

2020 BUSINESS & SUSTAINABILITY REPORT

65 Years of the Aflac Way

Making a difference while balancing purpose and profit.

Aflac
Incorporated



A Message from Daniel P. Amos, Aflac Incorporated Chairman and CEO

As we embarked on 2020, we at Aflac were eagerly anticipating a year celebrating an array of significant milestones for the company: first, the 65th anniversary of Aflac's founding; the Aflac Duck's 20th anniversary; the 25th anniversary of the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta; the 38th consecutive year that Aflac Incorporated has increased the annual dividend to our shareholders; and my 30th year as CEO of Aflac Incorporated. What none of us – at Aflac or elsewhere – expected, was to find ourselves in the midst of a global pandemic in the first quarter of the year.

But, that became the reality. Through sound risk management, agile planning and acting swiftly, Aflac was well positioned to respond when the unthinkable happened: a seemingly unstoppable global pandemic. We acted swiftly in order to safeguard the health and well-being of our workforce, policyholders and communities in both Japan and the United States because, after all, our greatest commitment to our policyholders lies in our promise to be there for them in their time of need ... and in order to do that, we knew we had to act quickly. We ensured business continuity through setting up virtual emergency command centers, initiating work-from-home initiatives, enriching benefits relative to COVID-19, and providing financial support to agents and agencies, as well as our communities.

As a result of our extensive presence in Japan and insight from Dr. Barbara Rimer* and other medical experts, we gained early insight into the possible implications of the pandemic as well as guidance, expertise and insight at the Aflac Incorporated Board level. This early insight and already-established business continuity protocols helped us to pivot to more than 95% remote working in the United States and over 70% at times in Japan, ensuring that Aflac would be positioned to deliver to on our promises to our shareholders.

In examining the business impact of the pandemic, clearly the lack of face-to-face opportunities significantly limited our avenues for new sales, which put pressure on our earned premium and revenues, prompting us to pivot to virtual and digital sales methods and accelerate related digital investments. I could not be more proud of Aflac's workforce and sales force in both countries for their resilience, innovative thinking and actions, and commitment to excellence and ensuring business continuity.

In the face of the pandemic, we reported net earnings per diluted share of \$6.67 and adjusted earnings per diluted share of \$4.92, excluding the impact of foreign currency**. This latter measure of profitability is one of the principal financial measures used to evaluate management's performance and allows us to continue fulfilling our purpose as a socially responsible corporation that benefits shareholders and stakeholders alike over the long term. We are continually working on our foundation of sustainable growth, especially related to leveraging these particular strategic areas of focus:

- Strong capital position marked by stable earnings and strong cash flows
- Industry-leading market share and scale in Japan and the U.S.
- Product innovation and customized, high-quality service
- Recognized, trusted and powerful brand
- Diverse and productive distribution

Fortunately, we were prepared as we entered this pandemic in a strong capital liquidity position. At the same time, we were forced to accelerate investments in the growth of our business, balanced by the continuation of capital deployment in the form of share repurchase and dividends. One remarkable achievement we saw in 2020 was the 38th consecutive year of increasing our dividend, and we were proud to be able to continue that long track record even amid the backdrop of a global pandemic.

Throughout this site/report, you will read about some of our many achievements in our environmental, social and governance initiatives, as well as Aflac Incorporated's financial performance. So much has occurred over the last 30 years, and over the years you have been accustomed to reading our Year in Review, Corporate Social Responsibility Report, and most recently our ESG Report on this site. For 2020, we decided to consolidate these reports into one, Aflac Incorporated's Business and Sustainability Report, in an effort to make it easier for shareholders, customers and other stakeholders to learn about our efforts alongside the Form 10-K and Proxy Statement. We hope that you will enjoy what you find on the pages of this site and report, as well as future updates.



Dan Amos
Chairman and Chief Executive Officer

*Aflac Incorporated Board member Dr. Barbara Rimer is Dean and Alumni Distinguished Professor of the Gillings School of Global Public Health at The University of North Carolina at Chapel Hill and Chair of the Board's Corporate Social Responsibility & Sustainability Committee.

**Adjusted earnings per diluted share excluding the impact of foreign currency is a non-U.S. GAAP financial measure. See Glossary for a definition of this measure and a reconciliation to the most directly comparable U.S. GAAP measure, net earnings per diluted share.

In this document, we may refer to Aflac Incorporated's businesses collectively as "Aflac" or the "Company," the Company's U.S. businesses as "Aflac U.S." and the Company's Japan businesses as "Aflac Japan."



Fred Crawford Discusses Aflac Incorporated's ESG Program

Fred Crawford, Aflac Incorporated President and Chief

Operating Officer: "The number one reason ESG is important to us is, it's extremely consistent with the corporate culture we have at Aflac in driving a company's growth and profitability, balanced with an eye toward doing right by our employees, doing right by our policyholders and, of course, proper governance and doing right by our investors."

It's brought a level of formality of specific measurement and expectations in the eyes of the governance side of our institutional investors, index funds who have been very out in front of driving that initiative worldwide around climate, social justice and just strong governance overall.

And then it's also becoming very important to constituencies, such as the rating agencies, regulators and legislators, whether it be in Washington DC or the legislatures that we work with in Tokyo. That has made it absolutely strategically vital for us to be achieving a level that is considered top tier.

And we think that's important in order to attract capital to our company, such that we can continue to grow and then circulate that growth and the profits and capital we generate off that growth back into ESG efforts. And so, it's always important to balance those two – balance the purpose and the profit. We've always had purpose, but now we have the measurement tools and the expectations to bounce off against that."



Environmental Overview: Managing the Environment Responsibly

David Young, Vice President of Investor and Rating

Agency Relations & ESG: “For Aflac and probably for a lot of companies, the greatest challenge is around the environmental aspect because there is a lot of science behind it, and making sure that you’re looking at the scientific information and data and conducting the right studies to ensure that you are approaching the risks related to the environment.”

Teresa White, President of Aflac U.S.: “I think of it as an ecosystem that a company lives in. We have to care as organizations – as companies. We have to care about our environment because we exist in that environment. Our employees exist in that environment.”

Yoshinari Kobori, General Manager of the General Affairs Department at Aflac Japan (in Japanese subtitles):

“We believe that climate change has an impact on human life. And in the life insurance business, disease and death can make our benefit liabilities increase. How we design our products can have a huge impact; therefore, we believe it’s important to pay attention to climate change.”

Max Brodén, Aflac Incorporated Executive Vice President and Chief Financial Officer:

“So our business is a function of the economy that we operate in. If we don’t manage the environment properly, there will be additional expenses to society long term and lower growth in the markets where we operate, and ultimately lower profit for us as a company.”

Eric Kirsch, Executive Vice President and Global Chief Investment Officer:

“When we think about the business of Aflac, which includes investments, that we want to have purpose and do good for the greater world, and in that light there’s many ways to do it. Some of it is through the environment as we think about climate change and we think about technologies that are being developed to improve our

climate. Well, we're interested in that, and we have the capital and resources to do that."

Alfred Blackmar, Vice President of Facilities: " 'E' matters to all groups, including investors. With investors, they're looking for companies that are sustainable – sustainable, being they are going to be here a long time, and the ability to make smart decisions. And Aflac has always been thinking about the future; our investors think to the future, not the present. And that's where Aflac wants to be. We want to be a leader today and a leader in the future on all things environment."

Rob Holleman, Manager; Facilities, Maintenance & Construction: "Our approach to sustainability from day one has been what we call 'Smart Green.' " In other words, not investing money just to invest money in technology. It has to make sense financially for the company."

David Young, Vice President of Investor and Rating Agency Relations & ESG: "It's really balancing the profit with the eye toward doing what's right when it comes to the environment."

Eric Kirsch, Executive Vice President and Global Chief Investment Officer: "Well, you can't just sort of hide in a corner and say, 'Oh, that happens over in Europe.' It happens worldwide."

Yoshinari Kobori, General Manager of the General Affairs Department at Aflac Japan (in Japanese subtitles): "In order to meet the expectations of our customers and shareholders, it is very important for us to take a leadership role in addressing environmental issues that are becoming global problems as well as in our business."

Eric Kirsch, Executive Vice President and Global Chief Investment Officer: "The good majority of companies, particularly public companies, are global. And if you're a global company, you're most likely impacting the environment or you're making investments in your company that have some impact to the environment or social good, and it's only gaining momentum and becoming more stronger and important as we go forward."

Alfred Blackmar, Vice President of Facilities: "It's important that Aflac not rest on what it's done. It's important that we continue to build upon what we've done to expand it. This is all part of the decisions that we're making today will impact the future, and we understand that."



Environmental Responsibility in Action: Reducing our Environmental Footprint

Sharon Baker, Supervisor: “Once you get in and start working for Aflac, you realize there’s a culture here like nowhere else.”

Rob Holleman, Manager; Facilities, Maintenance & Construction: “We’re always looking for ways to put that caring into action.”

Sharon Baker, Supervisor: “In addition to taking care of policyholders, we want to make sure our environment is in a good place.”

David Glover, Strategic Sourcing & Procurement Consultant: “Aflac being a family-oriented company, this kind of stuff comes easy, because you always want to do the right thing.”

Rob Holleman, Manager of Facilities, Maintenance & Construction: “When I first got to Aflac, we had begun to do some simple things like recycling of our paper and cardboard. Over time, we began to increase that focus; increase our recycling efforts. Fast forward to today – we cut our energy usage on a square foot basis by 50%.”

Alfred Blackmar, Vice President of Facilities: “We understand the importance of having a carbon neutral policy. Increasing the amount of solar helps us get there.”

Rob Holleman, Manager; Facilities, Maintenance & Construction: “Our solar initiative culminated in 2017, when we installed our solar array on top of our customer service building, and that was truly a partnership between Aflac, Georgia Power and at the time, Hannah Solar.”

Alfred Blackmar, Vice President of Facilities: “We are focused on the future. What can we do to continue to reduce the amount of energy that we use in our facilities, to increase renewables?”

Alfred Blackmar, Vice President of Facilities: “Somewhere between 12% and 15% of our overall consumption of this building has come from the solar panels, and we’re currently in negotiations for a much larger project out at our Corporate Ridge facility.”

Alfred Blackmar, Vice President of Facilities: “We’re looking to the future, and that’s where Aflac wants to be. We want to be a leader today and a leader in the future on all things environment.”

Sharon Baker, Supervisor: “It goes well outside of Aflac. It’s our world. The main responsibility of the Green Committee is to bring attention to Aflac’s green activities, our intention of doing things to make our environment better, our recycling efforts that we have within our buildings. Then we have other events that continue to encourage them to bring in their waste. We also have a place where they could bring electronics; what we call our e-waste.”

David Glover, Strategic Sourcing & Procurement Consultant: “E-cycle is our current supplier, and they’re e-Steward compliant. What that means is that when they destroy the devices, they do it in an environmentally safe and effective way. We get a percentage back of those funds, and then those funds go over to the Aflac Cancer Center so they can use them. It’s been a good thing all around.”

Rob Holleman, Manager; Facilities, Maintenance & Construction: “Even today, we’re continuing to look at ways to reduce our energy further.”

David Glover, Strategic Sourcing & Procurement Consultant: “At the end of the day, it’s the right thing to do.”

