



Second-Party Opinion

Pacific Life Sustainable Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the Pacific Life Sustainable Financing Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings; Renewable Energy; Energy Efficiency; Sustainable Water and Wastewater Management; Terrestrial and Aquatic Biodiversity; Clean Transportation; Eco-efficient and Circular Economy-adapted Products, Production Technologies and Processes; Environmentally Sustainable Management of Living Natural Resources and Land Use; Access to Essential Services; and Affordable Housing – are aligned with those recognized by the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental and social impacts and advance the UN Sustainable Development Goals, specifically SDGs 4, 6, 7, 9, 11, 12 and 14.



PROJECT EVALUATION AND SELECTION Pacific Life's Sustainable Bond Steering Committee, consisting of members from the Institutional Capital Markets Group, Investment Management, Commercial Real Estate, Law Department, Corporate Affairs and Brand Management, will oversee the identification and selection of the eligible projects. Pacific Life's environmental and social risk assessment process is applicable to all allocation decisions. Sustainalytics considers the project selection process as aligned with market practice.



MANAGEMENT OF PROCEEDS Pacific Life's Capital Markets Group will be responsible for the management and tracking of proceeds. Pacific Life intends to achieve full allocation within 24 months of each issuance. Unallocated proceeds will be managed in accordance with the Company's internal liquidity portfolio guidelines or in cash, cash equivalents or US Treasury securities. This is in line with market practice.



REPORTING Pacific Life commits to report on the allocation and impact of its proceeds on its website on an annual basis until full allocation. Allocation reporting will include management's assertion that the use of proceeds complies with the Framework, amount allocated to each eligible category, examples of eligible assets financed where feasible, amount of unallocated net proceeds and share of financing versus refinancing. In addition, Pacific Life commits to report on relevant impact metrics where feasible. Sustainalytics views Pacific Life's allocation and impact reporting as aligned with market practice.

Evaluation Date	July 26, 2023 ¹
Issuer Location	Newport Beach, US

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¹ This document is an update to the Second-Party Opinion originally provided on 26 March 2021.

Introduction

Pacific Life² (the “Company”) is an insurance company that provides a variety of life insurance products, annuities and mutual funds to individuals and businesses. Headquartered in Newport Beach, United States, and founded in 1868, Pacific Life has approximately 3,800 employees.

Pacific Life has developed the Pacific Life Sustainable Financing Framework (the “Framework”), under which it intends to issue green, blue, social and sustainability bonds and other debt financings³ and use the proceeds to finance or refinance, in whole or in part, existing and future projects that demonstrate environmental and social benefits. The Framework defines eight green eligible categories and two social categories:

Green categories:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency
4. Sustainable Water and Wastewater Management
5. Terrestrial & Aquatic Biodiversity
6. Clean Transportation
7. Circular Economy adapted products, production technologies and processes and/or certified eco-efficient products
8. Environmentally sustainable management of living natural resources and land use

Social categories:

9. Access to Essential Services
10. Affordable Housing

Pacific Life engaged Sustainalytics to review the Pacific Life Sustainable Financing Framework, dated July 2023, and provide a second-party opinion on the Framework’s social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP) and Social Bond Principles 2023 (SBP).⁴ The Framework has been published in a separate document.⁵

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁶ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.14, which is informed by market practice and Sustainalytics expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Pacific Life’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Pacific Life

² Pacific Life refers to Pacific Life Insurance Company and its subsidiaries, including Pacific Life & Annuity Company, Pacific Life Global Funding II, and Pacific Life Short Term Funding, LLC.

³ May include but not limited to senior notes, as well as funding agreement-backed notes and commercial papers. Sustainalytics has reviewed the criteria for just those financial instruments that are specified in the Framework.

⁴ The Sustainability Bond Guidelines, Green Bond Principles and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

⁵ The Pacific Life Sustainable Financing Framework is available on Pacific Life’s website at: <http://www.pacificlife.com/sustainablebonds>

⁶ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

representatives have confirmed (1) they understand it is the sole responsibility of Pacific Life to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Pacific Life.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Pacific Life is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Pacific Life has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Pacific Life Sustainable Financing Framework

Sustainalytics is of the opinion that the Pacific Life Sustainable Financing Framework is credible and impactful, and aligns with the four core components of the GBP and SBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings; Renewable Energy; Energy Efficiency; Sustainable Water and Wastewater Management; Terrestrial and Aquatic Biodiversity; Clean Transportation; Eco-efficient and Circular Economy-adapted Products, Production Technologies and Processes; Environmentally Sustainable Management of Living Natural Resources and Land Use; Access to Essential Services; and Affordable Housing – are aligned with those recognized by the GBP and SBP.
 - Pacific Life has defined the look-back period for refinancing activities as 24 months prior to the issuance of the respective financing, which Sustainalytics considers to be in line with market expectations.
 - Under the Green Buildings category, Pacific Life may finance or refinance the design, development, construction, materials and equipment, and certification costs of real estate projects that have received or are expected to receive the following third-party certifications: i) BREEAM (Excellent or above);⁷ ii) Energy Star (85 and above) for commercial buildings only;⁸ or iii) LEED (Gold or Platinum).⁹ Sustainalytics views the selected certifications as credible and eligibility levels to be aligned with market practice.

