our current portfolio of investments would mature over time and be replaced with investments that would consider the then-current business profile and expected transition risks to the issuer.

Physical risks are less likely to have a significant impact on our current portfolio given the relatively short remaining life of most real estate-backed investments and low likelihood of acute physical risks creating significant, uninsured losses in the near term on those investments. We will continue to evaluate ways to more specifically quantify climate-related risks on our portfolio to further refine our assessment of this risk.

Products

As discussed above, we have identified both acute and chronic physical risks as primary risk categories that could impact our products. The Company has processes in place to assess possible trends that might impact our policyholder claims and/or persistency experience compared to original expectations based on our product underwriting and pricing targets.

The Company has undertaken specific climate-risk-related assessments of acute physical events and impacts on persistency and claims. We have assessed risks related to areas hard hit by a natural disaster, such as a hurricane, wildfires, and heatwaves to assess if such events could lead to higher policy lapse rates or higher claims. The Company has not found that climate change is significantly affecting policyholder lapses or human health (acute physical risks) related to the types of insurance that the Company issues. We will periodically perform these assessments to help identify any climate-related risk trends connecting acute physical events that might not be evident in the evaluation of broader claims or persistency trends.

For chronic physical risks, there are a few areas where the performance of our insurance products could be adversely affected over time. The first is the Company's cancer insurance products. The Company recognizes that if climate change increases the incidence of certain types of cancer such as those related to sun exposure or environmental pollution, the underwriting approach or pricing of our products may need to change. Another area of potential impact from climate change on our products is the increased prevalence of novel viruses, which in the future could be exacerbated by or present in wider geography due to climate change. While climate change may result in adverse health impacts that could negatively affect our claims over time, medical advancements in early detection and treatment of cancer and other illnesses may mitigate some of these impacts from climate change over time.

As we recognize chronic physical risks may exist related to our products, we continue to evaluate external studies that link climate change to adverse health impacts to assess potential ways to quantify the potential impacts to our supplemental life and health insurance products. In many cases with these external studies, adverse health effects are broadly captured across populations where more vulnerable populations are most impacted, which is less likely to be a significant part of our policyholder demographics. When developing a product, the Company incorporates contingencies, such as the consideration of stress assumptions for claims and

persistency when pricing products. These stress assumptions are not necessarily explicit to climate change but provide resilience to unpredictable events. We would expect adverse impacts from climate change to be within the existing stress parameters used for product pricing but will continue to evaluate external and internal data as we monitor trends in this risk going forward.

Risk Management Process

Reputation

The Company has processes to continually engage with key stakeholders – both internal and external – to identify various risks and opportunities, including those related to climate, that can be incorporated into the Company's risk management process and strategic plans. This process includes regular engagement of shareholders and their stewardship teams, as well as regular meetings of the Working Group at the management level and the CSR&S Committee of the Company's Board of Directors where actions related to climate-related risks and current and pending regulation and legislation are reported and/or discussed as applicable. The Company's stakeholder engagement approach ensures that the Company can identify and address the key climate-related risks and opportunities, while also protecting and strengthening its brand reputation through environmentally friendly and prudent business actions. This approach is consistent with "The Aflac Way," which emphasizes doing the right thing on behalf of customers, investors, employees and all stakeholders. The Company also strives to offer clear information to stakeholders on its climate-related commitments, targets and actions on its Sustainability site, including the Business and Sustainability Report.

These processes and monitoring of progress toward our commitments provide insights into changes in the reputational risks facing the Company and any actions to be considered to reduce our risk in the future.

Investments

The Company considers it essential to incorporate impact and exposure to climate change in the assessment of individual investments and industry sectors. This assessment is critical in assessing the risk and return potential for any specific security issuer in order to understand the entity's exposure to specific environmental issues, and is informed by materiality considerations. Risk management of the investment portfolio also includes diversifying its investments by asset class, sector, single issuer and other portfolio construction characteristics specific to each asset class. For example, with respect to investments exposed to physical climate-related risks, the Company's approach includes diversification by geography, and by underlying property type and revenue sources. The Company's approach is periodically reviewed and refined to incorporate latest industry and market practices:

For internally managed corporate debt investments, we consider our proprietary sustainability score as part of the overall credit underwriting assessment that is used to make investment

decisions as part of our ongoing surveillance of the credit risk profile of issuers within our investment portfolio.

For externally managed investments, we use responses to an environmental and social questionnaire along with other due diligence responses to select external managers and review their sustainability-related processes. These assessments support certain investments we are considering, such as sustainable infrastructure debt and equity, as well as commercial real estate lending secured by buildings typically carrying Leadership in Energy and Environmental Design ([LEED](#)) Gold or Platinum certification.

More generally, the Company's portfolio management decisions also consider the Company's current exposures relative to concentration limits such as asset classes, sector and credit ratings limits. While these limits do not have specific considerations for climate-related risks, the relative risk considerations and differentiation in performance used to develop the limits may implicitly include certain climate-related risk considerations.

As an example of the Company using climate-related information to influence its decisions, in 2021 the Company made a \$2 billion commitment to Denham Sustainable Infrastructure to launch a new debt platform that will invest primarily in the senior debt of sustainable infrastructure projects and has also committed \$100 million toward Denham's second dedicated equity fund to support the acquisition, enhancement and development of sustainable infrastructure assets.

Responsible Investment Stewardship and Engagement

As part of "The Aflac Way," we believe that integrating responsible investment factors leads to better decisions with respect to the risk and return profile of investments and their sustainability, while helping to make a positive financial and social impact on all of Aflac's stakeholders. In 2023 the Company published a Responsible Investment Stewardship and Engagement policy that outlines its approach.

Aflac Incorporated and Aflac Global Investments, its asset management subsidiary, use stewardship and engagement when it is critical to underwriting due diligence. Our analysis focuses on financially material factors for each investment, including an investment's sustainability. In conjunction with its goal of maximizing net investment income in a manner consistent with the preservation of capital, the Company's analysts and portfolio managers will attempt to engage with management teams of investees when we believe that environmental and social factors are an immediate material issue that could result in demand destruction, higher costs, or increase in physical risks for an investee's products, services, and/or assets.