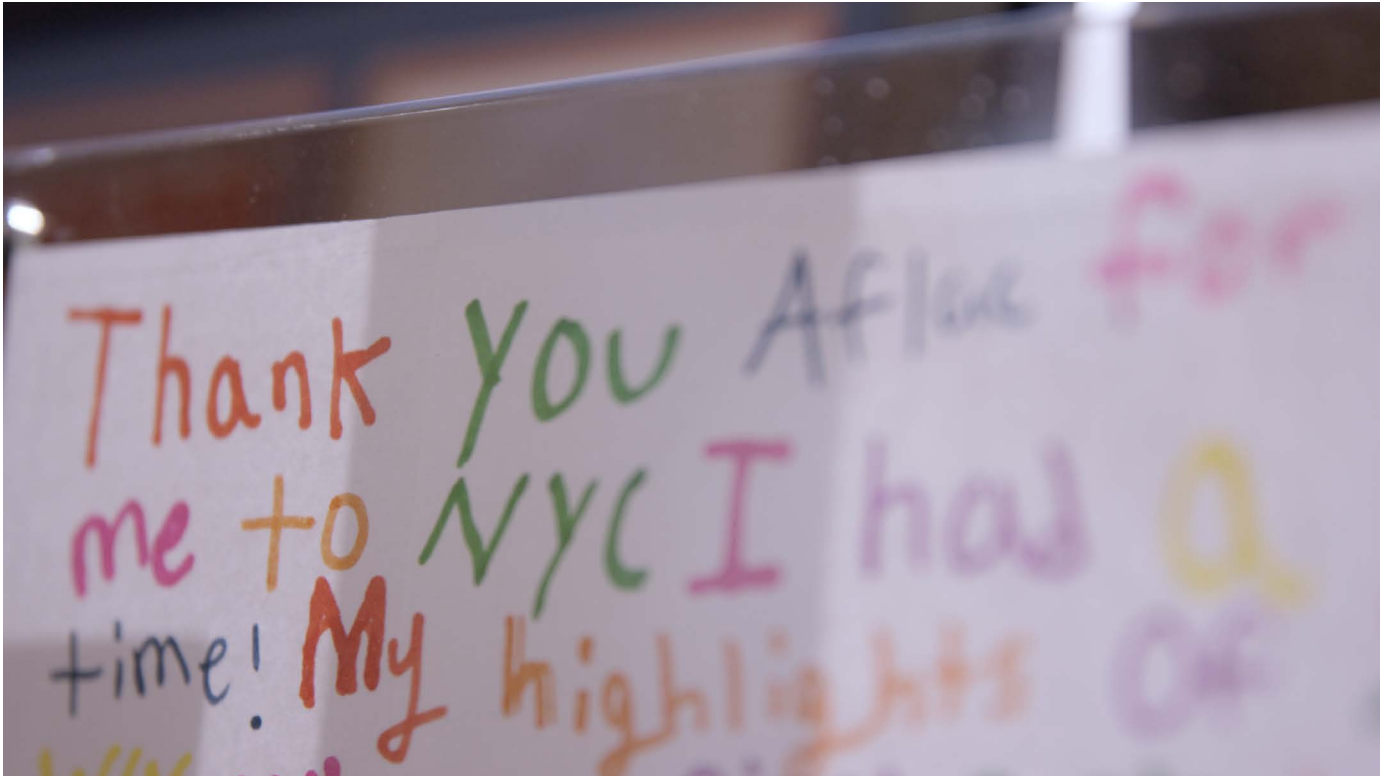
Sharon Baker, Supervisor: “Overnight, you’re not going to become this person that just wants to save the world, but as you become more and more educated – and that’s really what the premise of the Green Ambassador program was is the education, because a lot of people don’t do things because they don’t know.”

David Glover, Strategic Sourcing & Procurement

Consultant: “It’s been a great opportunity to help Aflac, you know, reduce their environmental footprint, their carbon footprint. So, if we can make those small incremental changes at Aflac, then those things eventually lead to big changes. And, you know, for Aflac to be out front, so that way other companies can say, ‘Well, you know, hey, if Aflac is doing that, then we can do the same thing, too.’ ”

Rob Holleman, Manager; Facilities, Maintenance &

Construction: “On a personal basis, I’m a grandfather. I’m vested in the future of this community, and I’ve got an 11-year-old grandson and 18-year-old granddaughter. And it gives me pleasure to know that we’re playing a small part in making the future better for them than we’ve enjoyed over the last 30 years here.”



Social Responsibility Overview

Teresa White, President of Aflac U.S.: “Social is the way we treat people. It’s the way we interact with the communities around us. It is truly the outward manifestation of our values.”

Dan Amos, Aflac Incorporated CEO and Chairman: “Well, probably part of it is just my family. We’ve always been inclusive. That’s always been an important part of our life, and I don’t know how to explain it to you other than it’s the way I’ve lived and the way I was brought up.”

Brenda Mullins, Vice President of Human Resources; Chief People Officer: “We have been supportive in the community and trying to do the right things, the fair things, the just things for decades.”

David Young, Vice President of Investor and Rating Agency Relations & ESG: “Yes, it starts with our founders who were involved with the Civil Rights movement and goes from there. And really, it’s reflected from our Board through executive management down to our ranks.”

Brenda Mullins, Vice President of Human Resources; Chief People Officer: “How do we permeate diversity throughout this organization? Because we have to mirror the community in which we live.”

Dan Amos, Aflac Incorporated CEO and Chairman: “Diversity is important, because you’re selling to a diverse group of people. In my staff meeting, if I’ve got a bunch of 60-year-old white guys, then I really don’t have what’s going on in America.”

Brad Knox, Senior Vice President of Federal Relations: “From the head of the boardroom and you look around the table and everyone looks like you, you don’t have diversity, which means you can’t have diversity of thought, which means you can’t have diversity built into your system or your company, which means you’re missing opportunities to actually engage more people.”

Max Brodén, Aflac Incorporated Executive Vice President and Chief Financial Officer: “If we are not a reflection of society, we cannot produce products that are viable and economical.”

Teresa White, President of Aflac U.S.: “People want to invest in companies that are socially responsible, but certainly, they don’t invest to lose money.”

Max Brodén, Aflac Incorporated Executive Vice President and Chief Financial Officer: “Aflac’s core customer base is the middle class in the United States and in Japan. We have a true economic interest to make sure that that middle class is strong and growing.”

Yukari Hashimoto, General Manager, Diversity Promotion, Aflac Japan (in Japanese subtitles): “The business environment is changing dramatically, and customer needs are diversifying. If we don’t flexibly adapt and respond to these changes, we will not be able to win as a company.”

Teresa White, President of Aflac U.S.: “If we don’t think that all of that’s not connected, we’re fooling ourselves. And we can’t, as a corporation, sit outside of that and say, ‘That’s not our problem.’ ”

Brenda Mullins, Vice President of Human Resources; Chief People Officer: “Let’s look and let’s see how we can continue to be more inclusive. What are the things that we need to continue to focus on to make sure that we’re being equitable, to make sure that we’re being inclusive, because of our diverse environment.”

Yukari Hashimoto, General Manager, Diversity Promotion, Aflac Japan (in Japanese subtitles): “A diverse workforce that is able to express their opinions and work actively and vibrantly, I think it is important to create such a workplace.”

Dan Amos, Aflac Incorporated CEO and Chairman: “That’s always been important to us, and I don’t think it’s any coincidence that it’s one of the reasons we’ve been successful as a company.”

Teresa White, President of Aflac U.S.: “I think it’s important that we continue to be a leader because it allows other people to see that you can do the right thing and be profitable. I don’t want this to be a moment. I need this to be a movement.”



Social Responsibility in Action

James Mailman, Field Liaison Manager: “Well, a lot of people go to work for a paycheck. That’s it. They don’t care about anything else. Aflac cares about everything else. When I first got out of the Navy, I came here, and I applied to several different places. And I was hoping to get on at Aflac for the simple reason that they take care of people. When I found out their philanthropic deal with the Cancer Center, I just thought that was amazing. They support the Beads of Courage. They’ve purchased a little NASCAR for the kids. They’ve bought video games, backpacks, books, you know, just things that the kids need for day to day. And it’s really, really took off.”

Kim Huddleston, Experience & Diversity Consultant: “The diversity council was birthed, if you will in 2001, at the request of our CEO Dan Amos, and the main focus of the diversity council was just to carry out the focus on diversity initiatives, whether it was internally or externally.”

Sherricka Day, Consumer Response & Resolution

Coordinator: “We all look different. We all have different backgrounds, and we come from different areas. And so you have to acknowledge that and allow for that platform so that we can have those conversations.”

Kim Huddleston, Experience & Diversity Consultant: “A lot of the work that they do comes through the way of education. It also comes in the way of events.”

Sherricka Day, Consumer Response & Resolution

Coordinator: “When school rolls around we’re doing bookbag drives and school supply drives. We’re on the front lines. When there’s a disaster or different things that happen, Aflac is a part of that with giving food and goods. Aflac is really known for its philanthropy, and I’m proud to be a part of that.”

Teresa White, President of Aflac U.S.: “It’s very important that we keep a pulse on what’s going on outside of this company.”

Brenda Mullins, Vice President of Human Resources; Chief

People Officer: “When you have things that happen, like the injustices that happened this year, it’s difficult sometimes to stay

ahead of those things. But when you have a company, they hear it and get it. They're on board immediately. We're able to make a difference."

Teresa White, President of Aflac U.S.: "We're trying to look at fair representation across the board."

Brenda Mullins, Vice President of Human Resources; Chief People Officer: "We have our DC team who's sitting at the table with us trying to figure out, 'Who do we need to have conversation with to talk about these policies and practices that we need to address?' "

Brad Knox, Senior Vice President of Federal Relations: "My job here is to really represent Aflac's interests in Washington – that's from the White House to the Capitol buildings. We're responsible to make sure that we can see ahead and protect those policyholders, our employees, our shareholders, all those things that matter to the company."

Teresa White, President of Aflac U.S.: "We have various Senators from different areas come in and talk about how they see social justice, and what they're doing from a government perspective on diversity. I'm not asking people to vote any way, one way or the other. I'm just asking people to be informed and giving people a platform to be able to ask the questions they have."

Kim Huddleston, Experience & Diversity Consultant: "We had such a strong foundation that when turbulent times hit, that we pivot. And we do it as a team and as a company and we make it work."

James Mailman, Field Liaison Manager: "They work so hard to take care of not just the policyholders and people who work here and the field force, but then they give millions of dollars to the Cancer Center. Cancer runs rampant in my family. I appreciate that more than I can tell you."

Kim Huddleston, Experience & Diversity Consultant: "It's a beautiful thing that you just don't find with many companies, and it's one of the beauties of Aflac is their commitment to diversity."

James Mailman, Field Liaison Manager: "Aflac cares about everybody. Aflac cares. That's the bottom line."



My Special Aflac Duck®

Dan Amos, Aflac Incorporated CEO and Chairman: “I think it symbolizes all the things we are and want to continue to be, and that is to help kids and to try to make a difference in their lives.”

Jon Sullivan, Director of Corporate Communications: “Well you know, children are like consumers in a way in that when you give them something that they like, they want to see it advance year in and year out. So, we are constantly adding things to the program.”

Buffy Swinehart, Senior Manager, Corporate Responsibility: “So, this year we actually did a child life care kit.”

Aaron Horowitz, Co-Founder & CEO of Sproutel: “We built a suite of physical medical tools: a stethoscope, an injector, a pulse oximeter, a temporal thermometer. We designed an MRI carry case – an MRI CT scan carry case. All of these tools that can help child life specialists continue this physical medical play with children.”

Buffy Swinehart, Senior Manager, Corporate Responsibility:

“We love those items so much. Going forward, we want every child who gets a My Special Aflac Duck to also get those medical accessories.”

Aaron Horowitz, Co-Founder & CEO of Sproutel: “Some of the really fun aspects come in app improvements, so we built into the app something that we call the Music Maker feature. Kids can go in. They can customize all sorts of different music, and when they hit a button, their duck starts to dance along to the music as it’s being performed.”

Lindsey Carrick, Aflac Cancer Center Child Life Specialist:

“It’s a really unique position to be in to have not only, you know, the support of the hospital, but to have the support of the Aflac corporation behind us. It is so powerful knowing that they are constantly seeking to create tools to make our jobs easier and better. It’s kind of beyond words for me.”

Buffy Swinehart, Senior Manager, Corporate Responsibility: “It was always the plan to expand to Japan, but we definitely had to move up the time frame once we got a letter from a little boy in Japan who had seen the My Special Aflac Ducks here in the United States and wanted one himself.”

Jon Sullivan, Director of Corporate Communications: “When we saw that, our CEO Dan Amos said that we’re going to have to accelerate the program, and we’re going to have to bring it to Japan.”

Buffy Swinehart, Senior Manager, Corporate Responsibility: “And so we decided, why wait? Let’s go ahead and launch in Japan. It’s been very successful there as well.”

Haruka Itoh, General Manager, Social Responsibility Activity Office, Aflac Japan (in Japanese subtitles): “We were able to donate about 300 units through about 20 hospitals and organizations. At the hospitals that received it, we heard that the children were very happy to play with it, and that it made them smile more than before.”

Aaron Horowitz, Co-Founder & CEO of Sproutel: “We’re so excited that Aflac has kicked off a bit of work for this coming year to create really a special package and support materials to use My Special Aflac Duck with patients with sickle cell.”

