



PACIFIC LIFE

Sustainable Financing Framework

JULY 2023



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1. Overview

For more than 150 years, Pacific Life¹ has helped millions of individuals and families with their financial needs through a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals, businesses, and pension plans.

Whether your goal is to protect loved ones or grow your assets for retirement, Pacific Life offers innovative products and services that provide value and financial security for current and future generations. Pacific Life counts more than half of the 100 largest U.S. companies as its clients and has been named one of the 2023 World's Most Ethical Companies[®] by the Ethisphere Institute. This marks the sixth consecutive year Pacific Life has been recognized by the Ethisphere Institute, which honors companies demonstrating exceptional programs and practices.



2. Pacific Life Commitment to Sustainability

Pacific Life is committed to creating a meaningful future for our stakeholders.



2. Pacific Life Commitment to Sustainability

This extends beyond our current generation, which is why our corporate social responsibility initiatives create lasting, positive impact for our people, our communities, our customers, and our environment. These efforts include a focus on: investing in our communities, supporting our employees, fostering an inclusive culture, mobilizing our workforce, and caring for our environment.

INVESTING IN OUR COMMUNITIES

Our goal is to have a positive impact on our communities through the power of our giving. We can only do this because of the strength of the relationships we have with our nonprofit partners. We are proud to invest in them to support their missions and their passions. We are also proud of the legacy of Pacific Life, its employees, and our participation in helping make our communities healthier, safer, and stronger. The Pacific Life Foundation focus areas of funding reflect these priorities in Orange County, CA, Omaha, NE, and Lynchburg, VA.



2022 HIGHLIGHTS

341,006

individuals provided with food aid

15,945

homeless individuals immediate situation was stabilized

14,050

children completed high-quality STEM-related education courses

7,515

youth achieved academic, financial and social milestones required for success

2,457

people gained a new occupational skill or educational credential

183

underrepresented high school students obtained financial skills through the LIFEvest Financial Literacy program at University of California, Irvine

10

students in need awarded scholarships through Boys and Girls Clubs of Central Orange Coast College Bound program

SUPPORTING OUR EMPLOYEES

We recognize that our employees are passionate about giving back and supporting the causes they care about the most. Whether we are matching donations they made to their favorite charity or donating to their children’s schools, we support our employees by investing in their passions.



2022 HIGHLIGHTS

153

schools, attended by the children and grandchildren of **396** Pacific life employees, were awarded 3Ts of Education grant, totaling **\$504,500**, positively impacting **7,212** teachers who received training and their **145,536** students

\$427,500

in Community Involvement Grants to **33** nonprofits where Pacific Life officers serve as members of the nonprofit’s board of directors

\$673,085

in matching grants supporting employee contributions made through the Pacific Life Foundation’s Matching Gifts and United Way Match programs

DIVERSITY, EQUITY AND INCLUSION

Our mission of helping clients achieve financial security can only be accomplished through our people. We invest in developing the talents and expertise of our employees and foster a work environment where people can be their authentic selves while working in a challenging, collaborative, and results-oriented environment. We hold monthly diversity circles for employees that regularly bring together external experts and thought leaders that both engage and inspire our leadership.

Pacific Life has joined more than 2,000 CEOs from other companies, associations, and universities to advance diversity and inclusion within the workplace through the CEO Action for Diversity & Inclusion™ pledge. Supporting an inclusive and diverse workplace starts from the top, but it also comes from within our company. As such, we have created the Enterprise Inclusion Council at Pacific Life, which consists of a diverse, cross functional, multi-level group of employees committed to creating a culture of belonging at Pacific Life that unleashes the potential of all employees and drives business success through the creation of products of choice and delivering a superior customer experience.

MOBILIZING OUR WORKFORCE

Pacific Life employee volunteers provide much needed support to nonprofits and engage in work that builds teams, provides professional skills, and improves our neighborhoods.