The Company's investments are largely fixed income securities with no voting rights and comprise a negligible portion of an investee's capital structure. As such, we often have very little influence on management decision-making compared to engagement from an investee's customers and equity holders.

In addition to this policy, the Company may establish other policies related to stewardship at Aflac Incorporated and subsidiary level.

Products

The Company has not identified any climate-related risks and opportunities that directly impact product underwriting or pricing. However, the Company continuously analyzes data and global trends for a possible indication that new impacts, including those related to climate change, could influence our supplemental health and life insurance offerings. This analysis process considers all components that could influence the product underwriting process, regardless of scale. Therefore, if in the future, climate-related risks and opportunities have a larger impact or trends arise that demonstrate the influence of these risks and opportunities on the supplemental health and life insurance industry, the Company is in a position to incorporate these considerations into the underwriting and pricing process. It is also important to note that the long-term nature of any morbidity risk needs to take into account natural advances in medicine such as screening, detection, treatments and cures as well as potential adverse impacts from climate change or other factors.

Risk Integration Process

As described above, the management of the significant areas of risk is integrated into the related processes of the organization to identify, assess and manage climate-related risks as they continue to evolve.

Metrics and Targets

Metrics

The Company's metrics currently used to assess climate-related risks and opportunities relate to emissions data for the Company as those data points directly tie into the Company's targets discussed below. These metrics are part of our near-term and long-term targets to demonstrate the Company's efforts to reduce our carbon footprint. We continue to evaluate relevant, reliable and comparable metrics for other climate-related risks and may add additional interim and long-term metrics over time. The Company also has certain metrics described in the *Management Incentives* section that provides linkage of management compensation with achievement of certain critical path sustainability objectives, including climate-related objectives.

Scope 1, Scope 2, Scope 3 Greenhouse Gas Emissions

The Company engaged a third party to review and provide limited assurance on its GHG emissions for its 2022 for Scope 1, Scope 2 and eight categories under Scope 3, representing 100% of the calculated and disclosed Scope 3 emissions. The Company's GHG emissions include all direct (Scope 1) and indirect (Scope 2) emissions generated from all company-owned

locations, which are all located in the United States and Japan and indirect (Scope 3) GHG emissions. The table below shows Scope 1 and 2 GHG emissions.

SCOPE 1&2 EMISSIONS (Metrics Tons CO ₂ e)	
Scope 1 ¹	2,633
Scope 2 (Market-Based)	0
Scope 2 (Location-Based)	8,394
Total Scope 1 and Scope 2 (Market-Based)	2,633
Retired Carbon Offsets	2,633

¹ Excludes 104 metrics tons CO₂e direct emissions from use of biofuel.

For 2022 emissions, the Company received assurance in three additional Scope 3 categories. These categories are 2 - Capital Goods, 3 - Fuel-and-Energy-Related Activities (not included in Scope 1 or 2) and 4 - Upstream Transportation and Distribution. The table below includes all relevant Scope 3 categories to the Company and indicates which categories received assurance.

Category	Why Category is Relevant	Assured	Metric Tons CO ₂ e
1. Purchased Goods and Services	These are emissions associated with the products and services purchased.	Yes	200,815
2. Capital Goods	These are embedded emissions with the capital goods purchased.	Yes	2,812
3. Fuel-and-Energy-Related Activities (not included in Scope 1 or 2)¹	These are emissions associated with production and distribution of purchased electricity.	Yes	3,687
4. Upstream Transportation and Distribution²	These are emissions generated through transportation and distribution of purchased products.	Yes	8,268
5. Waste Generated in Operations	These are emissions generated through the disposal and treatment of waste generated in on-site operations.	Yes	159

Category	Why Category is Relevant	Assured	Metric Tons CO ₂ e
6. Business Travel	These are emissions generated from traveling for business-related activities.	Yes	7,908
7. Employee Commuting	The Company generates emissions through staff commuting and from remote working.	Yes	2,915
8. Upstream Leased Assets	The Company leases assets that generate emissions.	Yes	7,642
15. Investments	The Company holds financial investments, which generate emissions.	No	Piloting Financed Emissions Methodology

Total 234,205

¹ Excludes 77 metrics tons CO₂e category 3 emissions from use of biofuel.

² The Company previously reported emissions in Category 9 - Downstream Transportation and Distribution. Beginning in 2022, the Company began reporting all emissions related to transportation and distribution in Category 4 - Upstream Transportation and Distribution.

The above table excludes categories where the Company had zero emissions due to the nature of our business as a financial services company. Categories with zero emissions are Category 9 - Downstream Transportation and Distribution, Category 10 - Processing of Sold Products, Category 11 - Use of Sold Products, Category 12 - End of Life Treatment of Sold Products, Category 13 Downstream Leased Assets and Category 14 - Franchises.

The Company is currently focused on direct/indirect Scope 1 and 2 emissions while piloting methodologies to calculate the carbon emissions associated with its multi asset class portfolio in line with the Partnership for Carbon Accounting Financials (PCAF) standard pending further clarity related to Scope 3 disclosure from the SEC. The Company is evaluating financed emissions reporting, recognizing that sustainability practices continue to evolve and there are multiple industry standards for the calculation of Scope 3, Category 15 emissions (Investments) available at this time.

Exposure to Carbon-Related Assets

Exposure to carbon-related assets is one of the metrics recommended by TCFD to measure the climate impact on the portfolio. The Company defines carbon-related assets as those tied to the four non-financial groups identified by the TCFD in its 2021 report (Energy, Transportation, Materials and Buildings, Agriculture, Food and Forest Products) with an elevated profile of climate-related risks based on the Company's proprietary environmental sustainability score and/or traditional fundamental credit analysis.