⁷ BREEAM: <https://bregroup.com/products/breeam/>

⁸ Energy Star: https://www.energystar.gov/buildings/building_recognition/building_certification

⁹ LEED: <https://www.usgbc.org/leed>

- Under the Renewable Energy category, the Company may invest in the following types of renewable energy projects: i) onshore and offshore wind; ii) solar photovoltaic technology; iii) hydropower facilities; and iv) tidal power.
 - Sustainalytics notes that hydropower facilities will include small-scale run-of-the-river plants, facilities operational before 2019 with a power density greater than 5W/m² and facilities that will become or became operational after 2019 with a power density greater than 10W/m². Sustainalytics further notes that all hydropower projects will have an environmental and social risk assessment performed by a third party. Pacific Life has also communicated that hydropower projects associated with significant environmental and social controversies will be excluded from the Framework. Sustainalytics considers investments in this category to be aligned with market practice.
- Under the Energy Efficiency category, Pacific Life may finance or refinance projects and technologies that enable the reduction of energy consumption and emissions within the Company's own operations, including:
 - The installation of controls and energy-monitoring equipment, retrofits to HVAC systems, lighting retrofits, smart thermostats, efficient reflective roofs and the replacement of hardware that is 30% more energy efficient than existing and certified to be energy efficient, such as through Energy Star.¹⁰
 - Investments in smart grids and smart metering that enable the monitoring and optimization of energy consumption of energy distribution networks. Despite the variety of definitions and applications of smart grid technology, Sustainalytics views positively investments that are designed to improve grid efficiency and encourages Pacific Life to select projects that are clearly anticipated to deliver tangible efficiency improvements.
 - Pacific Life has communicated to Sustainalytics that technologies driven by fossil fuels, such as boilers, will be excluded from the Framework's eligibility criteria.
 - Sustainalytics views the above-mentioned investments to be aligned with market practice.
- Under the Sustainable Water and Wastewater Management category, Pacific Life may finance or refinance the following:
 - Construction and maintenance of municipal wastewater treatment systems, water reuse and recycling activities for rainwater and wastewater. Pacific Life has confirmed to Sustainalytics that the treatment of water from or for fossil fuel-driven processes is excluded from financing under the Framework.
 - Construction of desalination plants that are powered by renewable energy. Pacific Life has communicated that the Framework limits financing to facilities that have an environmental risk mitigation strategy in place to ensure appropriate brine disposal.
 - Low-flow fixtures to improve water efficiency.
 - Infrastructure for water capture and storage, as well as conservation and restoration projects to reduce pressure on surface and ground water. Projects financed include:
 - Water capture and storage infrastructure, such as aquifers, rainwater harvesting systems and groundwater recharge systems, as communicated by Pacific Life to Sustainalytics.
 - Conservation and restoration projects, which, as Pacific Life has confirmed, will be limited to green roofs.
 - Pacific Life has further confirmed that the technology and software dependent on fossil fuels and applied in hard-to-abate industries will be excluded from financing under this activity.
 - Early warning systems, such as stormwater and floodwater warning systems, as well as infrastructure projects for flood prevention and defence, and stormwater management. Pacific Life has communicated to Sustainalytics that infrastructure projects will have a vulnerability assessment and an adaptation plan in place.

¹⁰ The Framework cites specifically Energy Star as a certification that may be used. Sustainalytics considers Energy Star to be a credible standard.

- Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Terrestrial and Aquatic Biodiversity Conservation category, Pacific Life may finance or refinance investments aimed at the preservation and conservation of marine mammals, including investments in supporting facilities and infrastructure, as well as that of coastal and marine landscapes. The Company has communicated that this may include the allocation of less than 5% of the proceeds to the Pacific Life Foundation for initiatives related to the preservation of marine mammal species and their environment. Sustainalytics considers investments in this category to be aligned with market practice.
- Under the Clean Transportation category, Pacific Life may finance or refinance electric vehicle charging stations, electric passenger vehicles and clean mass transportation, such as buses and rail. The Company has communicated that it will not finance parking lots. Sustainalytics considers investments under this category to be aligned with market practice.
- Under Eco-efficient and Circular Economy-adapted Products, Production Technologies and Processes, the Company may finance or refinance the development, construction, operation and maintenance of collection, sorting and material recovery and recycling facilities.
 - Pacific Life has communicated to Sustainalytics that collection vehicles, if financed, would be either electric or have an emissions intensity below 25 gCO₂/tkm.
 - Pacific Life has further confirmed that all facilities financed will support source segregation of waste. Recycling facilities will support only the recycling of aluminium and the mechanical recycling of plastic.
 - Material recovery facilities will include waste-to-energy generation using mixed residual waste and segregated recyclables prior to incineration. Sustainalytics recognizes that energy from waste could take out of circulation potentially recyclable materials and undermine two of the main objectives of a zero-waste circular economy, i.e. waste prevention and recycling. Additionally, for such projects to have low emissions intensities, the composition of residual waste, particularly fossil carbon content, is a crucial consideration. However, Sustainalytics also notes that due to constraints on recycling in many parts of the world, energy from waste can offer a better residual waste management option than landfills in many cases. Sustainalytics recommends Pacific Life to promote the removal of increasing amounts of recyclables, especially plastics and metals, and the monitoring of thermal efficiency of the financed facilities.
 - Sustainalytics considers investments in this category to be aligned with market practice.
- Under Environmentally Sustainable Management of Living Natural Resources and Land Use, Pacific Life may finance or refinance the following expenditures:
 - Agriculture and fisheries assets certified to USDA Organic,¹¹ EU Organic,¹² Marine Stewardship Council (MSC)¹³ and Rainforest Alliance;¹⁴ and forestry assets certified to the Forest Stewardship Council (FSC)¹⁵ and Programme for the Endorsement of Forest Certification (PEFC)¹⁶ and Sustainable Forestry Initiative (SFI).¹⁷
 - Climate smart inputs, such as biological crop protection and drip-irrigation.
 - Preservation and restoration of natural landscapes. Pacific Life has communicated to Sustainalytics that the reforestation projects will use tree species that are well adapted to site conditions and will be supported by a sustainable management plan certified to FSC or PEFC.
 - Sustainalytics considers investments under this category to be aligned with market practice.

¹¹ USDA Organic: <https://www.usda.gov/topics/organic>

¹² EU Organic: https://agriculture.ec.europa.eu/farming/organic-farming/organic-logo_en

¹³ MSC: <https://www.msc.org/standards-and-certification/fisheries-standard>

¹⁴ Rainforest Alliance: <https://www.rainforest-alliance.org/for-business/2020-certification-program/>

¹⁵ FSC: <https://ca.fsc.org/ca-en/what-is-fsc/fsc-certified-forests>

¹⁶ PEFC: <https://www.pefc.org/standards-implementation>

¹⁷ SFI: <https://forests.org/>

- Under the Access to Essential Services: Education category, Pacific Life may finance or refinance student loans and the development of infrastructure for the provision of child, youth or adult education and vocational training services. Target populations include youth and students from under-represented communities,¹⁸ people with disabilities,¹⁹ rural populations^{20,21} and those belonging to low-income households.²²
 - For all student loans under the Framework, Pacific Life intends to ensure accessibility and affordability by financing student loans that offer income-contingent repayment options. Sustainalytics highlights the well-defined target groups and mechanisms to alleviate credit constraints for students. Pacific Life has communicated to Sustainalytics that it has processes to mitigate the risk of predatory lending. For additional details, see Section 2.
 - For the provision of educational and vocational services, Pacific Life will finance both private and public education facilities. Eligible private facilities will be free or subsidized for the target population to ensure access regardless of their ability to pay.
 - Based on the above, Sustainalytics considers investments under this category to be in line with market practice.
- Under the Affordable Housing category, the Company may finance or refinance projects that offer rentals for multifamily housing to households that earn less than 80% of the area median income (AMI) and households that earn less than 120% of the AMI for properties located in high-cost areas.^{23,24} Pacific Life has confirmed to Sustainalytics that eligible projects will have rent caps in place to ensure that rent does not exceed 30% of the household income levels. While social finance related to affordable housing typically focuses on income earners at 80% of AMI or lower, Sustainalytics recognizes the potential positive impacts of expanding housing options for middle-income households in high-cost markets and therefore considers the thresholds selected to be aligned with good practice.
- Pacific Life has provided a list of activities excluded from its green and social issuances. Sustainalytics views that the exclusion of activities that have potential negative environmental or social impacts, such as activities related to the exploration, production or transportation of fossil fuels, further strengthens the Framework.
- Project Evaluation and Selection:
 - Pacific Life's Sustainable Bond Steering Committee, comprised of members from the Institutional Capital Markets Group (CMG), Investment Management, Commercial Real Estate, Law Department, Corporate Affairs and Brand Management, will be in charge of reviewing and selecting qualifying projects. The CMG will ultimately approve eligible projects.
 - Pacific Life has adopted internal processes to address environmental and social risks commonly associated with the financed projects. For additional detail, see Section 2.
 - Based on the governance structure with cross-divisional membership, Sustainalytics considers Pacific Life's evaluation and selection process to be in line with market practice.

¹⁸ Under-represented communities include Black, Brown and Latinx communities.