2022 HIGHLIGHTS

9,164

volunteer hours provided by **1,868** Pacific Live Volunteer employees, family members, and friends benefitting **146** nonprofits

53,000+

meals for Second Harvest Food Bank Orange County by **550+** Pacific Life Volunteers

4,000+

Battalion Buddy teddy bears stuffed for Operation Gratitude by **900+** Pacific Life volunteers through Fall Week of Service

1,045+

children and families benefitted from our annual spring and holiday drives

500+

volunteer hours spent reviewing scholarship applications for the Life Lessons program, benefiting youth who have lost a parent that didn't have life insurance coverage

42

bikes assembled and donated to local Boys & Girls Clubs

15+

department leads engaged their teams in charitable teambuilding activities

CARING FOR OUR ENVIRONMENT

For more than two decades, we have been committed to protecting our environment and improving the health of our oceans. We have invested more than \$17.1 million to advocate for the conservation and research of marine mammals. Through our Green Initiative, we are reducing energy, water and waste in our business offices, and helping our employees be more conscious about their own environmental footprint.



2022 HIGHLIGHTS

6+

global environment cleanups in **4** countries

260+

pounds of trash cleared from waterways by Pacific Life Volunteers across the U.S.

\$2.5M

pledged to four national nonprofits over the next five years and other local charity partners working to protect ocean health and marine mammal life

2,000+

lost crab traps were removed from the path of migrating whales through a tech-driven recovery program

90%

of the drift gillnets (which often trap and entangle whales, sea turtles and other marine wildlife) being used on the water were removed, in favor of safer and more effective fishing gears, by October of 2022

80%

in general overall bycatch reduced in successful pilot of solar powered lights for gillnets in the Gulf of California

PRINCIPLES OF RESPONSIBLE INVESTING

As an enterprise, we believe that responsible investing is not only good for the environment and society, but also key to our long-term financial strength and our mission to help our clients and their families attain peace of mind and financial security. We continually evolve our investment processes and incorporate environmental, social, and governance (ESG) factors to better align our decision-making with our duty to invest responsibly.

As a long-term investor, we understand that the success of our investments is tied to the degree to which they reflect ESG principles. Integrating an ESG framework into our investment processes augments our ability to successfully accomplish our mission. By having actionable information available about potential investments, our investment team can make more holistic and informed decisions. We optimize our profitability, asset values, and creditworthiness by acting responsibly. In doing so, we will experience higher sustainable portfolio returns in line with our responsibilities to our employees, policyholders, community, and other stakeholders.

3. Rationale for Issuance

Through the issuance of green, social and sustainability bonds or financings by Pacific Life or backed by Pacific Life Insurance Company’s funding agreements (“Sustainable Financings”)², we aim to finance green and social projects that align with our sustainability priorities. Pacific Life may also issue Blue Bonds or Financings which are green bonds or financings specifically focused on water-related projects.

We hope the issuance of our Sustainable Financings will inspire other similar companies to do the same.

² Sustainable Financings may include, but are not limited to, Senior Notes issued by Pacific LifeCorp, Funding Agreement Backed Notes issued by Pacific Life Global Funding II, and Funding Agreement Backed Commercial Paper notes issued by Pacific Life Short-Term Funding, LLC.

4. Alignment with the ICMA Principles and Guidelines

We intend for this Sustainable Financing Framework (the “Framework”) and any issuance by Pacific Life of Sustainable Financings to be aligned with the Green Bond Principles (June 2021) (“GBP”), the Social Bond Principles (June 2023) (“SBP”) or the Sustainability Bond Guidelines (June 2021) (“SBG”), as applicable.



4. Alignment with the ICMA Principles and Guidelines

Each of these principles and guidelines (collectively, the “Principles”) are voluntary guidelines that were developed by an industry working group administered by the International Capital Markets Association (“ICMA”).

The Principles are intended to promote integrity in the Sustainable Bond market through recommendations relating to transparency, disclosure and reporting. The Principles encourage 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.

4.1 USE OF PROCEEDS – ELIGIBLE PROJECTS




An amount equal to the net proceeds of Pacific Life’s Sustainable Financings will be allocated to existing or future investments in or financings of Eligible Projects

that meet Pacific Life’s Sustainable Financing Framework Eligibility Criteria as defined below.