Dan Amos, Aflac Incorporated CEO and Chairman: “The African American community plays an enormous role in the success of our company, so the ability to be able to help with sickle cell has been very important.”

Jon Sullivan, Director of Corporate Communications: “No child should have to face a diagnosis of cancer, but until we get to that day, Aflac is committed to ensure that terrible diagnosis will be eased as much as we can have that sort of an impact. And the My Special Aflac Duck is having that impact.”

Haruka Itoh, General Manager, Social Responsibility Activity Office, Aflac Japan (in Japanese subtitles): “I want to help as many children as possible who are suffering from painful treatments. We hope to expand our efforts to bring My Special Aflac Duck to more hospitals.”

Dan Amos, Aflac Incorporated CEO and Chairman: “It’s just our way of giving back and telling people, ‘We love you and we want your kids healthy.’ And really, the best gift is the gift to us of being able to give it away.”



Governance Overview: The Aflac Way

Audrey Tillman, Executive Vice President; General Counsel, Aflac Incorporated: “Well, it absolutely started with the founding of the company, and the founders, and their approach to business, and their approach to just life and decency. People want to do business with companies that do things the right way.”

Brad Knox, Senior Vice President of Federal Relations: “I think you start with asking the question, ‘What’s the right thing to do?’ When you ask that question first, these other things sort of fall in line.

What assets do we have in place that make sure we can do the right thing?”

Audrey Boone Tillman, Executive Vice President; General Counsel, Aflac Incorporated: “Governance, as I see it, is really how you do things – and how the employees and the leaders go about conducting the business of the company.”

Matt Loudermilk, Vice President; Corporate Secretary:

“The methodology – it’s the framework, it’s the structure that governs your business practices. It’s making sure that decisions are made properly.”

David Young, Vice President of Investor and Rating Agency

Relations & ESG: “It’s making sure that you have the right oversight and controls in place to make sure that the business is running as it should.”

Tomoya Utsude, Director; First Senior Vice President, Aflac Japan (in Japanese subtitles):

“The management team has a responsibility to our customers and society as a whole to ensure that governance is carried out properly. I think it is important for people to know that a company is actively engaged in such initiatives. That’s why many investors choose to invest in our company. We believe that by appealing to people in society, in addition to investors, to think about the importance of these issues is a major element of ESG activities.”

Audrey Boone Tillman, Executive Vice President; General Counsel, Aflac Incorporated:

“There’s also a really strong cultural piece. We always want to get to our employees with the thought that the Aflac Way is to do the right thing.”

Brad Knox, Senior Vice President of Federal Relations:

"Leadership is top down. Culture is top down, and you can't say we as a company believe 'X' when it's not reflected in the leadership."

David Young, Vice President of Investor and Rating Agency Relations & ESG:

"Our original founders were focused on doing what's right, and that included a sense of corporate social responsibility. That has given us a head start, I would say, because for the last 65 years, it's been a part of the fabric of Aflac Incorporated."

Brad Knox, Senior Vice President of Federal Relations:

"It's the right thing, right? Making sure that we're transparent in what we do and how we operate. People want to invest in something they can trust, and governance is an important piece of that."

Max Brodén, Aflac Incorporated Executive Vice President and Chief Financial Officer:

"If we have strong governance in terms of processes, procedures, to do things right, it should manifest itself in lower risk for the company, i.e., you are making less mistakes."

Yoshinari Kobori, General Manager of the General Affairs Department, Aflac Japan (in Japanese subtitles):

"I believe that this is one of the most important factors in our business activities, and I believe that by firmly implementing this system, we will be able to increase the value of the company and provide value to our customers, which in turn will benefit all of our shareholders."

Brad Knox, Senior Vice President of Federal Relations:

"We've been in the conductor's seat from the beginning. We have been doing those things that, you know, investors are looking for. These things come down to what sustainable processes have you put in place to make sure that this continues beyond a particular person."

Audrey Tillman, Executive Vice President; General Counsel, Aflac Incorporated:

"I'm grateful for the focus in the industry and in corporate America, but it's not anything new for Aflac. It's what we do and what we will continue to do."



Governance in Practice

Ken Janke, Senior Advisor; retired: “You can’t operate in a vacuum. Aflac is part of a community. You can define it as narrowly as Columbus, Ga., but I think everyone would tell you that Aflac’s community is every market that it operates in. Governance can apply to a lot of aspects of Aflac or any business.”

Audrey Tillman, Executive Vice President; General Counsel, Aflac Incorporated: “We’ve got lots of policies and lots of guidelines that we utilize when conducting our business, but it absolutely started with the founding of the company and the founders.”

Brad Knox, Senior Vice President of Federal Relations: “We have a culture where we can have a conversation with business leaders and say, ‘Hey, are you being intentional about your new hires? Are you being intentional about the money that you’re spending with vendors? Are you being intentional about the dollars that you’re investing?’ And, because we are able to have those conversations, no one is put off by it. In fact, now, it’s expected.”

Matt Loudermilk, Vice President; Corporate Secretary:

“One way to look at governance is: It is the framework around which you build your business. It is the structure that governs your business practices, making sure that decisions are made properly.”

Ken Janke, Senior Advisor; retired: “We always did the right thing. We did the right thing by the customers, you know, by our policyholders, our claimants, our employees and our shareholders. And that’s just the tone that’s set to the top and it works its way throughout the entire organization. It morphed into the Aflac Way, which is code of conduct starts really at the top. And if you don’t have it there, you’ll never have it throughout the organization.”

Audrey Tillman, Executive Vice President; General Counsel, Aflac Incorporated: “The Aflac Way is a series of principles that guide every employee. It just sets, in a very formal way – but plainspoken – what the expectations of all of us are. Nobody is immune from what we say good governance, good teamwork, good work is.”

Ken Janke, Senior Advisor; retired: “So it’s definitely evolved and it’s broadened to not just speak to the integrity of the financial statements, but social responsibility and the community and a lot of other things, all of which are important not only to the company and the community, but its shareholders.”

Audrey Tillman, Executive Vice President; General Counsel, Aflac Incorporated: “We have our Code of Conduct that everyone has to have training on every year, and it goes through and it spells out what the expectations are specifically with respect to certain policies. And it’s in furtherance of the Aflac Way, and a lot more detailed than the Aflac Way. Both of those documents – between the two of them – you have a very real understanding of what the expectation is of you as an Aflac team member.”

Matt Loudermilk, Vice President; Corporate Secretary: “The company is managed for the long term, so long-term investors should be aligned with the business strategy. That has always been really the focus is those ... those long term shareholders.”

Ken Janke, Senior Advisor; retired: “That’s the thing that needs to be remembered that when you’re dealing with investors, they’re actually owners, so they have to be treated with respect. There were some individuals that I had known for 20 years. They had an investment in Aflac that was part of their retirement plan. You have relationships with them, and you have relationships with portfolio managers and analysts and again, what they expect is just the truth.”

Matt Loudermilk, Vice President; Corporate Secretary: “Why is it important to have a skeleton, you know? Why is it important to have rafters on your roof? It holds the company together. I mean, without it, the decision process breaks down. You’re not funneling information in the right way in order for a decision to be made.”

Audrey Tillman, Executive Vice President; General Counsel, Aflac Incorporated: “Integrity, honesty and transparency, along with the policies that support that around the company, it’s everything. “It starts there, and everything else we do bills up on that.”

65 Years of The Aflac Way: Paddling with a Purpose

The Aflac Way embodies the core values that our company established more than 65 years ago, and it's how we operate today. It is living up to the policyholders, employees, shareholders and other stakeholders. It is not just the way we work. The Aflac Way embodies putting the core values we prioritize in action to ensure we fulfill the promises we make to those who rely on us. Even long before the Aflac Duck came along, the people of Aflac were already building our brand name through action and service The Aflac Way.

Seven Commitments of The Aflac Way

Commitment #1: Communicate Regularly.

Commitment #2: Respond Immediately.

Commitment #3: Know Your Stuff.

Commitment #4: Treat Everyone With Respect and Care.

Commitment #5: Your Problem Is My Problem.

Commitment #6: Shoot Straight.

Commitment #7: Cover the Customer—Not Your Behind.

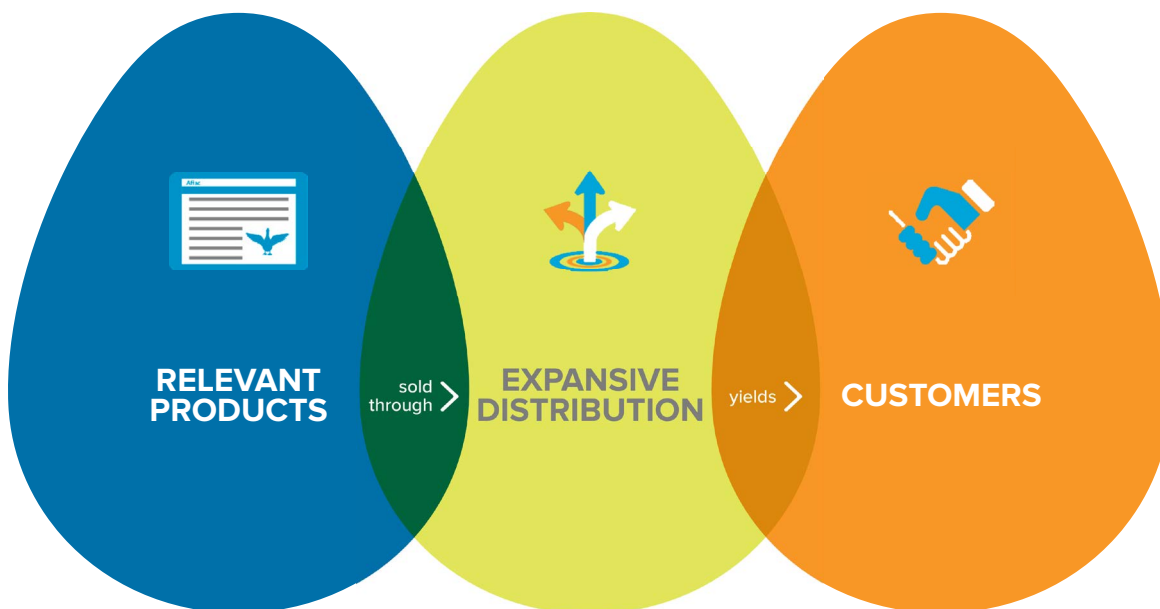
Our Promise

For more than 65 years, Aflac has had the unique privilege of helping to provide financial protection and peace of mind to now more than 50 million people. While many things have changed over the decades, one thing that has not wavered is Aflac's commitment to all of its stakeholders. Each and every day, we deliver on this commitment to be there for our policyholders when an illness, health event or life situation occurs — those challenging times when our policyholders need us most. We are dedicated to championing people's pursuit of their dreams and careers as employees, independent sales agents and through our diverse distribution networks. We are committed to our decades-long track record of creating value for our shareholders for the investment and trust they place in Aflac Incorporated. We consider ourselves privileged to be in a position to give back and help improve our communities where we can with our philanthropic commitments, including helping children who are facing cancer and other serious illnesses.

Aflac Incorporated's Goal

To provide customers with the best value in supplemental insurance products in the United States and Japan.

Aflac Incorporated's Long-term Growth Strategy



About this Report

After publishing our first ESG Report in 2020, we took the additional step of consolidating our Year in Review, Corporate Social Responsibility Report and the ESG Report to produce one consolidated report. This report captures our ongoing efforts to further balance purpose with profit.

This report includes financial and nonfinancial information from Aflac Incorporated and its operating segments, Aflac U.S. and Aflac Japan, about activities, data, statistics, awards and accolades related to governance, and sustainability for the 2020 calendar year, unless otherwise noted. In this report, the terms "Aflac," "we," or "our" refer to Aflac Incorporated, American Family Life Assurance Company of Columbus. The term "Aflac U.S." refers collectively to the Company's United States insurance subsidiaries, American Family Life Assurance Company of Columbus and its wholly-owned subsidiary American Family Life Assurance Company of New York (Aflac New York); Continental American Insurance Company (CAIC), branded as Aflac Group Insurance; and Tier One Insurance Company (TOIC); as well as Argus Dental & Vision, Inc. (Argus), a benefits management organization and national network dental and vision company. The term "Aflac Japan" refers to Aflac Life Insurance Japan Ltd. The term "Aflac Global Investments" refers to our asset management subsidiary, Aflac Asset Management LLC and its management subsidiary in Japan, Aflac Asset Management Japan Ltd. The term "Aflac Global Ventures" refers to our corporate venture subsidiary Aflac Global Ventures LLC and its subsidiaries.