¹⁹ Sustainalytics notes that disabilities may hinder students' ability to access financial aid for college and graduate studies because of reduced course load, extended number of semesters, difficulty with test-taking and scholarship essay writing, increased inability to participate in college work-study programmes and discrimination against support. Furthermore, college and graduate students with disabilities use more sources of financial aid that often have conflicting eligibility requirements. A study from 2019 suggests that students with disabilities find it harder to pay off debt and access the job market due to their disabilities. More details can be found at: <https://ncd.gov/publications/2003/09292003-2#execsum> and <https://rootedinrights.org/heres-why-student-loan-debt-is-a-disability-rights-issue/>

²⁰ Defined per the USDA Rural Development Standard as areas where the population size is 50,000 people or fewer. Factors include distance from metropolitan areas, federal agency funding flexibility, limitations in the range of economic activities supporting the local economy and overall local resource availability.

US Department of Agriculture, "What is Rural?", at: <https://www.ers.usda.gov/topics/rural-economy-population/rural-classifications/what-is-rural/>

²¹ College-goers from rural backgrounds accumulate 60% more student debt by the age of 25 compared to those in suburban and urban areas. This gap is 25% larger than the debt disparity between men and women. As a result, two-thirds of students most burdened by debt leave rural areas within one year of entering repayment. More details can be found at: <https://onlinelibrary.wiley.com/doi/10.1111/ruso.12403> and <https://www.centerforfinancialinclusion.org/rural-america-another-casualty-of-student-loan-debt>

²² Defined as households that earn under 80% of the area median income (AMI)

²³ Households earning under 80% and 120% of the AMI are defined by the US Department of Housing and Urban Development. Office of Policy Development and Research, "Income Limits", at: <https://www.huduser.gov/portal/datasets/il.html>

²⁴ High-cost areas are defined by the HUD and Federal Housing Finance Agency.

US Department of Housing and Urban Development, "Mortgage Letter 2023-07", (2023), at: <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-07hsgml.pdf>

- Management of Proceeds:
 - Pacific Life will track allocations through an internal register overseen by the CMG, and the register will show an allocation of an amount equal to the net proceeds for the full term of the sustainable financings. Pacific Life intends to allocate net proceeds within the first 24 months of issuance. The Framework specifies that the payment of principal and interest on eligible financing will be made from the Company's general funds and will not be directly linked to any eligible projects' performance.
 - Pending full allocation, an amount equal to the balance of proceeds will be invested in accordance with the Company's internal liquidity portfolio guidelines or in cash, cash equivalents or US Treasury securities.
 - Based on the use of a formal ledger and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Pacific Life commits to provide a standalone annual allocation and impact report to be renewed until the full allocation of each issuance. The report will be made publicly available on Pacific Life's website.
 - Allocation reporting will include management's assertion that the use of proceeds complies with the Framework, amount allocated to projects presented in aggregation based on eligible categories, amount of unallocated net proceeds and share of financing versus refinancing. Pacific Life will also disclose one or more examples of eligible assets financed, in whole or in part, by the proceeds obtained from proceeds, including general details (brief description, location and stage, i.e. construction or operation) for each eligible category where feasible and subject to confidentiality considerations.
 - Impact reporting will include, where feasible, metrics such as: i) green building certifications and the total number of buildings certified; ii) renewable energy procured and produced (in MWh); iii) emissions avoided or reduced (in tCO₂e); iv) energy savings (in MWh); v) volume of water consumption avoided or reduced; vi) miles protected from bottom trawling; vii) number of students or youth receiving education support; and viii) rental costs compared to the national or regional rent index. For a complete list of impact indicators, please refer to Appendix 1.
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Social Bond Principles 2021

Sustainalytics has determined that the Pacific Life Sustainable Financing Framework aligns with the four core components of the GBP and SBP. For detailed information, please refer to Appendix 1: Social Bond/Social Bond Programme External Review Form.

Section 2: Sustainability Strategy of Pacific

Contribution to Pacific Life's sustainability strategy

Pacific Life's sustainability commitments focus on four key environmental and social pillars: i) people; ii) communities; iii) customers; and iv) environment. Pacific Life's commitment to sustainability is supported by its environmental policy²⁵ and responsible investment policy.²⁶

Pacific Life's environmental efforts focus on the monitoring and mitigation of external environmental impacts, investing in companies that advance the transition to clean energy, reporting on scope 1 and 2 GHG emissions as per the TCFD framework annually from 2022, promoting environmentally friendly behaviours in the workplace, and providing monetary support to conservation and environmental charities focused on ocean health.²⁷ Additionally, Pacific Life has invested USD 12.9 billion in assets related to socially responsible efforts in underserved and low-income communities, including USD 1.8 billion committed toward renewable energy investments, such as solar, wind, natural gas, geothermal and hydro energy.²⁸ In 2022, Pacific Life pledged USD 2.5 million to the Nature Conservancy, Ocean Conservancy, Oceana, World Wildlife Fund and other local

²⁵ Pacific Life, "Environmental Policy", (2022), at: <https://www.pacificlife.com/home/privacy-and-other-policies/environmental-policy.html>

²⁶ Pacific Life, "Pacific Life's Responsible Investment Policy", (2022), at: <https://www.pacificlife.com/home/corporate-social-responsibility/responsible-investment-policy.html>

²⁷ Pacific Life, "Environmental Policy", (2022), at: <https://www.pacificlife.com/home/privacy-and-other-policies/environmental-policy.html>