‘Look-Back and Look-Forward’ Periods




Eligible Projects are investments and expenditures made by Pacific Life or any of its subsidiaries beginning with the issuance date of any Sustainable Financings, or in the 24 months prior to any such issuance, in eligible green projects and/or eligible social projects that meet the Eligibility Criteria defined below. Pacific Life intends to allocate an amount equal to the net proceeds in the first 24 months after issuance.

“Eligibility Criteria” means any of the following:

GBP / SBP Eligible Project Category	Eligible Projects and Examples	UN SDG Alignment
Green Buildings	Investments related to real estate projects that have received or are expected to receive third-party sustainable certifications or verification, such as <ul style="list-style-type: none"> • BREEAM Excellent or above, Energy Star 85+ (only for commercial buildings), LEED Gold or Platinum. Investments may include: design, development, construction, materials, and equipment and certification costs. 	
Renewable Energy	Investments for new renewable energy generation including the installation of renewable energy generation, such as <ul style="list-style-type: none"> • Wind (including onshore and offshore), solar photovoltaic technology, and small-scale run-of-the-river hydro or investments in hydropower with specific power density⁴ and tidal power. 	
Energy Efficiency	Investments related to energy efficiency projects and technologies that are designed to enable energy and emission reductions, such as <ul style="list-style-type: none"> • The installation of control and energy monitoring equipment, heating, cooling and ventilation retrofits, lighting retrofits, smart thermostats, efficient reflective roofs and the purchase of hardware certified to be energy efficient, including Energy Star that aim to achieve a 30% increase in energy efficiency for spends associated with Pacific Life’s own operations. • Investments that enable monitoring and optimization of the energy consumption of energy distribution networks, such as smart grids or smart metering devices. 	

⁴ All new hydroelectric projects should have an environmental and social risk assessment performed by a third party. Hydro facilities operational before 2019 with a power density greater than 5W/m² may be included and facilities that will become or became operational after 2019 with a power density greater than 10W/m² may also be included.

GBP / SBP Eligible Project Category	Eligible Projects and Examples	UN SDG Alignment
Sustainable Water and Wastewater Management	Investments related to sustainable water management, such as <ul style="list-style-type: none"> • Construction or maintenance of (municipal) wastewater treatment systems, water reuse and recycling activities for rainwater or wastewater • Construction of desalination plants (powered by renewable energy) • Projects that reduce water consumption or improve efficiency including low flow fixtures. • Water capture and storage infrastructure and conservation and restoration projects, including green roofs and technology to reduce pressure on surface and groundwater resources. • Sustainable water management technology and software to improve water productivity, distribution, and quality, automate water management and recycling • Early warning systems, such as storm water warning systems or floodwater warning systems • Infrastructure projects for flood prevention, flood defense and/or storm water management (subject to appropriate environmental assessments) 	
Terrestrial and Aquatic Biodiversity Conservation	Investments related to the preservation and conservation of marine mammals and ocean health, such as <ul style="list-style-type: none"> • Facilities and infrastructure to allow for increased marine mammal services • Preservation or restoration of marine and coastal landscapes 	
Clean Transportation	Investments related to clean transportation that are designed to/expected to reduce greenhouse gas emissions, such as <ul style="list-style-type: none"> • Electric vehicle charging stations and clean mass transportation, including electric vehicles, buses and rail 	
Circular Economy adapted products, production technologies and processes and/or certified eco-efficient products	Investments related to the development, construction, operation and maintenance of collection, sorting and material recovery, and recycling facilities.	
Environmentally Sustainable Management of Living Natural Resources and Land Use	Investments and financings that enhance ecosystem protection or restoration, including: <ul style="list-style-type: none"> • Agriculture and fisheries assets with recognized third-party sustainability certifications, such as USDA Organic, EU Organic, Marine Stewardship Council (MSC) or Rainforest Alliance • Forestry assets with recognized third-party sustainability certifications, such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC), and the Sustainable Forestry Initiative (SFI), which is affiliated with PEFC • Climate smart farm inputs, such as biological crop protection or drip-irrigation • Preservation or restoration of natural landscapes 	