The following is in reference to the GRI, the world's most recognized framework for sustainability reporting. Aflac has not sought independent verification for this report but has practices in place to internally validate the data. Disclosures that fulfill GRI Sustainability Reporting Standards (GRI Standards) are noted in the table in the following pages. In addition to GRI, we have also identified where Aflac is striving to achieve or promote the mission set out by the United Nations Sustainable Development Goals (UN SDGs).

This 2020 ESG report integrates various reporting frameworks, namely the Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), the United Nations Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI). Disclosures that fulfill

these standards are noted by indicators within the report and in the ESG Reporting Index. We invite you to contact us with questions or requests for more information about this report at esg@aflac.com.

Forward-Looking Statements

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

This Report uses certain terms, including those that the reporting frameworks — GRI, SASB, TCFD, SDG, - refer to as "Material Topics," to reflect the issues of greatest importance to Aflac Incorporated and our stakeholders. Used in this context, these terms should not be confused with terms, such as "material" or "materiality," as defined by or construed in accordance with securities law or as used in the context of financial statements and financial reporting.



Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is a globally recognized framework for sustainability reporting. Aflac Incorporated has not sought independent verification for this report but has practices in place to internally validate the data.



Sustainability Accounting Standards Board (SASB)

The purpose of the Sustainability Accounting Standards Board (SASB) is to establish industry-specific disclosure standards across environmental, social and governance topics that facilitate communication between companies and investors about financially material, decision-useful information.



Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD is an industry-led initiative created to develop a set of standards for voluntary climate-related financial disclosures. These are aimed at all financial actors, from companies and investors to asset owners and managers, as the goal is to provide consistent and transparent information to global markets.



United Nations Sustainable Development Goals (SDGs)

Aflac Incorporated is committed to investing in a sustainable future to ultimately improve lives for generations to come. Action taken today will show impact tomorrow—the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development carry this same sentiment. Countries around the globe have adopted this set of goals to end poverty, protect the planet and ensure prosperity as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years.

Celebrating 20 Years of the Aflac Duck

In 2020, The Aflac Duck celebrated his 20th year as Aflac's feathered – and most famous – sales agent. We knew his presence would be familiar and calming as families dealt with the emotional toll of the pandemic, so we put him to work. The Aflac Duck rose to the occasion, delivering needed freshness, familiarity and relevance. In the United States, he even made a cameo appearance on “Family Guy,” the popular animated series. At the same time, our U.S. advertising continued to build familiarity with what “Aflac Is” – a company dedicated to being here for policyholders when we're needed most. We emphasized that unexpected medical bills are the norm, not the exception, and worked to normalize the fear, anxiety and embarrassment of struggling to pay out-of-pocket expenses. Our goal? Establishing Aflac as a solution to the health care crisis in America with a repeated refrain: “We help pay expenses health insurance doesn't cover.”

While the Aflac Duck was first introduced in the United States in 2000, Aflac Japan began using the Aflac Duck in its advertising in 2003, and his popularity continues to reach customers today. Aflac Japan has established a strong, trusted brand in Japan, and the Aflac Duck has been instrumental in commercials that help remind potential policyholders of the importance of supplemental insurance to protect against rising copays, deductibles and other out-of-pocket expenses arising from a medical event.





2000 First Commercial: Parkbench

In 2000, the Aflac Duck debuted to immediate praise, as a USA Today/Harris Poll recognized it as one of the best-liked campaigns of 2000.



2010 Toy Story

May 2010: Aflac produced its 50th commercial in partnership with Disney Pixar celebrating the Aflac Duck and “Toy Story 3.”



2012 Commercial: Boat

Debating January 2012, Aflac’s 54th commercial shows the Aflac Duck taking a boat ride with two men who are discussing their insurance and finances. When the boat springs leaks, the Aflac Duck saves the day by plugging holes with his wings, feet and beak. The advertisement conveys the message that Aflac products can cover any holes in standard insurance policies.



2011 Macy’s Day Parade Balloonicle

The Aflac Duck appeared in the Macy’s Thanksgiving Day Parade for the first time.



2011 Voice of the Aflac Duck

Dan McKeague from Hugo, Minnesota, was named the new voice of the Aflac Duck.



2012 Holiday Duck

2012: Monica Sandoval, a 16-year old leukemia patient, was the first child from the Aflac Cancer Center to design the Aflac Holiday.



2015 NY Stock Exchange

Dec. 4, 2015: Aflac executives, family and friends rang the closing bell at the New York Stock Exchange to celebrate Aflac’s 60th anniversary serving policyholders in their time of need.



2015 Grammy

Feb. 6, 2015: Aflac launched the first official GRAMMY® station on Pandora.



2015 Hajimete/Pioneer Commercial (Japan)

A tribute to Aflac’s three brothers, was featured in the “Hajimete”/“Pioneer” commercial in 2015.



2018 Macy’s Day Parade Balloonicle

2018 marked the eighth consecutive year that the Aflac Duck has appeared in the Macy’s Thanksgiving Day Parade.



2018 CMA Awards

Here, the Aflac Duck walks the red carpet at the 52nd annual CMA Awards in November 2018.



2018 Commercial: Not that Kind

Aflac’s “Not That Kind” commercial, in which the Aflac Duck suddenly appears when he believes policyholders need help, debuted in March 2018.



2018 My Special Aflac Duck®

My Special Aflac Duck®, a social robot designed to help children cope with cancer, was introduced at the Consumer Electronics Show in January 2018 and was awarded the Best in Show Award as well as the Tech for Good.



Selected Financial Data

(In millions, except for share and per-share amounts)

For the Year (In millions, except for share and per-share amounts)	2020	2019	2018	2017	2016
Revenues					
Net Premium, principally supplemental health insurance	\$ 18,622	\$ 18,780	\$ 18,677	\$ 18,531	\$ 19,225
Net investment income	3,638	3,578	3,442	3,220	3,278
Realized investment gains (losses)	(270)	(135)	(430)	(151)	(14)
Other	157	84	69	67	70
Total Revenues	22,147	22,307	21,758	21,667	22,559
Benefits and expenses					
Benefits and claims, net	11,796	11,942	12,000	12,181	12,919
Total acquisition and operating expense	6,192	5,920	5,775	5,468	5,573
Total benefits and expenses	17,988	17,682	17,775	17,649	18,492
Pretax earnings	4,159	4,445	3,983	4,018	4,067
Income taxes expense (benefit)	(619)	1,141	1,063	(586)	1,408
Net Earnings	\$ 4,778	\$ 3,304	\$ 2,920	\$ 4,604	\$ 2,659
Share and Per-Share Amounts					
Net earnings (basic)	\$ 6.69	\$ 4.45	\$ 3.79	\$ 5.81	\$ 3.23
Net earnings (diluted)	6.67	4.43	3.77	5.77	3.21
Items impacting net earnings					
Net investment (gains) losses	\$ 0.32	\$ 0.02	\$ 0.38	\$ -	\$ (0.10)
Other and non-recurring (income) loss	0.04	-	0.10	0.08	0.16
Income tax (benefit) expense on items excluded from adjusted earnings	(0.10)	-	(0.11)	(0.03)	(0.02)
Tax reform adjustment	-	(0.01)	0.02	(2.42)	-
Tax valuation allowance release	(1.97)	-	-	-	-
Dividends paid per share	\$ 1.12	\$ 1.08	\$ 1.04	\$ 0.87	\$ 0.83
Shareholders' equity	48.46	39.84	31.06	31.50	25.24
Weighted-average common shares used to calculate basic EPS (in thousands)	713,702	742,414	765,588	790,042	822,942
Weighted-average common shares used to calculate diluted EPS (in thousands)	716,192	746,430	744,650	797,861	827,841

At Year End	2020	2019	2018	2017	2016
Assets					
Investments and cash	\$ 149,753	\$ 138,091	\$ 126,243	\$ 123,659	\$ 116,361
Other	15,333	14,677	14,163	13,558	13,458
Total Assets	\$ 165,086	\$ 152,768	\$ 140,406	\$ 137,217	\$ 129,819
Liabilities and shareholders' equity					
Policy liabilities	\$ 114,391	\$ 106,554	\$ 103,188	\$ 99,147	\$ 93,726
Income taxes	4,661	5,370	4,020	4,745	5,387
Notes payable	7,899	6,569	5,778	5,289	5,360
Other liabilities	4,576	5,316	3,958	3,438	4,864
Shareholders' equity	33,559	28,959	23,462	24,598	20,482
Total liabilities and shareholders' equity	\$ 165,086	\$ 152,768	\$ 140,406	\$ 137,217	\$ 129,819
Supplemental Data					
Stock price range					
High	\$ 53.46	\$ 57.18	\$ 48.19	\$ 44.91	\$ 37.25
Low	23.07	44.28	41.41	33.25	27.29
Close	44.47	52.90	45.56	43.89	34.80
Yen/dollar exchange rate at year-end (yen)	¥ 103.50	¥ 109.56	¥ 111.00	¥ 113.00	¥ 116.49
Weighted-average yen/dollar exchange rate (yen)	106.86	109.07	110.39	112.16	108.70

Prior-year amounts have been adjusted for the two-for-one stock split of the company's common stock in March 2018.

Key Operational Metrics	2020	2019	2018	2017	2016
Aflac Japan					
Policies and riders in force*	39,064	39,559	39,747	39,717	39,059
Annualized premiums in force**	¥ 1,426,546	¥ 1,489,320	¥ 1,527,056	¥ 1,552,169	¥ 1,606,110
New annualized premiums**	¥ 50,852	¥ 79,697	¥ 95,894	¥ 94,851	¥ 11,3721
Aflac U.S.					
Policies and riders in force*	13,145	13,437	13,264	12,971	12,692
Annualized premiums in force**	\$ 6,099	\$ 6,301	\$ 6,231	\$ 6,052	\$ 5,896
New annualized premiums**	\$ 1,093	\$ 1,580	\$ 1,601	\$ 1,552	\$ 1,482

*In Thousands

**In Millions

Aflac Incorporated (NYSE: AFL) Investor Facts

Total Return to Shareholders

2020 marked the 38th consecutive year Aflac Incorporated increased its annual dividend. Including reinvested cash dividends, Aflac's total shareholder return decreased 13.6% in 2020. This compares with total shareholder return of a 9.5% decrease for the S&P Life & Health Index, an 18.4% increase for the S&P 500 and a 9.7% increase for the Dow Jones Industrial Average.

For many years, we have managed our business with a long-term view in mind. As a result:

- Over the last three years, Aflac's total shareholder return, including reinvested dividends, was 8.8%.
- Over the last five years, Aflac's total shareholder return, including reinvested dividends, was 67.2%.
- Over the last 10 years, Aflac's total shareholder return, including reinvested dividends, was 101.9%.

