Pacific Life NAIC Climate Risk Survey Response

As of August 29, 2025

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Governance

Governance Open-ended Response

Pacific Life has a strong system of governance over climate-related issues, with engagement from both the Board of Directors and upper-level management. Climate-related governance is handled at a group level for Pacific Life. This governance is proportionate to the nature, scale, and complexity of the operations across Pacific Life. It allows the Board, management committee, and senior management to integrate climate-related risks and opportunities into strategy, decision-making, and business processes.

Our enterprise sustainability governance program has established AVP Sustainability roles within Pacific Life and Pacific Life Re to build consistency and structure around the Corporate Social Responsibility (CSR) program. These positions, in collaboration with cross-functional working groups, are responsible for enterprise CSR strategy and integrating sustainability in our operations, practices, and policies. A Management Committee member, reporting directly into the CEO, is responsible for oversight of the sustainability initiatives and strategic direction.

Board Oversight

Pacific Mutual Holding Company ("PMHC"), a Nebraska mutual insurance holding company, is the parent of Pacific LifeCorp, an intermediate Delaware stock holding company ("PLC"). PLC owns 100% of Pacific Life Insurance Company ("PLIC"), a Nebraska domiciled stock life insurance company. PLIC owns 100% of Pacific Life & Annuity Company ("PL&A"), an Arizona domiciled stock life insurance company. The PMHC Board's responsibility is consistent with the oversight role of responsible business, risk management, and stewardship and includes oversight of the CSR program, which takes into account climate-related risks and opportunities. The Board convenes at least five times per year, but unscheduled meetings may be called at any time to address specific needs of Pacific Life, including climate-related matters. Committees of the Board are updated at least once per year on CSR topics and as needed for informational or decision-making purposes.

Committee structures are created to facilitate and assist in the execution of the Board's responsibilities. At each regular meeting of the Board, the committees are required to report significant matters reviewed by the committee and matters considered and acted upon. In addition to the full Board's oversight, climate-related risks are considered by the Audit Committee, Investment and Finance Committee, and Governance and Nominating Committee. Specific responsibilities are described below:

- Audit Committee
  - Discuss overall policies concerning the company's risk assessment and risk management framework, inclusive of climate-related risks
  - Review and discuss with management specific insurance and operational risks facing the organization as delegated to the Committee by the Board, and the steps management has taken to monitor and control these risks
  - Direct reports from management sub-committees that may include climate-related risks such as the Enterprise Risk Committee, Emerging Risk Committee, and Model Risk Committee on a periodic basis
- Investment and Finance Committee
  - Review and advise investment policies, investment transactions, financial risk management, and corporate capital transactions, including policies related to

    - responsible investment and financial risk management related to climate risks
    - Discuss with management financial market and economic risks, including risks which may be climate-related, and the steps management has taken to manage these risks
    - Review the Own Risk and Solvency Assessment and Enterprise Risk Report required to be submitted by applicable state insurance regulators, which may include climate-related risk information
- Governance and Nominating Committee
    - Carry out duties and responsibilities related to the management of risk, including climate-related risks, as may from time to time be required by applicable law or other applicable governing documents, or delegated or requested by the Board
    - Monitor and advise the Corporate Social Responsibility team. The Corporate Social Responsibility team leads efforts in annual CSR reporting and manages climate initiatives

Management Oversight

Management groups or sub-committees also have responsibility for identifying and assessing climate-related risks and reporting potential exposures to their respective standing committees. The Sustainability function within the CSR program is responsible for supporting and coordinating firm-wide efforts across the existing and arising climate-related issues from these groups. The responsibilities of these groups and sub-committees are described below.