GBP / SBP Eligible Project Category	Eligible Projects and Examples	UN SDG Alignment
<p>Access to Essential Services – Education</p>	<p>Investments related to providing education for underserved populations, including public or private education⁵. Examples of expenditures may include student loans and infrastructure for the provision of child, youth or adult education and vocational training services.</p> <p>Target Population: youth and students focusing on those from under-represented communities, including the Black, Brown, and Latinx communities, persons with disabilities, rural populations⁶ and students from households who earn under 80% of the Area Median Income (“AMI”).⁴</p> <p>Pacific Life will aim to maintain accessibility and affordability through its expenditures by prioritizing allocation to student loans that include features such as income-contingent repayment options in order to alleviate credit constraints for students facing tuition costs.</p>	 
<p>Affordable Housing</p>	<p>Investments related to affordable housing, including multi-family projects.</p> <ul style="list-style-type: none"> • Target Population: households who earn under 80% of the AMI and/or households who earn under 120% of the AMI for properties located in a high-cost area as defined by the U.S. Department of Housing and Urban Development.⁷ 	

Pacific Life will not knowingly allocate proceeds from any issuance of Sustainable Financings to the following:

- Activities related to the exploration, production or transportation of fossil fuels (e.g., coal, oil and gas);
- Consumption of fossil fuels for the purpose of 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);
- Nuclear energy;
- Activities involving exploitation of human rights, modern slavery (e.g., forced labor or human trafficking) or child labor; or
- Any other activity that Pacific Life determines is ineligible for allocation of proceeds at the time of allocation.

4.2 PROCESS OF PROJECT EVALUATION AND SELECTION

Pacific Life’s Sustainable Financing Steering Committee, comprised of members from the Institutional Capital Markets Group (“CMG”), Investment Management, Commercial Real Estate, Law Department, Corporate Affairs, and/or Brand Management, is responsible for the review and selection of the green and social projects that will qualify as Eligible Projects. Subject to the Eligibility Criteria, Pacific Life’s Sustainable Financing Steering Committee will review and select Eligible Projects for the final approval of the CMG. Investments will then be reviewed against the Eligibility Criteria as well as the Exclusion Criteria described in this Framework by the Sustainable Financing Steering Committee.

Investments will also be reviewed against Pacific Life’s internal environmental and social standards and policies. We integrate ESG factors into the analysis and decision-making process for our General Account and Guaranteed Separate Account investments. This process is memorialized in our Responsible Investment Policy:

⁵ For public education, services will be available to all students regardless of a student’s ability to pay. For private education, services will be free or subsidized to the target populations.

⁶ Areas where the population size that adheres to the USDA Rural Development Standard of 50,000 or less; distance from metropolitan areas; federal agency funding flexibility; limitations in the range of economic activities supporting the local economy; and considerations of overall local resource availability.

⁷ Source: [US Department of Housing and Urban Development https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-07hsgml.pdf](https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-07hsgml.pdf)

- First, we collect ESG data for all investment opportunities. We score our holdings, utilizing a variety of both third-party and proprietary inputs against a range of relevant ESG factors, and monitor changes to these scores on an on-going basis. We exclude all new investments which do not meet our criteria.
- Second, due to the impact climate change continues to have on our world and the investment landscape, we actively assess and monitor the climate risk to both existing and proposed fixed income, equity, and real estate investments.
- Third, we review investments against compliance with national laws and regulations.

4.3 MANAGEMENT OF PROCEEDS

Pacific Life will track allocations using its internal recording system overseen by the CMG. Internal records will show an allocation of an amount equal to the net proceeds for the full term of the Sustainable Financings. Pending the allocation of an amount equal to the Sustainable Financings' net proceeds, the CMG team will temporarily invest an amount equal to the balance of the proceeds in accordance with Pacific Life's internal liquidity portfolio guidelines or in cash, cash equivalents and/or U.S. treasury securities. Payment of principal and interest on Pacific Life Sustainable Financings will be made from Pacific Life's general funds and will not be directly linked to the performance of any Eligible Projects. Pacific Life intends to allocate an amount equal to the net proceeds in the first 24 months after issuance.