AFL Shareholder Mix*

Number of registered shareholders	86,637
Percentage of outstanding AFL shares owned by institutional investors	69%
Percentage of outstanding AFL shares owned by individual investors	31%

* Approximate as of 12/31/2020

First Shareholders

Cost of 100 shares purchased in 1955 when Aflac was founded	\$1,110
Number of shares those 100 shares grew into (after 29 stock dividends and splits)	375,960 shares
Value at 12/31/20 (excluding reinvested dividends)	\$16.7 million
Dividends paid in 2020	\$421,075

Strong Capital Profile Supports Our Promise*

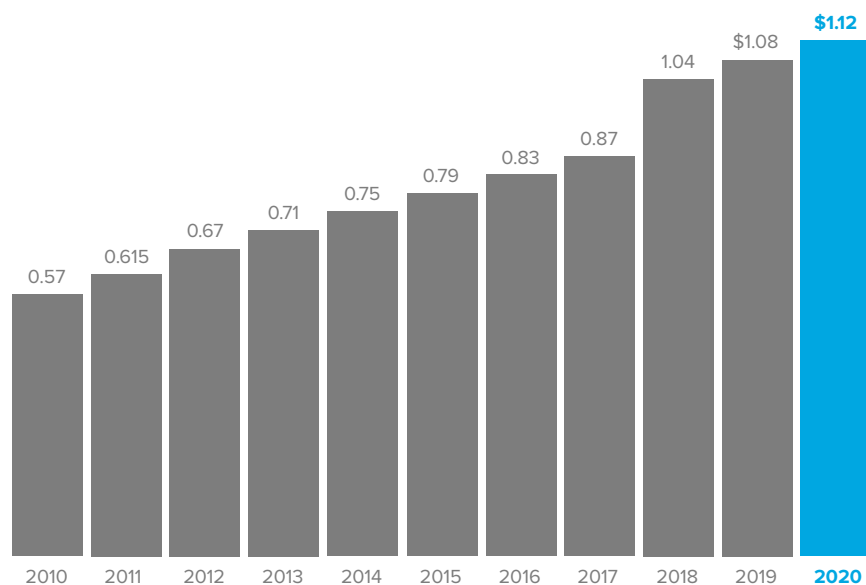
Insurer Financial Strength Ratings	AM Best	S&P	Moody's	JCR	R&I
Aflac of Columbus	A+	A+	Aa3	AA	AA-
Aflac of New York	A+	A+	-	-	-
Continental American Insurance Company	A+	-	-	-	-
Aflac Life Insurance Japan, Ltd.	A+	A+	Aa3	AA	AA-

As part of our regular assessments, we pay close attention to our capital adequacy to ensure that levels remain strong, against even extreme economic scenarios. Aflac Incorporated's subsidiaries hold among the highest financial strength ratings in the industry. These important ratings reflect our ability to pay claims. We're proud that rating agencies continue to recognize the strength of our balance sheet.

*As of 3/1/21; for both primary insurance subsidiaries: Aflac of Columbus and Aflac Life Insurance Japan, Ltd

Annual Cash Dividends Paid Per Share**

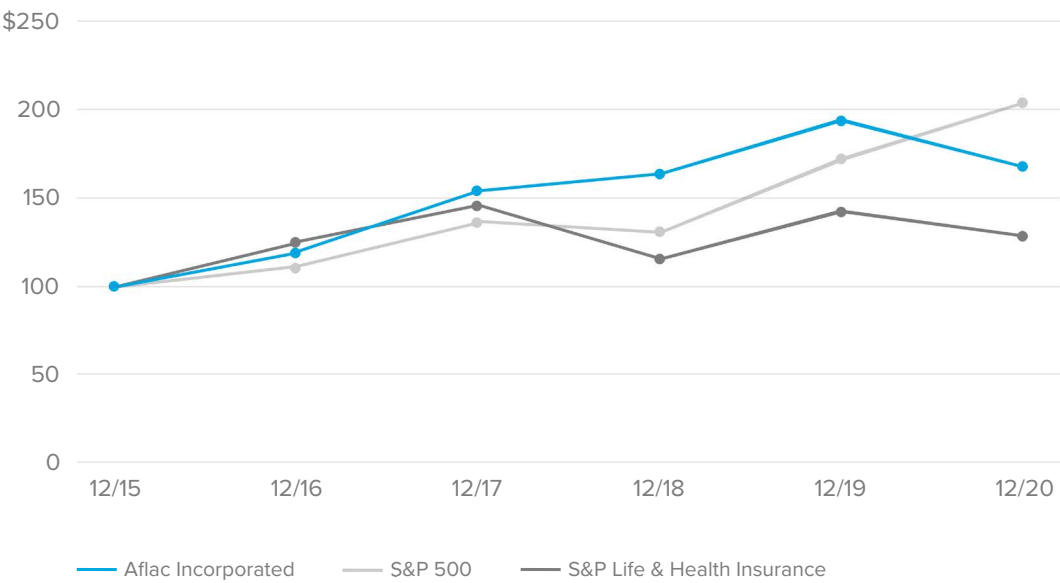
Aflac Incorporated has increased its annual dividend for 38 consecutive years. Total cash dividends paid in 2020 were 3.7% higher than in 2019.



**Adjusted for stock splits.

Comparison of 5-Year Cumulative Total Return*

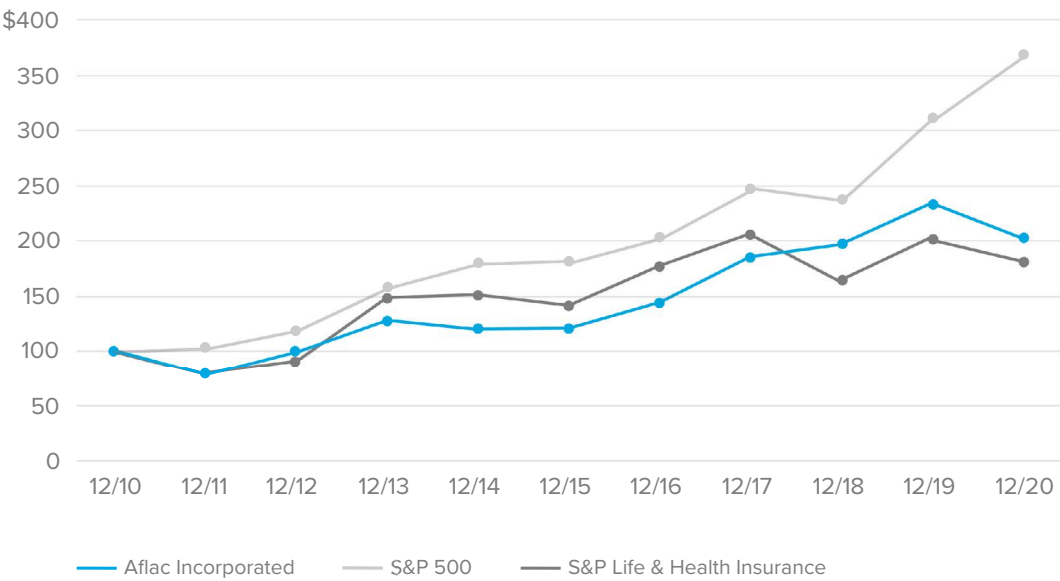
Among Aflac Incorporated, the S&P 500 Index and the S&P Life & Health Insurance Index



* \$100 invested on 12/31/15 in stock or index, including reinvestment of dividends. Fiscal year ending December 31. Copyright © 2021 Standard & Poor's, a division of S&P Global. All rights reserved.

Comparison of 10-Year Cumulative Total Return*

Among Aflac Incorporated, the S&P 500 Index and the S&P Life & Health Insurance Index



* \$100 invested on 12/31/10 in stock or index, including reinvestment of dividends. Fiscal year ending December 31. Copyright © 2021 Standard & Poor's, a division of S&P Global. All rights reserved.

2020 Accolades & Engagement

At Aflac, we believe that helping our stakeholders and the people in our communities have a better quality of life is not only the right thing to do, but that it also makes good business sense and gives people – customers, employees, sales professionals and investors – a greater desire to be a part of our company. Ultimately, we believe this is a more sustainable approach to business and one that will continue to increase shareholder value.

15 Years



2 Years



Aflac is one of the first signatories of the Hispanic Promise, a pledge to hire, promote, retain and celebrate Hispanics in the workplace

Aflac U.S. employees, its independent sales agents and The Aflac Foundation, Inc. have donated more than \$150 million to childhood cancer treatment and research.

\$150 Million Donated



3 Years



1 Year



14X Recognized



21 Years



20 Years



CEO **ACTION**
FOR DIVERSITY
& INCLUSION



Aflac Japan

Introduction to Aflac Japan

In Japan, we are proud to insure one in four households. Japan's life insurance market is the second largest in the world behind the United States. In 2020, Aflac Japan once again emerged as the leading company in Japan's growing third sector, which includes cancer, medical and income support insurance. Aflac Japan generated solid overall financial results for the year, with a stable profit margin of 21.2% and extremely strong premium persistency of 95.1%. The relaunch of our new cancer rider drove a sequential improvement in both cancer insurance and total sales in the fourth quarter. As a result, total sales were down 22.2% for the quarter and 36.2% for the year. In January 2021, we introduced our new medical product, and even up against the difficult comparisons of last January's pre-COVID sales, its positive launch exceeded our expectations. We are encouraged by its reception by both consumers and the sales force.

While these sales results represent sequential improvements relative to last quarter, the effects of reduced face-to-face activity are evident, and we continue to promote virtual sales. Our goal in Japan is to be the leading company for "living in your own way." This is a declaration of how we tailor our products to fit the needs of customers during the different stages of their lives and reach them where they want to buy through agencies, strategic partners, and banks.

2020 Aflac Japan Financial Highlights

(in Yen and in Dollars)

Total net premium* decreased 2.8% to ¥1.4 trillion.	Pretax adjusted earnings** decreased 2.0% to ¥347.9 billion.	Adjusted net investment income** increased 4.4% to ¥283.1 billion.	Pretax profit margin** decreased 10 basis points to 21.2%
Total adjusted expense ratio** increased 50 basis points 21.2%	Total benefit ratio increased 40 basis points to 69.9%	Third sector benefit ratio increased 40 basis points to 59.7%	Pretax segment adjusted earnings increased 0.1% to \$3.3 billion.
Total net premium* decreased 0.8% to \$12.7 billion.	Total adjusted revenues** increased 0.4% to \$15.4 billion.	Pretax adjusted earnings** increased 0.1% to \$3.3 billion.	

*Total net premium is net of reinsurance.

**Adjusted earnings are the profits derived from operations. The most comparable U.S. GAAP measure is net earnings. Adjusted earnings are adjusted revenues less benefits and adjusted expenses. The adjustments to both revenues and expenses account for certain items that cannot be predicted or that are outside management's control. Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest cash flows from derivatives associated with notes payable but excluding any nonrecurring or other items not associated with the normal course of the Company's insurance operations and that do not reflect the Company's underlying business performance.

Dollar amount reflects impact of foreign currency.

Distribution that Reaches Japanese Consumers

Introduction to Aflac Japan

Aflac recognizes that it is vitally important to be where people want to make their insurance-purchasing decisions, and we believe our multifaceted distribution platform remains one of the strongest in Japan. Aflac is proud to insure one in four Japanese households, but we believe there are still opportunities to reach even more consumers. Our solution to that lies in product innovation and leveraging our powerful brand and broad distribution networks. Aflac Japan's traditional channels, which include individual agencies, independent corporate agencies and affiliated corporate agencies, remain key to our success, once again representing a significant portion of our sales in 2020. Our strategic partnership with Japan Post unites Japan Post Group – which includes the largest nationwide distribution network in Japan – with Aflac Japan, the industry leader in cancer insurance. Aflac Japan is the only provider of cancer insurance distributed through post offices nationwide in Japan, and our cancer insurance is offered through more than 20,000 postal outlets and Kampo's 76 directly managed offices.

The COVID-19 pandemic and state of emergency declarations that ensued early in the year significantly impacted Aflac Japan's sales activity. In keeping with Japan's ability to quickly adapt to changing landscapes, Aflac Japan has employed technology allowing it to expand upon its traditional face-to-face sales activities. In order to facilitate more non-face-to-face sales, Aflac Japan accelerated the creation of a virtual sales system that leveraged digital technology to permit sales during state of emergency declarations and various stages of lockdown throughout the year. In October of 2020, Aflac Japan also implemented a new virtual sales tool that enables online consultations and policy applications, making Aflac Japan the first major life insurer to roll out such a virtual sales tool.

Aflac Japan Distribution Channels

Traditional Sales Channel*

Aflac Japan was represented by more than 8,500 sales agencies at the end of 2020, equating to nearly 111,900 licensed sales associates employed by those agencies, including individual agencies.

Strategic Alliances

Dai-ichi Life

Our alliance with Dai-ichi Life was launched in 2001, and approximately 40,000 Dai-ichi Life representatives offer Aflac's cancer products.

Banks

Aflac Japan was represented by 361 banks at the end of 2020, or approximately 90% of the total number of banks in Japan.

Japan Post Group

In 2020, the number of post offices selling Aflac's cancer product totaled more than 20,000. Kampo (Japan Post Insurance Company Ltd.) offers Aflac cancer products through its 76 directly managed offices.

Daido Life

In September 2013, Aflac Japan and Daido Life Insurance entered into an agreement for Daido to sell Aflac's cancer insurance products specifically to the Hojinkai market, which is an association of small businesses.