²⁸ Pacific Life, "Annual Report 2022", at: https://www.pacificlife.com/crp/public/financials/2022_AR.pdf

efforts focused on ocean health, as well as invested USD 17.1 million in the preservation and conservation of marine mammals and ocean health.²⁹

Pacific Life established a foundation in 1984 and since then has donated more than USD 133 million to non-profits. In 2021, Pacific Life and Pacific Life Foundation announced grants of USD 7.5 million in charitable funding, benefiting more than 465 non-profits and schools.³⁰ Pacific Life Foundation has invested more than USD 289 million in affordable housing units through its Impact Community Capital initiative. In 2021, to support underserved communities, Pacific Life Foundation partnered with the American College's Center for Economic Empowerment and Equality and donated USD 1 million to provide education to Black people with a focus on women. Additionally, Pacific Life Foundation committed USD 1.5 million to support the Boys & Girls Clubs of Central Orange Coast's College Bound programme in California to extend support, such as academic support, sponsorship of college activities and scholarships to pursue further education.³¹

Sustainalytics is of the opinion that the Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key social priorities. Nonetheless, Sustainalytics encourages Pacific Life to develop quantified time-bound targets related to its activities to support its sustainability strategy, and publicly disclose and report on its progress towards these goals.

Approach to managing social and environmental risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the Framework will be directed towards eligible projects that are expected to have positive environmental and social impacts, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects could include issues related to emissions, effluents and waste generated in construction; land use and biodiversity loss associated with large-scale infrastructure development; occupational health and safety; and community engagement, as well as business ethics and predatory lending.

Although Pacific Life has a limited role in the development of specific eligible projects financed, Sustainalytics is of the opinion that Pacific Life is able to manage or mitigate potential risks through the implementation of the following:

- In relation to its investment practices, Pacific Life has a Responsible Investment Policy³² through which it incorporates ESG factors into the decision-making process. This is done by collecting ESG data and developing a score for all potential investments, monitoring the scores on an ongoing basis and excluding investments that do not meet its ESG criteria. Pacific Life further monitors climate risk for all existing and future investments as well as provides disclosures in line with the TCFD recommendations.
- Sustainalytics notes that the eligible projects financed under the Framework will be primarily located in the US which has laws and regulations to address some of the above-mentioned risks. For example, federal regulations under the Resource Conservation and Recovery Act guide the management of hazardous and non-hazardous waste,³³ and the Occupational Safety and Health Act of 1970 requires employers to provide employees with safe and healthy working environments.³⁴ The US is also recognized as a Designated Country by the Equator Principles, indicating the presence of robust environment and social governance systems, legislation and institutional capacity for protecting environment and communities.³⁵
- To address risks related to large-scale infrastructure development such as waste generated during construction, land use and biodiversity issues, occupational health and safety and community engagement, Pacific Life commits to adhering to all the environmental legislation and regulations in the jurisdictions that it operates, under its Environmental Policy.³⁶ Pacific Life has confirmed to Sustainalytics that it has processes to ensure that the financed projects comply with applicable environmental as well as health and safety laws. As part of its due-diligence, Pacific Life verifies

²⁹ Ibid.

³⁰ Pacific Life, "Corporate Social Responsibility Report 2021", at: https://www.pacificlife.com/crp/public/social-responsibility/2021_CSR_Report.pdf

³¹ Ibid.

³² Pacific Life, "Pacific Life's Responsible Investment Policy", (2022), at: <https://www.pacificlife.com/home/corporate-social-responsibility/responsible-investment-policy.html>

³³ US Environmental Protection Agency, "Regulatory Information by Topic: Waste", at: <https://www.epa.gov/regulatory-information-topic/regulatory-and-guidance-information-topic-waste>

³⁴ US Department of Labor, "OSHA of 1970", at: <https://www.osha.gov/laws-regs/oshact/toc>

³⁵ Equator Principles, "About the Equator Principles", at: <https://equator-principles.com/about-the-equator-principles/>

³⁶ Pacific Life, "Environmental Policy", (2022), at: <https://www.pacificlife.com/home/privacy-and-other-policies/environmental-policy.html>

entitlements and zoning approvals and conducts wetland surveys where relevant. The Company further requires investees to conduct environmental assessments prior to construction or development, have ongoing monitoring to identify and mitigate risks as well as have the proper disposal of construction waste. Finally, regarding community engagement, the Company has communicated that it has in place internal guidance and procedures to mitigate any community relations-related risks associated with financed projects that pose a risk to its credibility.