The Company's coal-related assets are reported based on an internal methodology that considers electric utilities with an elevated share of coal-powered generation in the mix or issuers with elevated coal exposures. The Company's oil and gas-related assets are mainly assets classified as Energy in industry benchmarks.

Carbon-Related Assets	Amount, USD mm	% of AUM
Coal-Related	\$1,381	1%
Oil and Gas-Related	\$2,725	2%
Other Carbon-Related Assets	\$5,203	5%
Total Carbon-Related Assets	\$9,309	8%

The Company updated its methodology for 2023 reporting cycle. The Company's methodologies are subject to change based on evolving regulatory requirements and industry conventions.

Greenhouse Gas Reductions and Goals

Aflac Incorporated is dedicated to the environment and the health and well-being of the people we serve. As such, we strive to balance effective and efficient management of our operations with responsible environmental stewardship. We are committed to doing our part to mitigate climate change, conserve natural resources and reduce GHG emissions to help ensure the long-term value of our company's operations and investments and preserve the world in which we live.

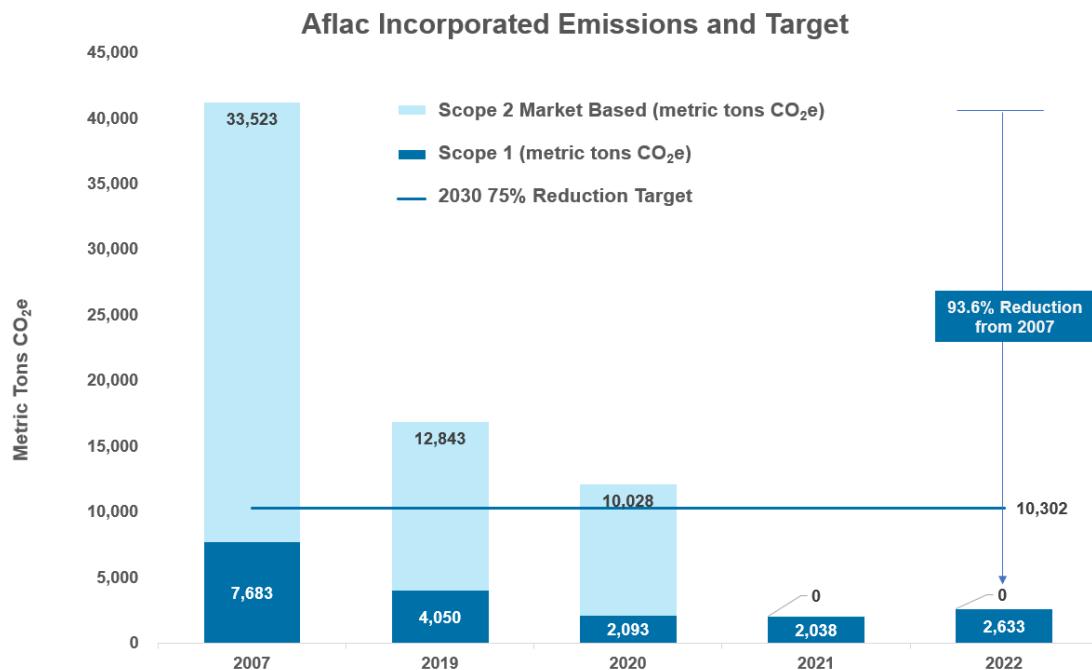
Aflac is committed to meeting the following GHG reduction goals, and we anticipate setting science-based targets, provided there is no material change in industry and sustainability best practices.

- Reduce Scope 1 and 2 emissions 75% from our 2007 base year by 2030.
- Procure 100% of electricity used for owned and controlled facilities from renewable sources by 2030.
- Become carbon neutral for Scopes 1, 2 and 3 excluding Category 15 by 2040.
- Reach and maintain net zero emissions for Scopes 1, 2 and 3 including Category 15 by 2050.

The net-zero emission goal will require a comprehensive and transparent approach to developing a formal plan to meet our commitments. Therefore, we will provide appropriate reporting and hold ourselves accountable along the way.

Progress on Greenhouse Gas Reductions

Aflac Incorporated reduced Scope 1 and 2 market-based GHG emissions by more than 93% from 2007 to 2022. We exceeded our goal of a 75% reduction in Scope 1 and 2 emissions from a 2007 base year nine years ahead of our 2030 schedule.



Target for 2030 includes 100% of Aflac U.S. and Aflac Japan Scope 1 emissions and includes 100% of Aflac U.S. and Aflac Japan Scope 2 market-based emissions. Total 2007 Scope 1 & Scope 2 market-based emissions were 41,206 metric tons CO₂e and total 2022 Scope 1 & Scope 2 market-based emissions were 2,633 metric tons CO₂e. This is a 93.6% reduction from base year emissions.

We attained this result by using more renewable energy and conserving more energy. To expand our renewable energy use, Aflac U.S. installed on-site solar capacity and Aflac Japan moved to 100% renewable electricity in Aflac Square, an Aflac Japan-owned building. To conserve energy, Aflac invested in energy efficient lighting, heating, ventilation, air conditioning and other emissions-reduction practices. The company reduced its Scope 2 market-based emissions by purchasing renewable energy credits¹. Then, Aflac purchased carbon offsets and J-Credits² to offset Scope 1 emissions. Aflac has been carbon neutral for Scope 1 and 2 emissions since 2020. In 2022, GHG emissions increased from the previous year. This was due to the recovery from the pandemic.

¹ A renewable energy certificate, or REC, is a market-based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. One REC represents one megawatt-hour (MWh) of electricity generated from a renewable energy resource.

² The J-Credit Scheme is a scheme under which the Government of Japan certifies credits the amount of greenhouse gas emissions reduced through efforts to introduce energy saving devices and utilize renewable energy as well as the amount of such emissions removed through appropriate forest management.