* Includes independent agencies, independent corporate agencies and affiliated corporate agencies

Growth Strategy Overview

Citizens of Japan are covered by a national health care insurance system that provides a standard level of medical insurance. Amid Japan's rapidly aging population and declining birthrate, the national health care system has faced increasing financial strain, leading to an increasing level of financial pressure on consumers from increasing health care costs. As a result, consumers have had to increasingly assume more financial responsibility for out-of-pocket health care expenses and medical care. Most Japanese consumers turn to private third sector insurance to help offset some of these expenses. Aflac's trusted brand and valued products are a solution to help alleviate that financial burden. The foundation of Aflac Japan's product portfolio is third sector products, which include cancer and medical insurance (see product chart). Aflac continually customizes its products to respond to and even anticipate the evolving needs of Japanese consumers, advances in medical treatments and modifications to Japan's national health care system. While third sector products are our focus, Aflac Japan also offers its customers first sector protection policies to provide comprehensive coverage.

Third sector policies are more profitable and less interest rate sensitive than life insurance or savings-type products such as WAYS or child endowment.

Looking to 2021 Aflac Japan's product strategy is to create value for policyholders through four core initiatives. The first of those is the launch of a new medical insurance product, EVER Prime, in the first quarter of 2021, which provides extensive protection and enhanced coverage for short-term hospitalizations and Japan's three most dreaded diseases: cancer, heart attack and stroke. Second, in response to a growing need for more comprehensive coverage among Japan's middle-aged demographic, Aflac Japan will enhance promotion of its ALL-in cancer insurance rider, which offers consumers a wide array of cancer coverage options. Third, Aflac Japan is developing its life cycle product approach to address increasing uncertainty and heightened concern about income stability and nursing care among Japan's aging population, which is especially important as more and more citizens are living to the age of 100 and beyond. Finally, Aflac Japan will utilize small-amount, short-term insurance in areas that are difficult to cover with our existing products and services. One example includes medical insurance designed for those not eligible for nonstandard medical insurance, which will enable us to reach new customers.

Aflac Japan Insurance Products

Third Sector Insurance

- Cancer
- Medical
- Income Support

Cancer Insurance

In 1974, Aflac pioneered the cancer product in Japan, and we remain the number one provider of cancer insurance today. For 45 years since Aflac introduced Japan's first cancer insurance, we have revised our cancer insurance products to match the changing medical environment, the potential financial burden that serious illnesses can bring and the advancement of health care and medical technology. In keeping with our commitment to provide our customers with innovative, relevant and valuable products, in April 2018 Aflac Japan launched "Days 1 – Cancer insurance for daily living," and "Days 1 Plus," which targets existing policyholders seeking to upgrade their cancer insurance for more up-to-date protection. In 2020, Aflac Japan launched "Days 1 ALL-in Cancer Insurance for Daily Living", a rider to expand coverage with multiple benefits in a way that is easier for the policyholder and agent to understand.

Medical Insurance

In early 2002, Aflac introduced EVER, a standalone, whole-life medical product, as a solution to help Japanese citizens with rising copayments related to Japan's universal health care coverage. Within one year of the introduction of EVER, Aflac became the leading seller of medical insurance in Japan. In October 2018, Aflac Japan introduced a new health promotion medical insurance product exclusively sold online that will encourage policyholders to maintain a healthy lifestyle by rewarding them with partial premium refunds if the policyholder's health age is lower than his or her actual age. In January 2021, Aflac Japan introduced its new EVER Prime product, which offers enhanced coverage through a wide range of riders based on the customer's life stage.

Income Support Insurance

In July 2016, we launched a new third sector product, Income Support Insurance, designed to provide cash benefits when

insureds are unable to work due to illness or injury. These benefits complement coverage within the social security system, including the disability pension provided by the Japanese government.

First Sector Insurance

Life insurance products, including:

Protection type:

- Term life
- Whole life
- GIFT

Savings type:

- WAYS
- Child Endowment

Term Life and Whole Life

Aflac first introduced term-life and whole-life insurance products in 1996. These products have smaller face amounts and provide death benefits. They are available as stand-alone policies and riders. Aflac Japan also launched Prepare Smart Whole-Life Insurance in 2018, with lower cash surrender value and lower premium for non-smokers. This product also enables Aflac Japan to provide agents with a full range of product offerings.

GIFT

In February 2017, we introduced a revised version. Upon the death of the insured, this product provides beneficiaries, typically family members, with a monthly benefit until the insured would have reached a predetermined age.

WAYS*

In 2006, WAYS was introduced. WAYS can be converted to a fixed annuity, medical coverage or nursing care benefits when the policyholder reaches a predetermined age.

Child Endowment*

In 2009, Aflac introduced a child endowment product that pays a lump-sum benefit at the time of a child's entry into high school and an educational annuity for each of the four years of college.

* Aflac Japan currently curtails sales of first sector savings-type products due to persistent low interest rates in Japan.

Technology and Digital Investments Drive Productivity, Service and Value

Aflac Japan is moving forward with major digital transformation, or DX, initiatives. In 2020, Aflac Japan rolled out a virtual sales system consisting of web consultations and online application functions. It also expanded online group sales. In group, or worksite, sales, Aflac Japan is establishing a sales structure through corporate clients' intranet sites to expand sales. The goal is to establish an online presence that will lead to opportunities during and post pandemic, as consumers adapt to the new normal and an increasing number of employees continuing to work remotely. Aflac Japan is also exploring innovative ways to maximize use of artificial intelligence (AI) to analyze sales activity results; identify customers who have a strong need to buy insurance; and maximize the efficiency of solicitation approaches. Aflac Japan will also begin a new initiative to identify customers previously unable to purchase policies due to their claims histories.

Furthermore, Aflac Japan is leveraging AI for data analysis to help achieve improved sales results, as well as a reduction of IT infrastructure costs by moving to a private cloud platform and leveraging cloud services as an AI and machine learning infrastructure. These efficiencies, in addition to driving strong margins and profitability, will also enhance the value and experience we provide our customers.

2020 Accolades - Aflac Japan



Osaka Mayor's Commendation for Leading Company for Women's Active Participation

Aflac Japan received the highest rank award called "FY2019 Osaka Mayor's Commendation for Leading Company for Women's Active Participation." The city of Osaka has been focusing on encouraging women to accelerate their participation at workplaces and in their communities. As part of this effort, since October 2014, Osaka has rewarded companies proactively promoting a workplace environment that encourages women to actively participate in business. Aflac Japan was recognized for achieving its goal of increasing ratio of women in leading position to 30% one year ahead of plan, reducing overtime work by 10% year over year for four consecutive years since 2015, and achieving the rate of employees taking childcare leave at 100% for women and 96.4% for men.



Received Award for "Work Life Balance Promotion" from City of Asahikawa

Aflac Japan's Asahikawa sales office received FY2020 award for "Work Life Balance Promotion" from City of Asahikawa, to be given to companies working on developing pleasant working environment. The city established this award in FY 2016 in order to draw attentions to work life balance and to promote development of environment where men and women can enjoy working together. Aflac Japan was appreciated for its activities through "Aflac Work SMART" to promote diverse work style regardless of time and place and to support career building of women.



Received Award for "Promotion of Gender Equality in Workplace" from Kumamoto Prefecture

Aflac Japan's Kumamoto sales office received FY2020 award for "Promotion of Gender Equality in Workplace" from Kumamoto prefecture. The prefecture established this award in FY 2002 in order for the governor to recognize companies proactively working on gender equality and to stimulate other companies to work on similar initiatives. Aflac Japan's Kumamoto sales office was appreciated for its activities in reducing working hours and work from home initiative to help

employees engaged with child and nursing care by providing remote devices, among other.



Association of Consumer Affairs Professionals (ACAP) Award for “Consumer-Oriented Activities”

Aflac Japan was awarded a “Consumer-Oriented Activities Medal” at the 5th ACAP Awards in recognition of its activities related to the Aflac Parents House with its longstanding contribution to support children with cancer and other serious diseases, and their families. The award recognizes Aflac Japan’s activities that exemplify its founding philosophy of lifting the financial burden of those battling cancer.



Certified as “Health and Productivity Management Organization” for three consecutive years

For the third consecutive year, Aflac Japan was certified as a “2020 Health and Productivity Management Organization – White 500 (large corporate segment),” which is a system managed by the Japan Health Management Forum together with Japan’s Ministry of Economy, Trade and Industry (METI). This system aims at highlighting the efforts of companies that strategically prioritize employees’ health as an important managerial issue, and to enhance the environment where they will be fairly evaluated by employees, job seekers, affiliated companies and financial institutions.



Received Bronze Award for “Innovation in Insurance Awards”

Aflac Japan was awarded the Bronze Award for “Innovation in Insurance Awards” in the “Global Innovator” category. This award is co-hosted by Efma and Accenture and recognizes companies that are continually promoting current and future innovation. Aflac was recognized for its various initiatives to leverage digital transformation, including an immediate claims payment system to use biometrics authentication for certain benefit (as soon as five minutes), services that enable customers to withdraw refunded premiums at ATMs without bank accounts, and an artificial intelligence search engine to quickly find digitized business and operation manuals from vast internal archives.



Ranked #1 in Life Insurance Sector of NTTCom Online NPS Benchmark Survey

Aflac Japan was ranked first among 13 life insurance companies in the NTTCom Online NPS® Benchmark Survey for 2020. Through the survey, Aflac Japan was highly evaluated by customers and ranked first for categories including: good corporate and brand image; corporate approach to attending to customers and valuing customer voices; and user-friendliness of policyholder websites.

This ranking and recognition by the NTTCom Online NPS® Benchmark Survey is a testament to Aflac Japan’s employees and their hard work and dedication, highlighting the fact that,

as a company, our number one priority is to be there for our policyholders when they need us most.



Recognized at “Insurance Asia Awards 2020”

Aflac Japan received the award for “International Life Insurer of the Year-Japan” for its “Agile@Aflac” and “Insurance Initiative of the Year-Japan” for its “cash receive service” at “Insurance Asia Awards 2020.” The “Insurance Asia Awards” were established in 2016 by Charlton Media Group, a major business media group based in Singapore, Hong Kong, Philippines to reward Asian companies who are making cutting-edge innovations and extending products and services that impact the insurance industry. The “International Life Insurer of the Year-Japan” recognizes insurance companies with excellent track records and innovation, and “Insurance Initiative of the Year-Japan” recognizes projects that significantly impact the insurance industry and adapt to changes with agility.



Aflac Japan Awarded the Nikkei Smart Work Award, Power of Personnel Utilization segment

The Nikkei Smart Work Award recognizes companies advanced in work style reform to achieve higher productivity and sustainable growth. Aflac Japan achieved the award by gaining top-ranked scores in various categories around the leveraging of human capital, including high evaluations for its work-life balance and advances in diversity and flexible work style. This is reflected in the establishment of an environment where, just like women, male employees are allowed to easily take childcare leave. It is also reflected in Aflac Japan’s high ratio of flex time workers. Aflac Japan was also highly recognized for the promotion of diversity-related activities, which contributed to Aflac Japan’s board members who include foreign national and female, in addition to diversity in its composition of managers.

NIKKEI
Smart Work
Awards 2021 Human-Resources Prize

Aflac U.S.