- Pacific Life has adopted a Code of Conduct³⁷ that mandates ethical behaviour among its employees regarding conflicts of interest, anti-bribery, fraud or theft, fair dealing, confidentiality of the information and anti-competitive practices. Pacific Life has communicated to Sustainalytics that for financed projects, it has “Know Your Customer” processes for developers to verify their credibility and legal compliance.
- Pacific Life has communicated that it has processes in place to ensure that risks related to predatory lending are managed or mitigated. This process includes ensuring that consumer finance protection laws and regulations are adhered to in all the states that it operates in. The Company has further confirmed that while it does not have a formal responsible lending policy, it will ensure transparent terms and conditions in all written forms when originating or investing in student loans under the Framework to mitigate the risk of predatory lending.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Pacific Life has adequate measures to manage and mitigate environmental and social risks commonly associated with the eligible categories. Sustainalytics nevertheless encourages Pacific Life to develop policies to further inform the identification, monitoring and mitigation of environmental and social risks associated with the eligible investments, particularly around the issues of community engagement and predatory lending.

Section 3: Impact of Use of Proceeds

All use of proceeds categories are aligned with those recognized by the SBP and GBP. Sustainalytics has focused on two below where the impact is specifically relevant in the local context.

Importance of green buildings in the US

According to the Global Alliance for Buildings and Construction, the global buildings sector’s energy consumption significantly contributes to total GHG emissions, accounting for 37% of total energy-related CO₂ emissions.³⁸ In the US, buildings were responsible for 40% of the country’s primary energy consumption, with the residential and commercial buildings sectors representing 18% and 22% of energy consumption, respectively, in 2021.³⁹ In order to achieve energy innovation in the building sector, the US Department of Energy (DoE) has designed the Better Buildings Initiative to encourage public and private organizations to improve the energy efficiency of their portfolios through a series of programmes and partnerships.^{40,41}

Under its Nationally Determined Contribution to the Paris Agreement, the US has committed to reducing the country’s GHG emissions by 50-52% by 2030 versus a 2005 baseline and achieving carbon neutrality by 2050.⁴² As part of this commitment to reduce GHG emissions, the US federal government announced the Climate Smart Buildings Initiative in August 2022, which aims to bring in more than USD 8 billion of private-sector investments in energy efficiency projects and achieve up to 2.8 million tonnes of GHG emissions reductions annually by 2030.⁴³ Under this initiative, the DoE will also award up to USD 250 million in funding to accelerate building upgrades,⁴⁴ as well as USD 82.6 million awarded for energy improvement retrofits in

³⁷ Pacific Life, “Code of Conduct”, (2022) at: https://www.pacificlife.com/content/dam/pacificlife/crp/public/compliance-and-ethics/codeofconduct_external.pdf

³⁸ Global Alliance for Buildings and Construction, “2021 Global Status Report for Buildings and Construction”, (2021), at: https://globalabc.org/sites/default/files/2021-10/GABC_Buildings-GSR-2021_BOOK.pdf

³⁹ US Energy Information Administration, “How much energy is consumed in U.S. building?”, (2023), at: <https://www.eia.gov/tools/faqs/faq.php?id=86&t=1>

⁴⁰ US Department of Energy, “Better Buildings Initiative”, at: <https://betterbuildingssolutioncenter.energy.gov/>

⁴¹ US Department of Energy, “Better Buildings Programs & Partners”, at: <https://betterbuildingssolutioncenter.energy.gov/partnerships>

⁴² US Department of Energy, “U.S. Nationally Determined Contribution”, (2021), at: <https://www.energy.gov/policy/articles/us-nationally-determined-contribution>

⁴³ The White House, “FACT SHEET: White House Takes Action on Climate by Accelerating Energy Efficiency Projects Across Federal Government”, (2022), at: <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/03/fact-sheet-white-house-takes-action-on-climate-by-accelerating-energy-efficiency-projects-across-federal-government/>

⁴⁴ Ibid.

buildings in August 2021 and USD 32 million in March 2022.^{45,46} Furthermore, the White House announced in 2021 the launch of the Building Performance Standards Coalition in part to support energy-efficient buildings.⁴⁷

Based on the above, Sustainalytics is of the opinion that the eligible projects financed under the Framework have the potential to contribute to reducing emissions from the built environment and to the US' national GHG emission reduction targets.

Importance of affordable housing investments in the US

Approximately 582,500 people in the US in 2022 were homeless, an increase of 3.4% in people experiencing unsheltered homelessness from 2020.⁴⁸ The lack of affordable housing is a key contributor to homelessness, particularly for low-income renters, who are often one financial shock away from homelessness.⁴⁹ Approximately 11 million renter households in the US have extremely low incomes, while only 7 million affordable homes are available to them.⁵⁰ The shortage of affordable housing forces many low-income households to rent homes beyond their affordability, making them severely cost burdened.⁵¹ According to the National Low Income Housing Coalition, 11.3 million renter households spend more than 50% of their income on housing costs, and 72% of these severely cost-burdened renter households are extremely low-income households.⁵² The lack of affordable housing further leads to negative social outcomes across multiple other dimensions of daily life, as families and individuals are compelled to make tradeoffs between spending on rent and other essentials, such as food, healthcare and transport.⁵³