Renewable Electricity

By 2030, Aflac Incorporated intends to use only renewable electricity in its owned and controlled facilities. To accelerate our efforts, Aflac is investing in smart environmental solutions that contribute to a sustainable future.

- In 2022, Aflac U.S. completed phase 1 of its solar array, installing a [1.3 megawatt array](#) at the Paul S. Amos campus. In 2023, Aflac will increase the array by 50%. The electricity generated by the expanded array will be more than 50% of electricity used by the Paul S. Amos campus, Aflac's largest U.S. campus.
- Beginning in 2022, Aflac Japan has introduced a plan to reduce CO₂ emissions to zero¹ by switching all electricity used at Aflac Square, a building owned by Aflac Japan, to 100% renewable energy.

¹Excludes CO₂ emissions from heavy oil A, etc., used as fuel for emergency generators (for use in times of disasters, approx. 7 t-CO₂/year (actual in 2022))

Energy Conservation and Efficiency

In addition to increasing our renewable energy use, Aflac is committed to conserving energy and increasing energy efficiency. Since 2010, the Company has had one [LEED](#) Gold-certified owned and controlled building in the U.S., and as of June 2023, the Aflac Square building in Japan achieved Platinum status.

- The Company is migrating our IT infrastructure to cloud solutions, resulting in a reduced carbon footprint. Some of our cloud providers also use renewable energy, which helps the Company reduce our carbon footprint. We are also looking to move our desktop infrastructure to the cloud.
- Aflac U.S. has a decade-plus legacy of reducing electricity consumption in our owned real estate. We were the first insurance company in the U.S. known to achieve ISO 50001:2011 Energy Management Systems certification and the only insurance company known to achieve both ISO 50001:2011 Energy Management Systems and ISO 14001:2015 Environmental Management certifications. We re-certified under ISO 50001:2011 in 2019 with zero nonconformance issues. Aflac has a commitment to owning or leasing green buildings whenever feasible.
- Aflac U.S. campuses are equipped with five electric vehicle (EV) charging stations to promote use of environmentally friendly vehicles. Aflac employees can charge their electric vehicles while they work. Aflac's corporate vehicle fleet also includes EVs and hybrid vehicles, and fuel efficiency is emphasized when purchasing corporate vehicles.

- Aflac Japan has made progress in converting to high-efficiency energy systems to reduce energy use at Aflac Square. We are also working on introducing renewable energy sources, installing LED lighting with low consumption and long life and managing our air conditioning in accordance with the air conditioning temperature settings recommended by Japan's Ministry of the Environment for the leased buildings where we are located.

Our Commitment to the Future

While we have made significant progress, we have more work to do to reduce our impact on the environment. Aflac will continue to focus on reducing energy consumption, water and waste, investing in new technologies and approaches that help lower greenhouse gas emissions and make our facilities more sustainable, and employing renewable energy sources.

As a leading company that provides financial protection to millions of people primarily through supplemental health and life insurance products, we strive to make business decisions that balance the needs of our many constituencies and will continue to make our efforts in these areas more robust and impactful for the greater good of all.

Additional References

Investors may learn more about Aflac Incorporated and its commitment to sustainability and social responsibility, including our latest Business and Sustainability Report, CDP survey response, ESG Policies and Statements as well as Sustainability Bond Report, at investors.aflac.com under "Sustainability."

Appendix - Independent Accountants' Review Report



KPMG LLP
Suite 2000
303 Peachtree Street, N.E.
Atlanta, GA 30308-3210

Independent Accountants' Review Report

The Board of Directors and Management

Aflac Incorporated:

We have reviewed the accompanying Statement of Greenhouse Gas Emissions and related notes for the year ended December 31, 2022 (the Statement of GHG Emissions) of Aflac Incorporated. Aflac Incorporated's management is responsible for presenting the Statement of GHG Emissions in accordance with the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition, the WRI/WBCSD Greenhouse Gas Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard, and the WRI/WBCSD Greenhouse Gas Protocol: Corporate Value Chain (Scope 3), Accounting and Reporting Standard as set forth in Note 1 (collectively, the "GHG Protocol"). Our responsibility is to express a conclusion on the Statement of GHG Emissions based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in AT-C Section 105, *Concepts Common to All Attestation Engagements*, and AT-C Section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Statement of GHG Emissions in order for it to be in accordance with the criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Statement of GHG Emissions is in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment and consisted primarily of inquiries of management to obtain an understanding of the methodologies applied, evaluation of the entity's application of the stated methodologies for deriving the greenhouse gas emissions and energy consumption metrics, recalculations of the greenhouse gas emissions and energy consumption metrics, inspection of a selection of retired and generated renewable energy credits and retired carbon offsets, and analytical procedures comparing changes in greenhouse gas emissions and energy consumption trends.

As described in Note 1, environmental and energy use data are subject to measurement uncertainties resulting from limitation inherent in the nature and methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.



Based on our review, we are not aware of any material modifications that should be made to the Statement of GHG Emissions for the year ended December 31, 2022 in order for it to be in accordance with the GHG Protocol as set forth in Note 1.

KPMG LLP

Atlanta, Georgia
June 16, 2023

Aflac Incorporated
Statement of Greenhouse Gas Emissions
For the year ended December 31, 2022