- Enterprise Risk Committee
    - Responsible for all risks across the company, including climate risk which is managed as part of the Company's emerging risk management program
- Management Investment Committee
    - Reviews and approves the Company's responsible investment policy and program
- Corporate Social Responsibility team
    - Updates the Governance and Nominating Committee at least once per year on relevant CSR developments to people, communities, customers, and the environment

Governance Closed-ended Response

- Does the insurer have publicly stated goals on climate-related risks and opportunities?
    - No
- Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk?
    - Yes
- Does management have a role in assessing climate-related risks and opportunities?
    - Yes
- Does management have a role in managing climate-related risks and opportunities?
    - Yes

Strategy

Strategy Open-ended Response

Through Pacific Life's risk identification process and prioritization structure, current strategies are monitored and adapted to mitigate the exposure to climate risks for all processes within the business. Given the global nature of climate change, we proactively participate in industry forums and collaborate with peers. This enables us to exchange best practices, deliberate on emerging trends, and maintain alignment with current industry standards in our climate risk management strategies.

Pacific life defines short-term risks as 1-5 years, medium-term risks as 5-30 years, and long-term risks as beyond 30 years. While climate-related risks are closely monitored (see the 'Risk Management' section response for further explanation on how the company identifies, assesses, and manages climate-related risks), at this time, through our analysis, Pacific Life has deemed any climate-related risks or opportunities to be manageable in the short-, medium-, and long-term time horizons due to the nature of the insurance businesses in which Pacific Life participates. This will continue to be evaluated over time. To come to this conclusion, Pacific Life has engaged various stakeholders and business functions throughout the organization, including Board and management committees (see the 'Governance' section response), Enterprise Risk Management (ERM) and Business Continuity (see the 'Risk Management' section response), Investment, Actuarial, and Corporate Affairs. Below is additional information on the work done within each business area regarding climate-related risks and opportunities.

Pacific Life is working to expand their risk management process to comply with forthcoming regulation and further identify risks as required by entity.

Investment
Climate-related risks and opportunities in Pacific Life's investment portfolio have been an area of focus for Pacific Life. This focus led to initiatives such as the creation of Pacific Life's Responsible Investment Policy, which was initially published and adapted by Pacific Life in 2019 and updated in November 2024. These principles, which continue to be refined, outline Pacific Life's desire to achieve sustainable, long-term returns in a balanced and responsible manner by acknowledging the evolving materiality of environmental, social, and governance (ESG) factors.

Pacific Life has also developed a roadmap which outlines development plans to enhance the company's ESG investment strategy through 2025. This plan aims to allow Pacific Life to deliver consistent risk-adjusted returns to policyholders in a responsible manner by better understanding ESG factors as part of the investment making process, and it will allow for continued monitoring and mitigation of climate-related transition risks within Pacific Life's investment portfolio.

Additionally, Pacific Life's risk management organization is tasked with determining investment portfolio resilience, testing credit risk of the portfolio. Climate risk scenario analysis is performed using quantitative 1.5C- and 4C-degree scenarios to determine climate risk within the investment portfolio and inform future long-term climate risk strategy. Both physical and transition risk assessments are performed across the most material drivers of loss. Various impact pathways are identified to assess how changing corporate bonds and commercial loans will affect the portfolio. Physical impacts are assessed from increases in frequency and intensity of physical hazards such as hurricanes, coastal inundation, flooding, etc. Transition impacts were assessed from impacts of the low carbon transition; carbon tax, labor costs, retrofit costs, etc. Effects driven from the climate scenarios can result in losses due to default, which is then used to calculate projected actual loss value. The analysis has affected strategies for credit decisions in various aspects of the investment portfolio. Divestment and investment opportunities are being analyzed for new types of financial investments that are more resilient to climate risk under each scenario. We intend to repeat climate scenario analysis on a regular cadence, adjusting the frequency as results dictate.

Lastly, Pacific Life has taken steps to take advantage of climate-related opportunities through the creation of the Sustainable Financing Framework. The framework was created to finance green and social projects that align with our sustainability priorities. Pacific Life will not provide funding through its Sustainable Financing Framework and sustainable note offerings if the borrower is associated with the following climate-related risks: activities related to the exploration, production, or transportation of fossil fuels (e.g., coal, oil, and gas); consumption of fossil fuels for power generation; large hydroelectric power generation (e.g., plants with a capacity of greater than 20 megawatts or dams with a height greater than ten meters); and nuclear energy. Through the transition to a low carbon economy, Pacific Life is seeing more opportunities to invest in projects that use renewable energy such as solar and wind power, liquefied natural gas, and battery technology. This financing framework, and subsequent note issuances, highlight the investment Pacific Life is making to support the transition to a low carbon economy.