Low-income households face a continual shortage of affordable housing, as 70% of these households regularly spend more than half of their incomes on rent.⁵⁴ A multifaceted approach is currently being implemented to try to address the severe housing shortage in the US. In 2023, the US federal government announced the allocation of USD 354 million towards the US Housing Trust Fund,⁵⁵ an annual grant to states to produce and preserve affordable housing for households with extremely low- and low-income.⁵⁶ Through the American Rescue Plan, the US federal government has committed to reducing housing insecurity in the wake of COVID-19 with the allocation of USD 5 billion towards various programmes to create affordable housing and services to support communities across the country.^{57,58}

To alleviate affordable housing shortages in the US, housing development at the scale required will need state-sponsored support and private-sector investments. In this context and considering the eligibility thresholds used by Pacific Life, Sustainalytics views positively investments in affordable housing projects in the US.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued

⁴⁵ US Department of Energy, at: "DOE Announces Nearly \$83 Million to Increase Building Energy Efficiency and Cut Consumers' Energy Bills", (2021), at: <https://www.energy.gov/articles/doe-announces-nearly-83-million-increase-building-energy-efficiency-and-cut-consumers>

⁴⁶ US Department of Energy, "DOE Awards \$32 Million to Accelerate Next-Generation Building Upgrades", (2022), at: <https://www.energy.gov/articles/doe-awards-32-million-accelerate-next-generation-building-upgrades>

⁴⁷ The White House, "FACT SHEET: Biden-Harris Administration Launches Coalition of States and Local Governments to Strengthen Building Performance Standards", (2022), at: <https://www.whitehouse.gov/briefing-room/statements-releases/2022/01/21/fact-sheet-biden-harris-administration-launches-coalition-of-states-and-local-governments-to-strengthen-building-performance-standards/>

⁴⁸ US Department of Housing and Urban Development, "The 2022 Annual Homeless Assessment Report (AHAR) to Congress", (2022), at: <https://www.huduser.gov/portal/sites/default/files/pdf/2022-AHAR-Part-1.pdf>

⁴⁹ US Department of Housing and Urban Development, "Worst Case Housing Needs: 2021 Report to Congress", (2021), at: <https://www.huduser.gov/PORTAL/sites/default/files/pdf/Worst-Case-Housing-Needs-2021.pdf>

⁵⁰ National Low Income Housing Coalition, "The Gap: A Shortage of Affordable Homes", (2023), at: <https://nlihc.org/gap>

⁵¹ US Department of Housing and Urban Development, "Worst Case Housing Needs: 2021 Report to Congress", (2021), at: <https://www.huduser.gov/PORTAL/sites/default/files/pdf/Worst-Case-Housing-Needs-2021.pdf>

⁵² National Low Income Housing Coalition, "The Gap: A Shortage of Affordable Homes", (2023), at: <https://nlihc.org/gap>

⁵³ Joint Center for Housing Studies of Harvard University, "The State of the Nation's Housing 2021", at:

https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_State_Nations_Housing_2021.pdf

⁵⁴ National Low Income Housing Coalition, "The Gap: A Shortage of Affordable Homes", (2021), at: https://nlihc.org/sites/default/files/gap/Gap-Report_2021.pdf

⁵⁵ National Low Income Housing Coalition, "FHFA Announces \$354 Million in 2023 for National Housing Trust Fund", (2023), at: <https://nlihc.org/resource/fhfa-announces-354-million-2023-national-housing-trust-fund>

⁵⁶ US Department of Housing and Urban Development, "Housing Trust Fund", at: <https://www.hudexchange.info/programs/htf/>

⁵⁷ The White House, "American Rescue Plan", (2021), at:

<https://www.whitehouse.gov/wp-content/uploads/2021/03/American-Rescue-Plan-Fact-Sheet.pdf>

⁵⁸ US Department of Housing and Urban Development, "Hud Announces \$5 Billion to Increase Affordable Housing to Address Homelessness", (2021), at: <https://archives.hud.gov/news/2021/pr21-055.cfm>

under the Pacific Life Sustainable Financing Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Terrestrial and Aquatic Biodiversity	14. Life below water	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Eco-efficient and Circular Economy-adapted Products, Production Technologies and Processes	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Environmentally Sustainable Management of Living Natural Resources and Land Use	14. Life below Water	14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans
Access to Essential Services: Education	4. Quality Education	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
Affordable Housing	9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

Conclusion

Pacific Life has developed the Pacific Life Sustainable Financing Framework, under which it may issue green, blue, social and sustainability bonds and other financings, and use the proceeds to finance or refinance, in whole or in part, existing and future projects that demonstrate environmental and social benefits. Sustainalytics considers that the projects funded by the proceeds are expected to provide positive environmental and social impacts.

The Pacific Life Sustainable Financing Framework outlines a process by which proceeds will be tracked, allocated and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Pacific Life Sustainable Financing Framework is aligned with the overall sustainability strategy of the Company and that the use of proceeds categories will contribute to the advancement of UN Sustainable Development Goals 4, 6, 7, 9, 11, 12 and 14. Additionally, Sustainalytics is of the opinion that Pacific Life has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Pacific Life is well positioned to issue green, social and sustainable bonds and other financings and that the Pacific Life Sustainable Financing Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles and Social Bond Principles.