4.4 TRANSPARENCY & REPORTING

4.4.1 Allocation Reporting

Pacific Life will update investors annually regarding the allocation of an amount equal to the net proceeds until such amount has been fully allocated to Eligible Projects, and thereafter, as necessary in the event of material developments. The update will appear in a public standalone report (the "Sustainable Financing Report") located on Pacific Life's website <https://www.pacificlife.com/sustainablebonds>.

The Pacific Life Sustainable Financing Report will contain the following:

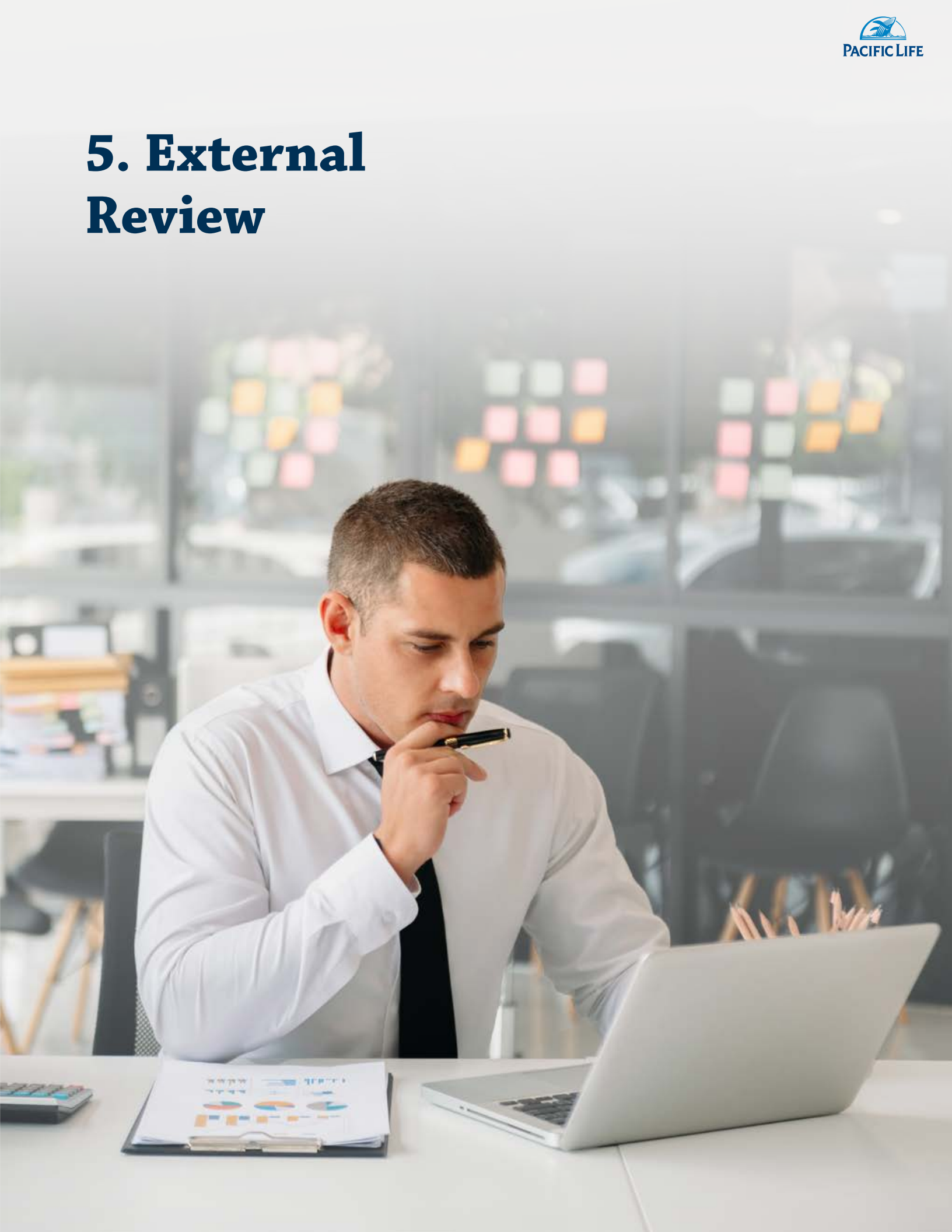
1. Management's assertion that the use of proceeds of the Pacific Life Sustainable Financing complies with the Pacific Life Sustainable Financing Framework
2. Amounts allocated to projects presented in aggregation based on Eligible Categories
3. Where feasible, and subject to confidentiality considerations, for each Eligible Category, one or more example of Eligible Assets financed, in whole or in part, by the proceeds obtained from the Pacific Life Sustainable Financing, including their general details (brief description, location, and stage, i.e. construction or operation)
4. Amount of unallocated net proceeds
5. Impact reporting elements as described below
6. Share of financing versus refinancing