Operational Boundary			
ENERGY (Megawatt Hours - MWh)			
	Aflac Japan	Aflac U.S.	Total
Total Energy Consumption	5,214	29,574	34,788
Electricity Consumption	5,189	17,970	23,159
Retired Renewable Energy Credits (RECs) and Generated Renewable Energy ¹	0	17,970	17,970
SCOPE 1&2 EMISSIONS (Metric Tons CO2e)			
Scope 1 ²	7	2,626	2,633
Scope 2 (Market Based)	0	0	0
Scope 2 (Location Based)	2,255	6,139	8,394
Total Scope 1 and Scope 2 (Market Based)	7	2,626	2,633
Retired Carbon Offsets	7	2,626	2,633
SCOPE 3 EMISSIONS (Metric Tons CO2e)			
Category 1 – Purchased Goods and Services	104,313	96,502	200,815
Category 2 – Capital Goods	2,194	618	2,812
Category 3 – Fuel-and -Energy-Related Activities ³	1	3,686	3,687
Category 4 - Upstream Transportation and Distribution	6,021	2,247	8,268
Category 5 – Waste Generated in Operations	20	139	159
Category 6 – Business Travel	3,473	4,435	7,908
Category 7 – Employee Commuting	677	2,238	2,915
Category 8 – Upstream Leased Assets	4,405	3,237	7,642
Total Scope 3 Emissions Categories 1, 2, 3, 4, 5, 6, 7, 8	121,103	113,102	234,205

¹ Includes 17,755 MWh of RECs and 215 MWh of Aflac U.S. generated renewable energy. See Note 2 in the Notes to the Statement for additional information on RECs.

² Excludes 104 mtCO2e direct emissions from use of biofuel.

³ Excludes 77 mtCO2e category 3 emissions from use of biofuel.

See accompanying Independent Accountants' Review Report and notes to the Statement of Greenhouse Gas Emissions.

Aflac Incorporated
Notes to the Statement of Greenhouse Gas Emissions
For the year ended December 31, 2022

Note 1: The Company

Management's assertion

Aflac Incorporated ("Parent Company") is responsible for the completeness, accuracy and validity of this Statement of GHG Emissions for the year ended December 31, 2022 (the "2022 Statement of GHG Emissions"). Management is also responsible for the collection, quantification, and presentation of the disclosures included in the 2022 Statement of GHG Emissions and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting. Management of the Parent Company asserts that the Company's Statement of GHG Emissions for the year ended December 31, 2022 is prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard and the GHG Protocol: Corporate Value Chain (Scope 3), Accounting and Reporting Standard.

Amounts in this report may not sum due to truncation or rounding.

Company Background

The Parent Company was incorporated in 1973 under the laws of the state of Georgia. The Parent Company and its subsidiaries (collectively, the "Company") provide financial protection to our millions of policyholders worldwide. The Company's principal business is supplemental health and life insurance products with the goal to provide customers the best value in supplemental insurance products in the United States (U.S.) and Japan. The Company's insurance business consists of two segments: Aflac U.S. and Aflac Japan. When a policyholder or insured gets sick or hurt, the Company pays cash benefits fairly and promptly for eligible claims. Throughout its 67-year history, the Company's supplemental insurance policies have given policyholders the opportunity to focus on recovery, not financial stress. The Company has continued to develop and expand its product offerings over time. In Japan, the Company is cultivating an innovation-driven culture to meet the rapidly changing customer and societal needs. Through acquisitions completed in 2019 and 2020, the Company expanded its U.S. product offerings to network dental and vision and employer paid group life and disability. The Company has also been investing in new distribution opportunities through acquisitions and partnerships. In recent years, the Company has pivoted to digital sales methods and accelerated related digital investments. The Company is authorized to conduct insurance business in all 50 states, the District of Columbia, several U.S. territories and Japan. The Company's website is: www.aflac.com.

Basis of Presentation

The Company has prepared its 2022 Statement of Greenhouse Gas (GHG) Emissions for operations on a calendar reporting year that is the same as our financial reporting period.

The Company uses 2007 as the base year for calculating Scope 1 and Scope 2 GHG emissions. The Company will adjust its base year emissions inventory to account for significant changes, if the changes result in a significant increase/decrease in emissions, due to structural changes, calculation methodology changes, data errors and/or changes in organizational or operations boundaries. There have been no changes to the Company's base year.

Scope 1 GHG emissions information has been prepared in accordance with the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition.

Scope 2 GHG emissions information has been prepared in accordance with the WRI/WBCSD GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.

Scope 3 GHG emissions information has been prepared in accordance with the WRI/WBCSD Greenhouse Gas Protocol: Corporate Value Chain (Scope 3), Accounting and Reporting Standard. Scope 3 includes indirect GHG emissions (not included in Scope 2) that occur in the value chain of the Corporation, including both upstream and downstream emissions. Upstream emissions are indirect GHG emissions related to purchased or acquired goods and services while downstream emissions are indirect GHG emissions related to sold goods and services.

Collectively, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard and the GHG Protocol: Corporate Value Chain (Scope 3), Accounting and Reporting Standard are referred to as the “GHG Protocol” in this document.

In addition to GHG Emissions the Company is presenting energy consumption metrics which are a conversion of GHG Scope 1 and 2 Emissions into MWh based on conversion factors recommended by the CDP.

Estimation Uncertainties

Environmental and energy use data included in the Statement of GHG Emissions are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Consumption is based on raw data when available. When raw data is unavailable, the Company estimates consumption using prior year consumption and an extrapolation of the average consumption from comparable facilities.

Note 2: GHG Reporting, including Energy Consumption

Organizational Boundaries

The Company's Statement of GHG emissions includes all direct (Scope 1) and indirect (Scope 2) GHG emissions generated from all company-owned locations, which are all located in the United States and Japan as defined under the financial control method and indirect (Scope 3) GHG emissions from indirect GHG emissions as defined under the financial control method. The financial control method is defined in the WRI/WBCSD GHG 'Protocol: A Corporate Accounting and Reporting Standard, Revised Addition.

Scope 1 GHG emissions represent emissions that occur from heating company-owned buildings, transport fuel from company-owned motor vehicles and aircraft, and refrigerant loss from company-owned buildings. Scope 2 GHG emissions represent emissions from purchased electricity consumed by the Company, including applied RECs with zero emission factor. Scope 3 GHG emissions represent emissions that occur from purchased goods and services, capital goods, fuel-and energy related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, and upstream leased assets.