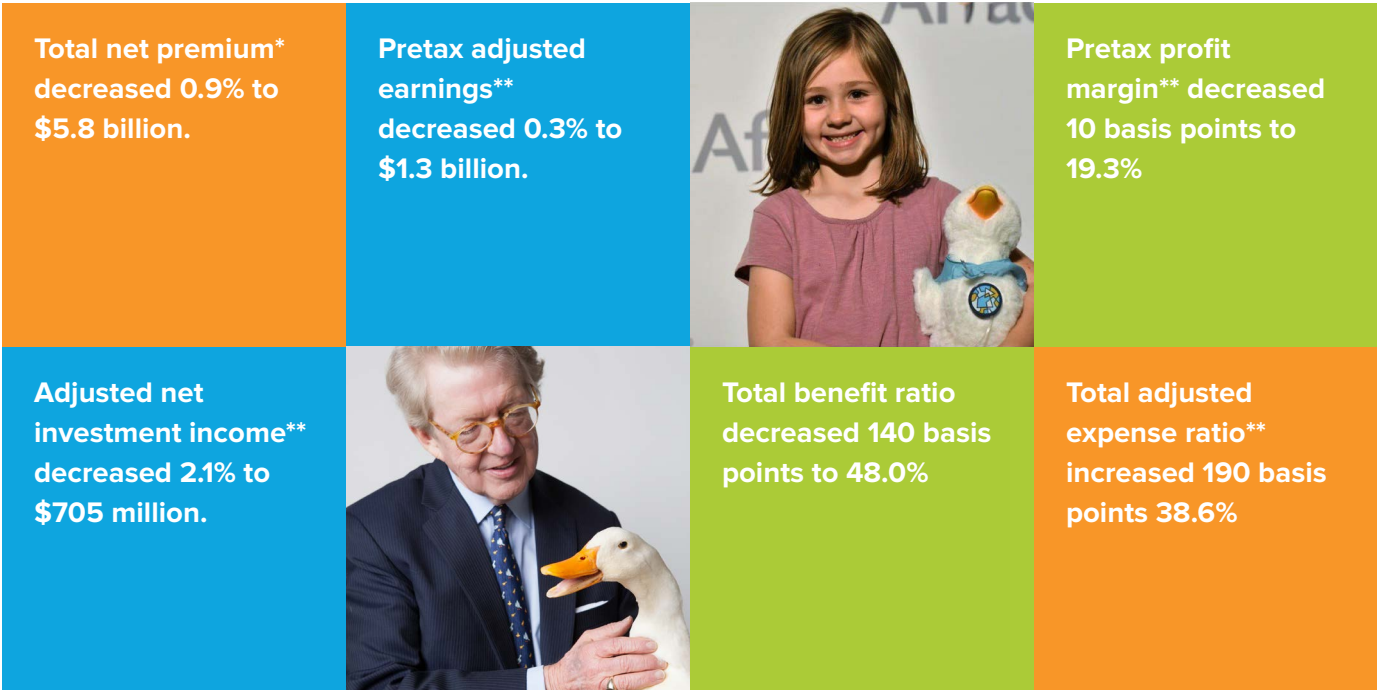
Introduction to Aflac U.S.

As part of Vision 2025, we seek to further develop “a world where people are better prepared for unexpected health expenses.” The need for the products we offer is as strong or stronger than it has ever been. At the same time, we know consumer habits and buying preferences have been evolving, and we are looking to reach them in ways other than traditional media and outside the worksite. This is part of our strategy to increase access, penetration and retention.

In the United States, Aflac once again earned the distinction of being the leader in supplemental insurance sales at the worksite.* Aflac U.S. 2020 financial results for the year reflected lower sales due to the lack of face-to-face sales activities as a result of the COVID-19 pandemic and elevated expenses as a result of ongoing investments in our platform, distribution and customer experience.

2020 Aflac U.S. Financial Highlights

(in Dollars)



*Total net premium is net of reinsurance.

**Adjusted earnings is the profits derived from operations. The most comparable U.S. GAAP measure is net earnings. Adjusted earnings are adjusted revenues less benefits and adjusted expenses. The adjustments to both revenues and expenses account for certain items that cannot be predicted or that are outside management’s control. Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest cash flows from derivatives associated with notes payable but excluding any nonrecurring or other items not associated with the normal course of the Company’s insurance operations and that do not reflect the Company’s underlying business performance.

Aflac U.S. Marketing Strategy

Amid the national COVID-19 lockdown in March, Aflac U.S. developed two new TV spots – “Aflac is There,” and “Gratitude” – that debuted during the NFL draft in April and aired throughout the summer. In September, we continued our 2019 football-centric campaign by launching two new spots featuring the Aflac Duck and Alabama Coach Nick Saban. “Go Time” and “Film Room” ran through the end of 2020, and we started 2021 strong with “Swim Meet,” which debuted in early January.

In the midst of lockdowns pandemic conditions, we pivoted to alternative solutions to connect with customers and employees through new channels: audio with podcasts on iHeart Radio’s “Stuff You Should Know;” ads on Spotify and Pandora; and relationships with other, less traditional, media partners such as Amazon and National Geographic. This was critically important as consumers flocked to non-ad-supported platforms like Netflix. Aflac also finalized a three-year contract with the NCAA, with content to debut in March 2021.



The 2020 open enrollment season required products to drive understanding and engagement with accounts in a virtual world. Aflac’s cohesive open enrollment campaign delivered more than 60 elements to help achieve that objective, creating consistency in messaging with a digital-first approach, including customizable emails and videos. All sales support materials were housed in a new one-stop-shop: the Aflac Sales Marketplace.

In a year in which consumers re-examined every monthly cost, demonstrating Aflac’s value to existing policyholders was more critical than ever. A campaign to drive understanding and use of our wellness benefits offered some financial support to policyholders in uncertain times and also drove persistency.

Relevant Products + Expansive Distribution = Customers

Aflac’s supplemental insurance policies pay cash benefits directly to the customer to help provide a layer of protection against income and asset loss associated with an illness or medical event. Policyholders can utilize these benefits to help cope with unexpected out-of-pocket medical expenses such as medication, copays and even household expenses. Our broad portfolio of both individual and group product solutions is designed to provide our policyholders with outstanding value and enable businesses of all sizes to offer their employees an affordable and comprehensive array of benefits solutions.

Aflac U.S. Products

Individual	Group
Cancer*	Hospital
Accident*	Accident
STD	STD
Critical Illness*	Critical Illness
Hospital Indemnity	LTD
Supplemental Dental	Supplemental Dental
Supplemental Vision	Supplemental Vision
Term Life	Network Dental
Whole Life	Network Vision
	Term Life
	Whole Life

* Insurance products on the Consumer Markets platform.

The COVID-19 pandemic heightened awareness of what people may be missing in their benefits portfolios. Aflac updated its existing BenExtend product to include several key benefits solutions in one product. BenExtend for Diseases® provides benefits related to COVID-19 or a number of other illnesses with coverage that follows the entire care journey, from testing to hospital confinement and recovery.

We continue to see a significant need for Aflac benefit solutions in the marketplace, and we are well positioned to capitalize on that opportunity. Health care costs continue to rise with minimal wage growth, and Aflac is here to help solve the significant challenge of coming up with cash for out-of-pocket expenses. Within the U.S. workforce of approximately 160 million workers, Aflac has access to less than one third of them, and the majority of our business is in the small business segment. It takes a broad distribution reach to capitalize on the market opportunity, and we intend to maintain our leadership position by growing the number of producers who work with Aflac and expanding our value proposition to support the evolving landscape.

In 2020, we also maintained our focus on expanding our distribution and reach through our traditional field force of independent agents. Additionally, we continued to establish and nurture relationships with our broker sales team on local, regional and broader national levels to improve our access to businesses in each market segment. Finally, we made meaningful progress in our ability to meet workers where they are, including the growing portion of contingent workers who are not at the traditional worksite in the U.S.

We have also been investing in new distribution opportunities with the expansion of Aflac's product portfolio through recent acquisitions and alliances. This included our 2019 acquisition of Argus, which paved the path to introduce Aflac Dental and Vision, a network dental and vision products, with a measured rollout in 2020 and an anticipated national rollout in 2021. It also included our 2020 acquisition of Zurich North America's U.S. Corporate Life and Pensions (Group Benefits) business, which consists of group life, disability and absence management products. Aflac intends to build upon the strong framework created by Zurich by continuing to grow the group benefits business and provide a more holistic product set to brokers and employers. Our expansion into network dental and vision and group benefits further enhance Aflac's presence on the "front page" of the benefits enrollment process for employees while at the same time deepening relationships with employers and policyholders. From there, we believe Aflac's powerful brand and wide-reaching distribution will boost our access and opportunities to provide more solutions and protect more policyholders.



Medical insurance for the life of your pet.

Additionally, in November of 2020, Aflac announced its exclusive distribution alliance with Trupanion, Inc., a leader in the quickly growing market of medical insurance for cats and dogs. This alliance leverages Aflac's strong brand and broad U.S. worksite distribution network, including its digital Consumer Markets channel, and Trupanion's expertise and leadership in pet insurance. This alliance combines Aflac's brand recognition and broad worksite and direct to consumer distribution in the U.S. with Trupanion's brand and strong reputation within the pet insurance industry. It also enhances sales opportunities by appealing to consumers who are seeking to be prepared for unexpected medical expenses. We will continue to develop these opportunities in 2021.

Our growth strategy remains consistent and is strongly aligned to the market opportunity. We continue to make strategic advancements to our business model and are pleased with the progress we have made.

Technology Drives Value and Efficiency

Our disciplined risk management and emphasis on improving operating efficiency helped us drive strong profitability in 2020. We continue to make broad-based investments in digital enhancements and innovation within our U.S. platform, in response to rapidly changing market trends. We believe our platform investments will contribute to improved persistency and high customer experience and satisfaction levels. We have also accelerated our One Digital Aflac strategy to create a digital experience across the employee, customer and distribution lifecycles. Digital makes it easy for customers to buy from Aflac; for the distribution team to sell Aflac; for employees to work at Aflac; and for the Aflac promise to be fulfilled. We've also increased our agents' adoption of our Everwell 2.0SM enrollment platform, which is now being used by more than 350,000 businesses across the country.

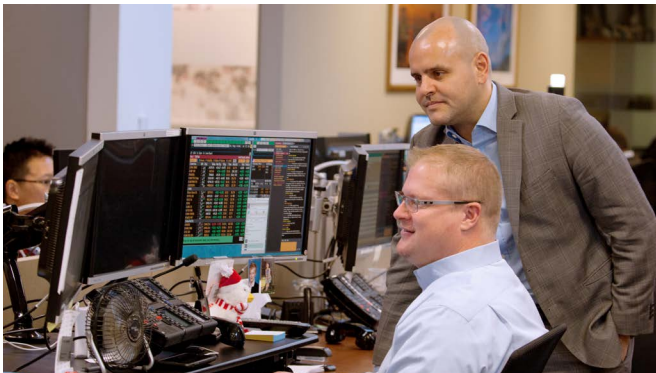
Aflac Global Investments

Aflac Global Investments is made up of Aflac Incorporated's asset management subsidiaries responsible for investing approximately \$129 billion on behalf of our insurance subsidiaries in Japan and the U.S. This team contributes to Aflac's long-term success by seeking to maximize long-term returns and preservation of capital based on an investment foundation of strategic asset allocation and a conservative asset and liability management approach that focuses on making investments across a diversified portfolio of high-quality assets.

**Net investment
income increased
1.7% to \$3.6 billion.**

The Aflac Global Investments team now has more than 133 investment and support professionals in New York and Tokyo who work to find investment opportunities around the globe. The investment teams are organized around asset class specialists and have expertise in corporate credit, infrastructure, middle market loans, transitional real estate, and currency hedging, as well as a growing alternatives portfolio of private equity and real estate investments. We also leverage the capability of our External Manager Platform where our team identifies specialized strategies and third party asset managers that can meet our return and diversification standards. In addition, our teams have a major presence in the U.S. and Japanese investment markets, matching investments against our policyholder liabilities denominated in both yen and dollars.

As part of our investment strategy to identify and invest in new asset classes, Aflac Global Investments seeks to take strategic equity interests in third party asset managers whose strategies fit our investment objectives and whose business growth will benefit from our asset deployment. In January of 2020, we announced a strategic partnership with Varagon a middle market lender, where we committed to deploy \$3 billion of assets over three years while retaining a significant minority equity stake. We enjoy the benefits of a higher returning asset class along with additional equity income, helping to grow Aflac's Global Investments business.



During 2020, in the face of a highly volatile market resulting from the pandemic and extremely low interest rates, our investment results stood out. Net investment income benefited from continued expansion of floating rate loan and alternative investments, which served to combat persistently lower interest rates in both Japan and the U.S. Net investment income also benefited from our decision to hedge against falling interest rates, net of locking in hedge costs; tactical asset allocation decisions; and a significant increase in call income as issuers redeemed bonds due to lower refinancing rates. The credit quality of our portfolio held up very strongly, with a low level of impairments and losses demonstrating the effectiveness of our credit underwriting and strong risk management discipline.