Funds

Pacific Life Insurance Company offers two proprietary ESG (“environmental, social and governance”) funds as underlying investment options for certain of our life insurance and annuity contracts in which contract owners may invest their premiums. These two ESG funds, the ESG Diversified Portfolio and ESG Diversified Growth Portfolio, are asset allocation funds that seek their respective investment goals while considering ESG criteria, one of which is environmental. Environmental considerations include investments that may help the transition to a low-carbon economy.

Actuarial

Assessing and understanding climate-related risk is important for proper underwriting and accurate identification of new risks that may impact policyholders or operations. Volatility in frequency and severity of weather events are expected to make certain geographic locations more prone to climate risk. To monitor this risk, geographical concentration risk assessments of Pacific Life’s insurance portfolio are done regularly to understand what areas are policy-dense and how these areas may be impacted by future changes in weather events.

Research has also been done into the ways climate-related risks may impact mortality in the future. To quantify these impacts, excess mortality stress testing is performed on the underwriting portfolio to understand how the stressed mortality may impact the business. Results of this stress testing have been immaterial thus far, but Pacific Life plans to continue to test and integrate climate risk assumptions and factors into pricing, projection, and valuation models as appropriate.

Corporate Affairs

Pacific Life’s Corporate Social Responsibility (CSR) team sits within the Corporate Affairs team and is responsible for climate-related disclosures and company-wide environmental initiatives aimed at tracking and managing emissions and promoting sustainability programs. The CSR team works with the business units to determine priorities, engage the appropriate stakeholders and address issues related to climate, while supporting integration of processes that support the business.

Scope 1 and 2 greenhouse gas emissions are calculated annually using 2019 as a baseline. Current company and employee efforts to limit Pacific Life's environmental footprint include:

- Providing the option for policyholders to receive electronic account statements and e-delivery of required mailings
- Increased use of digital files in lieu of paper files
- Office buildings that incorporate green concepts and technology, including smart thermostats, efficient reflective roofs, high energy efficiency lighting, systems, as well as sustainable materials
- Consideration of green leasing options in real estate procurement
- Proactive electronic waste, bottle & can recycling, and trash recycling programs
- Landscaping with drought-tolerant plants to reduce water consumption
- Completed work with Southern California Edison Electric company to reduce energy usage and still meet business needs
- Changes to kitchen equipment and air conditioning optimization to reduce gas consumption
- Energy-efficient LED lighting in office buildings' common areas
- Data center optimization to reduce energy usage and increase efficiency
- Purchase of hardware certified to be energy efficient including Energy Star

Strategy Closed-ended Response

- Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency?
    - Yes
- Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk?
    - \- Yes, 2 ESG funds
- Does the insurer make investments to support the transition to a low carbon economy?
    - Yes
- Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations?
    - Yes

Risk Management

Risk Management Open-ended Response

Pacific Life identifies, assesses, manages, and discloses the risks to which the business is, or could be, exposed to, including climate-related risks. Climate risks are integrated within the broader risk management framework. Some potential risks are identified through the Business Continuity Management (BCM) group. BCM administers annual Business Impact Assessments (BIAs) to identify risks at the process level. The BIA is annually completed by the manager of a process and derives process criticality, Recovery Time Objectives (RTO) and required dependencies. BCM may open formal risk issues when gaps in recovery capability do not meet the recovery requirement. This system allows process-level identification of risks that the Emerging Risk Committee and Enterprise Risk Committee may not be able to detect from a management level. Risks identified are then assessed based on the BCMs four-tier Process Criticality ranking derived from the BIAs with mission-critical priority being the most important out of four prioritization tiers.