Appendix

Appendix 1: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Pacific Life
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Pacific Life Sustainable Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	July 26, 2023
Publication date of review publication: Original publication date <i>[please fill this out for updates]</i> :	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and SBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management, Terrestrial & Aquatic Biodiversity, Clean Transportation, Eco-efficient and/or circular economy adapted products, production technologies and processes, Environmentally sustainable management of living natural resources and land use, Access to Essential Services and Affordable Housing – are aligned with those recognized by Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental and social impacts and advance the UN Sustainable Development Goals, specifically, SDG 4, 6, 7, 9, 11, 12 and 14.

Use of proceeds categories as per GBP:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input checked="" type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input checked="" type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|--|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input checked="" type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |

- Unknown at issuance but currently expected to conform with GBP and SBP categories, or other eligible areas not yet stated in GBP and SBP Other (please specify):

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Pacific Life's Sustainable Bond Steering Committee consisting of members from the Institutional Capital Markets Group, Investment Management, Commercial Real Estate, Law Department, Corporate Affairs, and/or Brand Management will oversee the identification and selection of the eligible projects. Pacific Life's environmental and social risk assessment process is applicable to all allocation decisions. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- Credentials on the issuer's social objectives Documented process to determine that projects fit within defined categories
- Defined and transparent criteria for projects eligible for Social Bond proceeds Documented process to identify and manage potential ESG risks associated with the project
- Summary criteria for project evaluation and selection publicly available Other (please specify):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Pacific Life's Capital Markets Group will be responsible for the management and tracking of proceeds. Pacific Life intends to achieve full allocation within 24 months of each issuance. Unallocated proceeds will be managed in accordance with the Company's internal liquidity portfolio guidelines or in cash, cash equivalents or US Treasury securities.. This is in line with market practice.

Tracking of proceeds:

- Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

Pacific Life intends to report on the allocation and impact of its proceeds on the company's website on an annual basis until full allocation. Allocation reporting will include management's assertion that the use of proceeds complies with the Framework, amounts allocated to each eligible category, examples of eligible assets financed where feasible, amount of unallocated net proceeds and share of financing versus refinancing. In addition, Pacific Life is committed to reporting on relevant impact metrics where feasible. Sustainalytics views Pacific Life's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Sustainability Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (please specify): share of financing vs refinancing | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Number of beneficiaries | <input checked="" type="checkbox"/> Target populations |
| <input checked="" type="checkbox"/> Other ESG indicators
(please specify): | |

Green Buildings	<ul style="list-style-type: none"> • Green building certifications • Total number of buildings certified • Total square feet certified • Percentage of overall company square feet certified
Renewable Energy	<ul style="list-style-type: none"> • Renewable energy capacity sourced and developed (MW) • Renewable energy procured and produced from the capacity above (MWh) • Emissions (including metric tons of CO₂e) avoided or reduced • Annual renewable energy procured and produced as a % of annual global electricity consumption
Energy Efficiency	<ul style="list-style-type: none"> • Energy savings (MWh) • Emissions (including metric tons of CO₂e) avoided or reduced • Office energy consumption/square foot • Office energy consumption/employee • Data center Power Usage Effectiveness
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • Volume of water consumption avoided or reduced • Volume of treated or recycled water • Volume of verified water restoration projects in high water stress regions • Verified water restoration as a percent of annual water consumption in high stress regions
Terrestrial and Aquatic Biodiversity Conservation	<ul style="list-style-type: none"> • Miles protected from destructive bottom trawling • Total surface financed (hectares)
Clean Transportation	<ul style="list-style-type: none"> • Commuter carbon emissions (including metric tons of CO₂e) avoided or reduced
Circular Economy adapted products, production technologies and processes and/or certified	<ul style="list-style-type: none"> • Amount of waste that prevented, minimized, reused or recycled before and after the project in % of total waste and/or as absolute amount in tones

eco-efficient products	
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> • Number of certified agriculture, fisheries, or forestry assets financed
Access to Essential Services – Education	<ul style="list-style-type: none"> • Number of students/youth receiving education support • USD amount of loans for students receiving education support
Affordable Housing	<ul style="list-style-type: none"> • Rental costs compared to the national/regional rent index • Participation (rate) of tenants • Share of under-served tenants • Number of dwellings

Frequency:

- Annual
 Semi-annual
 Other (please specify):

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
 Information published in ad hoc documents
 Other (please specify): Company’s website
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion)
 Certification
 Verification / Audit
 Rating
 Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE SBP

- i. **Second-Party Opinion:** An institution with social expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Social Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Social Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to social sustainability, and an evaluation of the social features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or social criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Social Bond proceeds, statement of social impact or alignment of reporting with the SBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Social Bond or associated Social Bond framework or Use of Proceeds certified against a recognised external social standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Social Bond Scoring/Rating:** An issuer can have its Social Bond, associated Social Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on social performance data, process relative to the SBP, or another benchmark. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material social risks.

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