As part of its strategy to be carbon neutral for Scope 1 GHG emissions, the Company purchases carbon offsets to cover its Scope 1 GHG emissions that have not been eliminated through internal emissions reductions. In 2022, the Company retired and applied 2,633 metric tons of purchased carbon offsets to its Scope 1 GHG emissions. The Company purchased as well as generated RECs to apply to its Scope 2 GHG emissions. RECs are market-based instruments that represent the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. One REC represents one megawatt-hour (MWh) of electricity generated from a renewable energy resource. The Company retired and applied 17,755 MWh of RECs to its Scope 2 GHG emissions, of which 15,904

MWh of RECs were purchased and 1,851 MWh of RECs were generated at Aflac's Paul S. Amos campus. All RECs met all the required Scope 2 quality criteria. For the period ending December 31, 2022, the Company was carbon neutral for its Scope 1 GHG emissions and Scope 2 GHG market-based emissions when including the applied carbon offsets and RECs.

Greenhouse Gases

The GHG emissions figures are presented in metric tons of carbon dioxide equivalents (CO₂e). The GHG emissions disclosed include four of the seven greenhouse gases covered by the Kyoto Protocol carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). The Company did not produce any perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

GHG Emission Factors

GHG Emission Source	Emission Factors	Data Sources and Calculation Methodologies
SCOPE 1		
Heating	US: US Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (April 2022) Japan: GHG Emissions Accounting, Reporting, and Disclosure System's List of Calculation Methods and Emission Factors (Ministry of the Environment of Japan)	Aflac U.S. includes natural gas consumption at all Aflac facilities within the organizational boundary. Fuel consumption data is obtained from invoices from utility providers or is estimated when actual consumption data is not available. Aflac Japan includes heavy oil used to fuel backup generators at Aflac Square within the organizational boundary. Fuel consumption data obtained from invoices from utility providers.
Transport Fuel (except for sustainable aviation fuel)	US: US EPA Emission Factors for Greenhouse Gas Inventories (April 2022)	Includes fuel consumption for company-owned vehicles and aircraft. Fuel consumption data calculated based on fuel spend for vehicles and based on actual fuel consumed for aircraft.
Sustainable Aviation Fuel	US: Specific CO ₂ e emission factor for SAF used by Aflac was determined by World Energy. Greenhouse gas intensity values were calculated following the ICAC document 07. Conversion of mt fuel to gallons using 'Sustainable Aviation Fuel Metrics' fact-sheet_13_saf-metrics-and-conversions_4.pdf (aviationbenefits.org)	Fuel consumption data based on actual fuel consumed for aircraft using sustainable aviation fuel.
Refrigerants	US: IPCC Fifth Assessment Report of the Intergovernmental Panel on Climate Change 2014	Aflac U.S. includes refrigerant loss at facilities within the organizational boundary and from company-owned vehicles. Refrigerant loss data tracked in Company maintenance records and obtained from third-party maintenance providers. Aflac Japan includes refrigerant loss from the installed air conditioners within the organizational boundary.
SCOPE 2 (Location-Based)		
Grid Electricity	US: EPA eGRID 2021 (released January 2023) Emission factors by state, except for Georgia US: 2022 Georgia Power Retail Emission Rate used for Georgia Japan: The country-average electricity emission factors in the "List of Emission Factors by Electricity Utilities" (Ministry of the Environment of Japan and Ministry of Economy, Trade and Industry of Japan)	Includes purchased electricity consumed by the Company at facilities within the organizational boundary. Electricity consumption data obtained from invoices received from utility providers.
SCOPE 2 (Market-Based)		

Grid Electricity	<p>US: EPA eGRID 2021 (released January 2023) Emission factors by state, except for Georgia</p> <p>US: 2022 Georgia Power Retail Emission Rate used for Georgia</p> <p>US: Purchased RECs (Green-e U.S. Wind Certified under Green-e Renewable Energy Standard for Canada and the United States)</p> <p>Japan: CO2 emission factors of TEPCO Energy Partner and Looop in the "List of Emission Factors by Electricity Utilities" (Ministry of the Environment of Japan and Ministry of Economy, Trade and Industry of Japan)</p>	<p>Includes purchased electricity consumed by the Company at facilities within the organizational boundary. Electricity consumption data obtained from invoices received from utility providers.</p>
SCOPE 3		
Category 1 – Purchased Goods and Services	<p>US: EPA Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities (January 2022)</p> <p>Japan: Database on Emissions Intensities for Calculating Greenhouse Gas Emissions, etc. through a Supply Chain Ver. 3.2 (Ministry of the Environment of Japan)</p>	<p>Aflac U.S. includes all spend data in the reporting year, excluding spend captured in other categories.</p> <p>The Company uses the spend-based method. Spend data is obtained from Aflac U.S.'s spend management system. Spend is mapped to EPA commodities to perform the calculation. Emissions are based on spend adjusted for inflation.</p> <p>Aflac Japan includes all accounting data for the reporting year, except for costs calculated in other categories. Aflac Japan uses the accrual basis method. Accounting data is obtained from Aflac Japan's accounting system.</p>
Category 2 – Capital Goods	<p>US: EPA Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities (January 2022)</p> <p>Japan: Database on Emissions Intensities for Calculating Greenhouse Gas Emissions, etc. through a Supply Chain Ver. 3.2 (Ministry of the Environment of Japan)</p>	<p>Aflac U.S. includes all spend data in the reporting year, excluding spend captured in other categories.</p> <p>The Company uses the spend-based method. Spend data is obtained from Aflac U.S.'s spend management system. Spend is mapped to EPA commodities to perform the calculation. Emissions are based on spend adjusted for inflation.</p> <p>Aflac Japan calculates the acquired fixed assets in 2022 (U.S. GAAP) using Aflac Japan's internal system. Organize the total current acquisition value by asset class from the "Asset Class Name" and "Current Acquisition Value" columns in the data provided and calculate the total current acquisition value for all asset classes, excluding ARO and deferred excise tax.</p>