4.4.2 Impact Reporting

Where feasible, the allocation reporting will include qualitative and quantitative key performance indicators (“KPI”) such as those included below.

Project Category	KPI
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 • Transportation infrastructure developed or improved
Circular Economy adapted products, production technologies and processes and/or certified eco-efficient products	<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
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 • Total surface financed (hectares), with reference to specific certification schemes where relevant
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

5. External Review



5. External Review

5.1 SECOND-PARTY OPINION

Pacific Life has obtained and will make publicly available a Second-Party Opinion (“SPO”) from Sustainalytics, with recognized environmental and social expertise to provide an opinion on the environmental and social benefits of this Framework as well as the alignment to the SBG, GBP and SBP. The SPO will be available on the SPO provider’s website and on Pacific Life’s website.

5.2 ASSURANCE

Our Sustainable Financing Report will be accompanied by (i) assertions by Pacific Life’s management as to the amount of the net proceeds from the sale of any Sustainable Financings that have been allocated to Eligible Projects; and (ii) a report from an independent third party who will examine and verify Pacific Life’s management of the net proceeds from the sale of any Sustainable Financings and provide assurance as to the compatibility in all material respects of any selected Eligible Project(s), to which a portion or all of the net proceeds from the sale of any Sustainable Financings have been allocated, with the Eligibility Criteria set forth in this Framework.

Amendments

The Sustainable Financing Steering Committee will review this Framework on a regular basis, including its alignment to updated versions of ICMA’s Principles and Guidelines. Such review may result in this Framework being updated and amended. These updates will be subject to external review.

Disclaimer

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. None of Pacific Life, its subsidiaries or any of its affiliates assume any responsibility or obligation to update or revise any such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Pacific Life policy and intent and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Pacific Life and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Pacific Life as to the fairness, accuracy, reasonableness or completeness of such information.

This Framework may contain “forward-looking statements” about future events and expectations. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target” and “will” or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the

Framework. Any such forward looking statements in this document speak only as of the date of the Framework and Pacific Life does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

This Framework is provided for information purposes only and does not constitute a recommendation regarding the purchase, sale, subscription or other acquisition or disposal of any debt or other securities of Pacific Life, any member of Pacific Life or any securities backed by a security or insurance product of Pacific Life (“Securities”). This Framework is not and is not intended to be, and does not form part of or contain an offer to sell or an invitation to buy, or a solicitation of any offer or invitation to buy, any such Securities. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of an offering memorandum or other equivalent document and a related pricing term sheet (the “Offering Documents”) and any decision to purchase or subscribe for any such Securities pursuant to such offer or invitation should be made solely on the basis of such Offering Documents and not these materials. In particular, investors should pay special attention to any sections of the Offering Documents describing any risk factors. The merits or suitability of any securities or any transaction described in these materials to a particular person’s situation should be independently determined by such person. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit or other related aspects of the securities or such transaction and prospective investors are required to make their own independent investment decisions.



PACIFIC LIFE

WWW.PACIFICLE.COM