BCM and the BIA process help inform risks that are considered by Enterprise Risk Management (ERM). ERM is responsible for identifying, assessing, and working to mitigate risks. Management committees are also used to assess risks on a group level. The Enterprise Risk Committee is responsible for overseeing all risks present to the company including people, processes, and systems. The Emerging Risk Committee is a sub-committee of the Enterprise Risk Committee responsible for monitoring and assessing new risks and evaluating if they have a material impact on Pacific Life. The committee then assesses ownership, estimated impact, and likelihood. When risks are fully managed, they are removed from the emerging risk list. Climate risk is considered an emerging risk that is regularly monitored for material impact to Pacific Life.

Operational Risk Management
Climate change may result in increased frequency and more severe weather-related events such as hurricanes, tidal waves, sea level changes, wildfires, heatwaves, drought and tornados. With offices in California, Nebraska, Bermuda, UK, Canada, Australia, Singapore and other geographic areas, the company has exposure to business disruption and operational risk associated with these events. There are Business Continuity Plans (BCP) in place to ensure the availability, recoverability and integrity of critical business and technology-driven processes with minimal impact to normal operations. With hybrid work options already in place and the majority of the offices leased, physical and transition risks to our business operations are limited.

Underwriting Portfolio Risk Management
Extreme weather events and heat stress could result in higher than anticipated mortality experience. Given a well-balanced portfolio of life, annuity, and investment products - with offsetting mortality exposures, the net financial effect for Pacific Life is expected to be manageable. Additionally, the risk management team handles excess mortality stress tests linked to climate-related risk. The analysis considers a wide range of scenarios and what impact pathways may occur. Drivers by region are also considered. For example, floods, wildfires, insect-born flus, heatwaves, cold fronts, and air quality impact different regions in different ways. Thus far, the mortality testing results have not been material but will continue to be monitored to identify potential risks. Geographic concentration analysis of the insurance portfolio is done to monitor the number of policyholders per region. There are not currently any parameters influenced by climate risk in pricing or valuation models, but evolving

underwriting practices and modeling methodologies may lead to future assumption changes.

Investment Portfolio Risk Management
Pacific Life's investment team has made significant progress in identifying climate risk in the portfolio and in incorporating climate risk assessments into the underwriting process. To help prepare the investment portfolio for transition risks, Pacific Life created a roadmap through 2025 that outlines a process to better measure and manage these risks. Significant resources have also been invested to estimate the financial impact of climate risk on the portfolio in different climate scenarios with an aim to chart the next set of tangible actions at the conclusion of the analysis. This also includes analysis of investments such as real estate and integrating operational risk assessment. Pacific Life is a signatory to the United Nations Principles for Responsible Investing, in alignment with our responsible investment practice.

Regulatory Risk Management
Pacific Life monitors existing, proposed, and forthcoming regulatory requirements regarding climate change as part of ongoing due diligence. We monitor not only those regulations that will directly affect Pacific Life, but also those that will affect our peers and business partners as they may have a cascading effect that could influence our approach.

Risk Management Closed-ended Response

- Does the insurer have a process for identifying climate-related risks?
    - Yes
        - If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process?
            - Yes
- Does the insurer have a process for assessing climate-related risks?
    - Yes
        - If yes, does the process include an assessment of financial implications?
            - Yes
- Does the insurer have a process for managing climate-related risks?
    - Yes
- Has the insurer considered the impact of climate-related risks on its underwriting portfolio?
    - Yes
- Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks?
    - No
- Has the insurer considered the impact of climate-related risks on its investment portfolio?
    - Yes
- Has the insurer utilized climate scenarios to analyze their underwriting risk?
    - No
- Has the insurer utilized climate scenarios to analyze their investment risk?
    - Yes

Metrics and Targets

Metrics and Targets Open-ended Response

Pacific Life uses a variety of metrics and tools to manage the potential financial impact of climate-related risks and opportunities on the business. These include metrics related to insurance, investments and emissions.