Category 3 – Fuel-and -Energy-Related Activities	<p>US: UK Department for Business, Energy & Industrial Strategy (DEFRA) 2022 ‘WTT-Fuels’ for upstream emission from natural gas, diesel, gasoline, jet fuel. -DEFRA 2022 ‘WTT-bioenergy’ for upstream emissions from sustainable aviation fuel. - DEFRA 2021 ‘WTT- UK & overseas elec’ for upstream emissions from electricity. - EPA eGRID 2021 (released January 2023) - Emission factors by state (except Georgia) for electricity transmission & distribution loss -2022 Georgia Power Retail Emission Rate used for Georgia. - EPA eGRID Gross Grid Loss (T&D loss) for electricity transmission & distribution losses</p> <p>Japan: Database on Emissions Intensities for Calculating Greenhouse Gas Emissions, etc. through a Supply Chain Ver. 3.2 (Ministry of the Environment of Japan)</p>	<p>Aflac U.S. EPA does not yet provide Well to Tank emission factors or upstream electricity. UK Department for Business, Energy & Industrial Strategy (DEFRA) 2021 was used for electricity emissions because this factor is no longer included for non-UK countries in DEFRA 2022. Upstream emissions for natural gas, diesel, gasoline, jet fuel sustainable aviation fuel and electricity were calculated as unit of fuel times the DEFRA factor kg CO2e times/unit for that fuel. Electricity emissions were calculated multiplying kWh times appropriate T&D loss factor times appropriate eGRID state emission factor for CO2, CH4, and N2O. (Exception – for Georgia, the Georgia Power Retail Emission factors for CO2, CH4, and N2O were used)</p> <p>Aflac Japan calculates emissions by multiplying the amount of heavy oil A purchased by the emissions intensity.</p> <p>Aflac Square uses renewable electricity in 2022. When calculating the upstream emissions of purchased electricity, the emissions intensity must be multiplied by the amount of electricity purchased, not the amount of transmission and distribution losses. In addition, when renewable electricity is used, no fuel is used to generate the electricity. Therefore, the upstream emissions of purchased electricity are zero.</p>
Category 4 – Upstream Transportation and Distribution	<p>US: Vendors provided Category 4 emissions. FedEx uses Global Logistics Emissions Council emissions factors. The UPS and USPS did not state the emission factor source.</p> <p>Japan: Database on Emissions Intensities for Calculating Greenhouse Gas Emissions, etc. through a Supply Chain Ver. 3.2 (Ministry of the Environment of Japan)</p>	<p>Aflac U.S.: Category 4 emissions were provided by vendors. FedEx followed the Global Logistics Emissions Council Framework. The UPS methodology was verified by SGS. USPS used the Blue Carbon Accounting Model</p> <p>Aflac Japan calculates emissions using the emission intensity of the total amount spent on mail.</p>
Category 5 – Waste Generated in Operations	<p>US: US EPA Emission Factors for Greenhouse Gas Inventories (April 2021) UK Department for Business, Energy & Industrial Strategy conversion factors for Waste (June 2021)</p> <p>Japan: Database on Emissions Intensities for Calculating Greenhouse Gas Emissions, etc. through a Supply Chain Ver. 3.2 (Ministry of the Environment of Japan)</p>	<p>Aflac U. S. includes all types of waste recycled and sent to landfill. The Company uses the waste-type-specific method. Waste data is obtained from third-party waste management companies and building management. Waste is mapped to EPA waste categories (or if there is no corresponding EPA waste category, DEFRA waste categories) to perform the calculation.</p> <p>Aflac Japan classifies and calculates waste according to the classifications specified in the Waste Disposal and Public Cleaning Law and other waste-related laws and regulations.</p>

Category 6 – Business Travel	<p>US: The travel vendor provided commercial air travel emissions based on the Greenhouse Gas Protocol</p> <p>US: US Environmental Protection Agency Emission Factors for Greenhouse Gas Inventories (April 2021) Tables 2 & 3 were used for rental cars. Table 10 was used for business use of employee vehicle</p> <p>US: UK Department for Business, Energy & Industrial Strategy (DEFRA 2022)</p> <p>'Hotel Stay' conversion factors were used. US EPA emission factors for hotel stays are not yet available.</p> <p>Japan: Database on Emissions Intensities for Calculating Greenhouse Gas Emissions, etc. through a Supply Chain Ver. 3.2 (Ministry of the Environment of Japan)</p> <p>US Environmental Protection Agency Emission Factors for Greenhouse Gas Inventories March 16, 2023</p>	<p>Aflac U.S.: The air travel vendor-based emissions are based on distance and class of travel. Hotel emissions are based on nights stayed.</p> <p>Aflac U.S.: Rental car CO2 emissions are based on gallons of fuel, and CH4 and N2O emissions on miles of travel</p> <p>Aflac U.S.: Reimbursed mileage for business use of employee cars was obtained from employee expense reimbursements from the accounting system. Data is based on the date the trip was taken.</p> <p>Aflac Japan's business travel includes air travel, rail travel, lodging, ferry rides, cab rides, leased & rental cars, hired cars, and bus rides. Aflac Japan uses distance-based method for air travel and hired cars (monthly use). Rail travel, ferry & cab rides, hired cars (pay-as-you-use), and bus rides are calculated based on amount spent. Leased and rental cars are calculated based on gasoline usage. Lodging is calculated based on the number of nights stayed in the hotel.</p> <p>Air travel, train rides, leased & rental cars, bus & ferry rides, hired cars, and lodging data are extracted from Concur, the platform used by Aflac Japan for expense reimbursement. For air travel, airport data is used to calculate distance and emissions using ICAO.</p>
Category 7 – Employee Commuting	<p>US: US Environmental Protection Agency Emission Factors for Greenhouse Gas Inventories (April 2, 2021) were used for US commuting (assumed to be Passenger Car).</p> <p>EPA eGRID 2021 (released January 2023) were used for US teleworking.</p> <p>Japan: Database on Emissions Intensities for Calculating Greenhouse Gas Emissions, etc. through a Supply Chain Ver. 3.2 (Ministry of the Environment of Japan)</p> <p>List of Emission Factors by Electricity Utilities (Ministry of the Environment of Japan and Ministry of Economy, Trade and Industry of Japan)</p>	<p>Aflac U.S. includes commuting emissions from all employees, including home office emissions for employees who telework. An average-based method is used to determine commuting methods and distance travelled.</p> <p>Daily building access data is obtained for all Aflac US employees commuting into the office. Commuting distance was calculated using mapping software. The total was then added up per state and divided by the number of trips per state to reach an average. For states with no relevant trips, the total mileage was divided by the total number of trips, and that total average was used. Commuting method was estimated based on the 2020 Bureau of Transportation Statistics data. For teleworking, worker designations were extracted from the employee list from SAP.</p> <p>Commuting Aflac Japan employees includes employees who come to the office and teleworkers. To calculate the number of employees coming to the office per year, Aflac Japan uses data on building badge swipes of their employees. City categories are identified by office locations and emissions are calculated by mapping emissions intensity to city categories. Teleworking emissions are calculated by using the average number of days worked per year, the number of telecommuters, and the average power consumption of laptops.</p>

