

Pacific Life Insurance Co

Type of Engagement: Annual Review

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Introduction

In April 2021, Pacific Life Insurance Co. (“Pacific Life”) issued a sustainable bond (the “2021 Sustainable Bond”) aimed at financing environmental and socially impactful projects. In February 2022, Pacific Life engaged Sustainalytics to review the projects funded through the 2021 Sustainable Bond and to provide an assessment as to whether the projects met the Use of Proceeds criteria and the reporting commitments outlined in its Sustainable Bond Framework (the Framework)¹. Sustainalytics provided a Second-Party Opinion on the Framework in March 2021².

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded in 2021 based on whether the projects financed:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Framework and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Renewable Energy	Investments for new renewable energy generation including the installation of renewable energy generation such as wind, solar and small-scale run-of-the-river hydro. ³	<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
Green Building	Investments related to real estate projects that have received or are expected to receive third-party sustainable certifications or verification, such as BREEAM Excellent, Energy Star 85+, LEED Gold or Platinum, or equivalent certification. Investments may include design, development, construction, materials, and equipment and certification costs.	<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
Affordable Housing	Investments related to affordable housing, including multi-family projects, where spends are associated with housing restricted to households who earn under 80% of the AMI and/or households who earn under 120% of	<ul style="list-style-type: none"> • Rental costs compared to the national/regional rent index • Participation (rate) of tenants • Share of under-served tenants

¹ Pacific Life, “Sustainable Bond Framework”, at: https://www.pacificlife.com/crp/public/ir/Sustainability_Bond_Framework_Document.pdf

² Pacific Life, “Second-Party Opinion on Pacific Life Sustainable Bond Framework”, at: https://www.pacificlife.com/crp/public/ir/Second_Party_Opinion.pdf

³ All new hydroelectric projects should have an environmental and social risk assessment performed by a third party.

	the AMI for properties located in a high-cost area as defined by the U.S. Department of Housing and Urban Development.	<ul style="list-style-type: none">• Number of dwellings
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Issuing Entity's Responsibility

Pacific Life is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Pacific Life's 2021 sustainable bond. The work undertaken as part of this engagement included collection of documentation from Pacific Life employees and review of documentation to confirm the conformance with the Framework.

Sustainalytics has relied on the information and the facts presented by Pacific Life with respect to the nominated projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Pacific Life.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,⁴ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects, funded through proceeds of Pacific Life's 2021 sustainable bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in this review. Pacific Life has disclosed to Sustainalytics that the proceeds of the Sustainable Bond were fully allocated as of September 14, 2021.

⁴ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the 2021 Sustainable Bond to determine if projects aligned with the Use of Proceeds Criteria outlined in the Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the 2021 Sustainable Bond to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 2.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

Appendices

Appendix 1: Allocation Reporting by Eligibility Criteria

Use of Proceeds Category	Number of projects	Net Bond Proceeds Allocated (USD)
Renewable Energy	11	328,765,077.46
Green Building	3	407,383,818.68
Affordable Housing	3	63,851,103.85
Total Proceeds Allocated (USD)		800,000,000.00⁵
Total Proceeds Raised (USD)		800,000,000.00

Appendix 2: Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Project Name	Type of Project	Environmental/Social Impact Reported by Eligibility Criteria
Renewable Energy	Wind Project located in Nebraska	Wind	<ul style="list-style-type: none"> Installed capacity: 201MW Energy generated : 531,000 MWh⁶
	Portfolio of 400 Solar Projects in 14 States	Solar	<ul style="list-style-type: none"> Installed capacity: 979MW Energy generated : 761,000 MWh⁶
	3 Solar Projects located in Colorado and Georgia	Solar	<ul style="list-style-type: none"> Installed capacity: 305 MW Energy generated : 553,000 MWh⁶
	3 Solar Projects located in Colorado and Georgia	Solar	<ul style="list-style-type: none"> Installed capacity: 305 MW Energy generated : 553,000 MWh⁶
	Wind Project located in Illinois	Wind	<ul style="list-style-type: none"> Installed capacity: 218 MW Energy generated : 409,000 MWh⁶
	Solar Project located in Utah	Solar	<ul style="list-style-type: none"> Installed capacity: 530 MW Energy generated : 1,371,000 MWh⁷
	Portfolio of 12 Wind and 3 Solar Projects located in India	Solar/Wind	<ul style="list-style-type: none"> Installed capacity: 1,315 MW Energy generated : 1,880,000 MWh⁸
	Residential Rooftop Solar Securitization	Solar	<ul style="list-style-type: none"> Installed capacity: 56.45 MW Estimated renewable energy to be generated over 30 year useful life: 2,303,571 MWh
	Residential Rooftop Solar Securitization	Solar	<ul style="list-style-type: none"> Installed capacity: 90.32 MW Estimated renewable energy to be generated over 30 year useful life: 3,780,000 MWh
	Portfolio of 444 Solar projects in 23 States	Solar	<ul style="list-style-type: none"> Installed capacity: 766 MW⁹

⁵ Pro-rata computation on proceeds to USD 800,000,000 given that a total of USD 813,907,783.32 was allocated by the issuer to assets refinanced.

⁶ The data provided represents the period from March 01, 2021 to September 30, 2021.

⁷ The data is provided as full year 2019.

⁸ The data provided represents the period from March 01, 2021 to September 30, 2021.

⁹ Some projects under this portfolio are under construction, therefore, the estimated data of electricity generation is not available at this time.

	Wind Project located in Norway	Wind	<ul style="list-style-type: none"> Installed capacity: 400 MW¹⁰
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Use of Proceeds Category	Project	Green Building Certificate	Net Rentable square feet certified
Green Buildings	Office campus - Austin, Texas	LEED Gold	818,662
	Office building - Austin, Texas	LEED Gold	143,988
	Office tower - Boston, Massachusetts	LEED Gold	898,969

Use of Proceeds Category	Project Name	Project Type	Number of Beneficiaries
Affordable Housing	Portfolio of Low Income Housing Loans	Low Income Housing	8,685
	UK Low Income Housing Authority		35,000
	UK Low Income Housing Authority		

¹⁰ The project is currently under construction and is expected to commence operations by March 2022, therefore, estimated data of electricity generation is not available at this time.

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