Insurance
Pacific life monitors geographic concentration risk of the underwriting portfolio, which aids in the analysis of how exposure to physical risks may impact the insurance portfolio. Catastrophe modeling is not used to assess climate-related risks at this time and is not incorporated into underwriting assumptions or factors given climate change events are not yet expected to be material to business operations.

Investment
To better plan for the transition to a low carbon economy, Pacific Life is incorporating investment criteria, metrics, and targets into portfolio management. Pacific Life's Sustainable Financing Framework aims to finance green and social projects that align with Pacific Life's sustainability priorities. The framework encourages issuers to structure and administer their issuances of green bonds, social bonds and sustainability bonds in alignment with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines, respectively. The Principles are intended to promote integrity in the Sustainable Bond market through recommendations relating to transparency, disclosure, and reporting. Pacific Life's Sustainable Bond issuances will target 90% eligible green investments and the remainder eligible social investments, metrics which will be regularly tracked. Examples of eligible projects include green buildings, renewable energy, energy efficiency and clean transportation.

Pacific Life updates investors annually regarding the allocation of net proceeds from issued Sustainable Bonds, until such time bonds are fully allocated. Where feasible, the allocation reporting includes qualitative and quantitative key performance indicators including:

- Green Buildings
    - Green building certifications
    - Total number of buildings certified
    - Total square feet certified
    - Percentage of overall company square feet certified
- Renewable Energy
    - Renewable energy capacity sourced and developed (MW)
    - Renewable energy procured and produced from the capacity above (MWh)
    - Emissions (including metric tons of CO_2e) avoided or reduced
    - Annual renewable energy procured and produced as a % of annual global electricity consumption
- Energy Efficiency
    - Energy savings (MWh)
    - Emissions (including metric tons of CO_2e) avoided or reduced
    - Office energy consumption/square foot
    - Office energy consumption/employee

- Data center Power Usage Effectiveness
- Clean Transportation
    - Commuter carbon emissions (including metric tons of CO2e) avoided or reduced

Credit Risk Scenario analysis is performed by the risk management function, which provides metrics for tracking climate-related risks within Pacific Life's investment portfolio. Corporate bonds and commercial loans are assessed with carbon prices being a key input. Through the analysis, information pathways are identified and used in other models and management decisions. Outcomes of the testing may affect strategies for credit decisions in various aspects of the investment portfolio, and potential opportunities may be analyzed for new types of financial investments.

Emissions

Greenhouse Gas (GHG) emission disclosures inform investors of Pacific Life's carbon footprint and track progress as society transitions to a low carbon economy. Scope 1 and Scope 2 emissions are calculated annually with a baseline of 2019, using emission quantification methodologies drawn from the Greenhouse Gas Protocol developed by the World Resources Institute and World Business Council for Sustainable Development (GHG Protocol). The emissions manual is reviewed and updated at least annually based on developments in data collection, calculation, and data quality review process in future years. Emissions are calculated in Metric Tons of Carbon Dioxide emissions, or MTCO2e.

2024 Scope 1 emissions are 733 MTCO2e, a decrease of 7% over the prior year, and 2024 Scope 2 emissions are 2333 MTCO2e, a decrease of 24% over the prior year. In total, Scope 1 and Scope 2 GHG emissions have been reduced 68% from our baseline in 2019. Pacific Life defines its GHG emissions inventory organizational boundaries using the Operational Control Approach. Offices over which Pacific Life has operational control are included in the GHG emissions inventory, including owned and leased properties globally with the exception of the following: 1) Field offices and 2) Any office that is smaller than 5000 sq.ft. Progress will be monitored and reported year over year. Scope 3 emissions are not yet calculated but are planned to be assessed in the future.

Metrics and Targets Closed-ended Response

- Does the insurer use catastrophe modeling to manage your climate-related risks?
    - No
- Does the insurer use metrics to assess and monitor climate-related risks?
    - Yes
- Does the insurer have targets to manage climate-related risks and opportunities?
    - No
- Does the insurer have targets to manage climate-related performance?
    - No