Category 8 – Upstream Leased Assets	US: EPA eGRID 2021 (released January 2023) US EPA Emission Factors for Greenhouse Gas Inventories (April 2022) Japan: GHG Emissions Accounting, Reporting, and Disclosure System's List of Calculation Methods and Emission Factors (Ministry of the Environment of Japan) List of Emission Factors by Electricity Utilities (Ministry of the Environment of Japan and Ministry of Economy, Trade and Industry of Japan)	Includes electricity and natural gas consumption at all leased facilities. For US, average energy consumption per square foot from the 2018 CBECS intensity for office spaces is used to calculate consumption at leased facilities, unless actual consumption data is available. Aflac Japan includes electricity, city gas, heavy oil A, district heating, and cooling consumption at all leased facilities. For Japan, data on energy consumption at leased facilities based on invoices from energy vendors.
Category 9 – Downstream Transportation and Distribution	Aflac is a financial services company and does not sell physical products that produce emissions in downstream transportation and distribution. This category is therefore not relevant to Aflac. Aflac includes all emissions related to transportation and distribution in Category 4 - Upstream Transportation and Distribution.	
Category 10 – Processing of Sold Products	Aflac is a financial services company and does not sell physical products that produce emissions in the processing of the products sold. This category is therefore not relevant to Aflac.	
Category 11 – Use of Sold Products	Aflac is a financial services company and does not sell physical products that produce emissions from the use of the product sold. This category is therefore not relevant to Aflac.	
Category 12 – End of Life Treatment of Sold Products	Aflac is a financial services company and does not sell physical products that produce emissions from the end-of-life management of the products it sells. This category is therefore not relevant to Aflac.	
Category 13 – Downstream Leased Assets	Aflac is a financial services company and does not own downstream leased assets. This category is therefore not relevant to Aflac.	
Category 14 – Franchises	Aflac is a financial services company and does not operate franchises. This category is therefore not relevant to Aflac.	
Category 15 – Investment	Aflac is currently reviewing the integrity of the data available for this category.	

Global Warming Potentials

The GHG Inventory was calculated using the following Global Warming Potentials (GWP):

Global Warming Potentials	Aflac Japan	Aflac U.S.
Scope 1	Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report	IPCC Fifth Assessment Report
Scope 2 (Market and Location-Based)	N/A	IPCC Fifth Assessment Report
Scope 3 Category 1 – Purchased Goods and Services		IPCC Fourth Assessment Report
Scope 3 Category 2 – Capital Goods		IPCC Fourth Assessment Report
Scope 3 Category 3 – Fuel-and -Energy-Related Activities	IPCC Fifth Assessment Report	IPCC Fourth Assessment Report - US & NI upstream emissions IPCC Fifth Assessment Report - transmission & distribution losses
Scope 3 Category 4 – Upstream Transportation and Distribution		IPCC Fourth Assessment Report
Scope 3 Category 5 – Waste	IPCC Fifth Assessment Report	IPCC Fourth Assessment Report
Scope 3 Category 6 – Business Travel	IPCC Fourth Assessment Report	IPCC Fourth Assessment Report -US air travel, hotel stays; NI air travel and hotel stays. IPCC Fifth Assessment Report – US rental cars, business use of employee cars
Scope 3 Category 7 – Employee Commuting		IPCC Fifth Assessment Report
Scope 3 Category 8 – Upstream Leased Assets	N/A	US: IPCC Fifth Assessment Report NI: IPCC Fourth Assessment Report

Scope 1, 2 and 3 GHG Inventory by Type

The following tables present the Company's GHG Inventory by scope and GHG type for the year ended December 31, 2022. The Company is currently unable to disclose GHG emissions by GHG type for Scope 3. The Company's scope 3 emission factors and assumptions currently do not all break down CO2e into constituent gases.

Emissions (Metric Tons CO2e)			
SCOPE 1			
GHG Type	Aflac Japan	Aflac U.S.	Total
CO2	7	2,315	2,322
CH4	0	2	2
N2O	0	5	5
HFCs	0	304	304
PFCs	0	0	0
SF6	0	0	0
NF3	0	0	0
Total Scope 1	7	2,626	2,633
SCOPE 2 (Market Based)			
CO2	0	0	0
CH4	0	0	0
N2O	0	0	0
HFCs	0	0	0
PFCs	0	0	0
SF6	0	0	0
NF3	0	0	0
Total Scope 2 (Market Based)	0	0	0
SCOPE 2 (Location Based)			
CO2	2,255	6,105	8,360
CH4	0	14	14
N2O	0	19	19
HFCs	0	0	0
PFCs	0	0	0
SF6	0	0	0
NF3	0	0	0
Total Scope 2 (Location Based)	2,255	6,139	8,394