Aflac Global Ventures

Aflac Global Ventures was established in 2016 with a mission to help Aflac Incorporated enhance its strategic and innovative focus globally and to enhance and defend long-term shareholder value. As part of Aflac's continued focus on growth, Aflac Global Ventures strives to pursue investment opportunities in digital and innovative technological solutions that simplify and enrich the sales and distribution process while providing an optimal and efficient customer servicing experience. Aflac Global Ventures also continues to partner with Aflac Global Investments in seeking and investing in nascent technologies in the asset management space. Additionally, Aflac Global Ventures' \$400 million fund has investments across the globe in disruptive technologies with enhanced focus on properties in new and emerging markets such as Southeast Asia and India for growth and additional revenue. It has become the vehicle for international exploration leveraging our domain assets and expertise while focusing on advanced digital and ecosystem oriented opportunities.

Since the fund's inception four years ago, Aflac Global Ventures has seen some of the early direct investments complete follow-on rounds of capital raise and, in some cases, exit the portfolio via sale, resulting in modest gains. Singapore Life remains Aflac's largest direct investment through the fund and part of the broader effort to further explore Southeast Asia. In 2020, Singapore Life announced the acquisition of Aviva Singapore, gaining access to 1.5 million customers.



In 2020, Aflac Global Ventures continued to capitalize on its global partnership with Plug and Play for its success with the Aflac Ventures Lab, a 10-week accelerator program for startups. Aflac Ventures Lab provides an unparalleled opportunity for startup companies to work with Aflac's key business

leaders and innovation teams to co-develop and customize solutions to accelerate innovation across the insurance value chain, including digital solutions that enhance the customer experience. The second cohort is currently underway with the expectation that a subset of startups would move into the pilot phase for further development.



As part of its global strategy, Aflac Global Ventures also incubates a variety of companies in the U.S. and Japan, designed to pursue digital and disruptive solutions and methods for experimentation and adaptation. In the context of rapidly changing social and individual needs, Aflac Global Ventures is actively engaged in developing new products and services leveraging Aflac's market-leading position and extensive experience in cancer insurance consistent with Aflac's core capabilities and values.

Governance

Corporate governance extends beyond compliance and regulation. At Aflac Incorporated, it is an ethical commitment to create a better tomorrow for our customers, shareholders, employees, communities and other stakeholders. It is the foundation of following the highest ethical principles is our true north, providing the framework with which we will continue to succeed.

Balancing Purpose and Profit

"At Aflac, being an ethical company is the only way we do business, and how we accomplish that is through an uncompromising corporate governance system built on integrity, which began with our founders. True governance is measured through transparency, shared responsibility, a commitment to protecting stakeholders and our communities, the difference our products make in the lives of our policyholders and the engagement of our employees. We believe this is a more sustainable approach to business and one that will continue to increase shareholder value. Simply put, we believe in making a difference while balancing purpose and profit." Audrey Boone Tillman, executive vice president and general counsel of Aflac Incorporated.

Anticipating and Responding to the Pandemic

COVID-19 Efforts

Aflac Incorporated took early action when news of the COVID-19 coronavirus broke. The company benefited from its footprint in Japan, which provided a very early window into potential response efforts, as the Japanese response was about three weeks ahead of the U.S. in combating the spread of the virus. Additionally, Aflac had the unique benefit of significant Board expertise, specifically director Dr. Barbara Rimer, who is Dean and Alumni Distinguished Professor of the Gillings School of Global Public Health at The University of North Carolina at Chapel Hill. Early on at the outbreak of the virus, Dr. Rimer advised Aflac about the emerging threat of the virus, which prompted us to immediately implement travel restrictions, shift to working remotely, and instate several social distancing measures both in Japan and the U.S.

Aflac Incorporated took immediate action to ramp up work-from-home staffing models with more than 70% of onsite employees in Japan and more than 90% of onsite employees in the U.S. working remotely by the end of April 2020, which ensured business continuity with little disruption in operations. In addition, Aflac adjusted its approach to employee benefits to accommodate the need for extended paid leave and to account for school closings.



In the midst of the ongoing COVID-19 pandemic, Aflac Japan President and Representative Director Masatoshi Koide invited department managers to online “town hall” style meetings to facilitate direct communications virtually. In total, 78 managers representing 60 departments participated. During this time of crisis, these sessions were designed to enable Mr. Koide to hear from managers on the front line, provide reassurance, and share his sincere thanks for their sense of purpose in fulfilling the promises we make to policyholders, even during difficult times. In response to request from employees working at Aflac Japan’s operational center located in Chofu, acrylic partitions were swiftly installed to prevent infection.

In order to best deliver on our promise to be there for our policyholders amid the growing pandemic, Aflac expanded its claims payment protocols to include a broader definition of hospitalization, accepting telemedicine diagnosis from doctors and easing documentation requirements in order to help get funds in the hands of policyholders when they needed Aflac most. To that end, Aflac also offered premium payment grace periods with no risk of cancellation and following any regulatory guidelines or suggested practices.

In April of 2020, Aflac Incorporated donated a total of \$5 million to two organizations in the U.S. that are providing assistance for health care workers on the front lines of the COVID-19 global pandemic. The \$5 million donation included \$2 million for the Global Center for Medical Innovation (GCMI), a comprehensive innovation center using innovative 3D printing to help support medical device shortages, particularly as it relates to ventilators and protective masks. GCMI works in collaboration with Children’s Healthcare of Atlanta Pediatric Technology Center. Additionally, \$3 million was given to Direct Relief, a humanitarian aid organization providing personal protective equipment (PPE) and essential medical items to health workers responding to the coronavirus. Direct Relief is active in all 50 states.



In the midst of the ongoing COVID-19 pandemic, Aflac Chairman and CEO Dan Amos sent Aflac masks to all Aflac U.S. and Aflac Japan employees. To engage employees and lift spirits during a difficult time, Aflac Japan held an internal campaign called “Share your picture wearing an Aflac mask.” This lighthearted approach to a serious topic garnered participation from 385 employees representing 37 departments.

Similarly Aflac Japan also made a charitable contribution in the yen equivalent of approximately \$5 million to the Japan Medical Association (JMA) and identified local municipalities in support of medical professionals on the front lines fighting COVID-19. With this donation, Aflac Japan’s goal was to help foster treatment improvements and enhance the work environment for medical institutions and healthcare professionals in Japan.

Aflac Incorporated also made a \$1 million donation to Crisis Text Line, a global not-for-profit organization established in 2013 specializing in mental health intervention. Crisis Text Line provides free, 24/7, confidential support to people in crisis via SMS texting. Aflac’s donation helped to fund the organization’s campaign, For the Frontlines, aimed at helping individuals battling the COVID-19 crisis in the U.S. Crisis Text Line responds to thousands of texts each day from individuals experiencing mental or emotional distress and has reported an increase in communication with frontline workers and their family

members impacted by the pandemic. Individuals seeking crisis counseling who text FRONTLINE to 741741 are connected to trained counselors who provide support in dealing with issues such as anxiety, stress, fear and isolation and help them identify coping strategies and other resources. In addition to the \$6 million in COVID-19 related donations (Direct Relief, GCMI, and Crisis Text Line), Aflac donated more than \$6.2 million to charities serving communities around its offices in Columbus, Ga., Columbia, S.C., New York and Nebraska.



Due to the ongoing COVID-19 pandemic, new employees at Aflac Japan started their respective careers with remote training from home. During training sessions, new employees gained the knowledge and skills required to be a successful Aflac Japan employee and professional, including information about Aflac Japan’s core values, VISION 2024, mid-term business strategy and products.

Corporate Social Responsibility & Sustainability Oversight

As noted, the Company has a dedicated, Board-level committee, which oversees the Company's policies, procedures, and practices with respect to corporate social responsibility and sustainability (CSR&S). Specifically, the Board, through this committee, receives updates on the business' focus on certain U.N. Sustainable Development Goals, environmental initiatives, workplace diversity and inclusion efforts, and philanthropic activities. The Corporate Social Responsibility and Sustainability Committee also monitors the preparation of the Company's annual Corporate Social Responsibility report, reviewing such report before it is published.

Aflac Incorporated's governance includes corporate responsibility oversight by the board of directors' Corporate Social Responsibility and Sustainability (CSR&S) Committee. The committee sets our corporate responsibility/sustainability performance objectives, monitors implementation and performance of objectives, and oversees progress made against our social and environmental goals.

Aflac's CSR/Environmental, Social and Governance

The ESG Working Group, which is comprised of employees and chaired by the chief operating officer, sets ESG and sustainability performance objectives, monitors implementation and performance of objectives, and oversees progress made toward our social and environmental goals. ESG is strategically integrated throughout all of Aflac.

The board oversees an enterprise-wide approach to risk management designed to achieve organizational and strategic objectives, to improve long-term performance and to enhance shareholder value. Risk management requires more than just understanding the risks we face and the steps management takes to manage those risks. The board also must understand what level of risk is appropriate for the Company. The directors are equipped to make all of these determinations because they are integral to the process of setting the Company's business strategy.

Ethical Company and Ethics Training

At Aflac, our values form the foundation on which we build relationships of trust with our customers, shareholders, business partners and suppliers, government regulators, and fellow employees. These values—Teamwork, Respect, Fairness, Honesty, Integrity and Responsibility—are the same values upon which the Aflac co-founders built our Company. This Code of Business Conduct and Ethics (our "Code") shows us how to apply these values to our everyday business conduct.

Our [Code of Business Conduct and Ethics](#) (code) is based on the same values that constitute The Aflac Way: teamwork, respect, fairness, honesty, integrity and responsibility. These values were instilled in the company more than 65 years ago, and it's our duty to conduct business with them in mind. In doing so, we uphold both the letter and the spirit of the code, ensuring our company provides the same kind of genuine, caring and personal service that our founders set as our standard.

Aflac Incorporated's anti-fraud teams monitor, investigate and stop fraudulent claim submissions from inside and outside the company.

Transparent Information and Fair Advice for Customers

With a wide range of customers, our employees use data and technology to inform policyholders and improve their experience. Recently, we expanded the digital capabilities of our website and mobile device applications and implemented voice recognition in our call centers. Other steps taken include:

- Aflac U.S. accelerated our One Digital Aflac strategy to create a digital experience across the employee, customer and distribution lifecycles. Digital makes it easy for customers to buy from Aflac; for the distribution team to sell Aflac; for employees to work at Aflac; and for the Aflac promise to be fulfilled.
- Aflac Japan's Innovation Lab serves as an accelerator, designed to meet customer needs with digital tools, and as an incubator, which explores future opportunities for innovation and potential startup partners.
- Aflac Japan leveraged a payment app called LINE Pay to help customers pay premiums in cash anywhere anytime.
- Customer convenience enhancements, such as the provision of Braille forms for the visually impaired and sign language translation services for hearing impaired customers in Japan and the United States.
- Convenient retail insurance locations called Aflac Consulting Shops where customers meet with Aflac Japan representatives for face-to-face consultations to determine possible insurance needs.
- Artificial intelligence, such as optical character recognition, which will automate more than 500,000 data entry transactions per month by 2021 for Aflac Japan teams.

In accordance with Securities and Exchange Commission requirements, Aflac discloses all material legal proceedings, other than ordinary routine litigation incidental to the business, in our [Annual Reports](#) on [Form 10-K](#) and [Quarterly Reports](#) on [Form 10-Q](#).

Aflac Japan employs FinTech to respond to customer comments and suggestions. Aflac Life Insurance Japan is the first in Japan's life insurance industry to provide a 24-hour, 365-days-per-year cash receipt service at convenience stores when returning premiums to insurance policyholders.

Through our independent agents in the U.S., MyAflac Resource Center, MyAflac App and other supplemental insurance product videos, we continuously educate, engage and inform our customers.

How Aflac Ensures Equitable Compensation

Centralized Function

Aflac's corporate Human Resources divisions operate a centralized internal compensation function to provide oversight and input to company management, ensuring compensation is consistent with job scope, duties and responsibility. To deliver consistency, the compensation function evaluates new-hire job offers, promotions and compensation adjustments to ensure equitable compensation.

Job Review and Analysis

Current and prospective job roles are periodically reviewed, modeling the California Equal Pay Act approach to ensure equal pay for equal work. Job levels and associated compensation are determined based on market data, job scope, duties and responsibilities, ensuring equitability for gender and ethnic minorities.

Defined Pay Structures

Defined salary structures are reviewed annually and updated utilizing market data. They serve as the framework and guardrails for compensation administration.

Survey Participation

Annually, the compensation function participates in and receives compensation survey results from multiple nationally recognized compensation consulting firms. These surveys help analyze market trends based on key factors, such as revenue size, asset size, market value, geography and headcount.

Annual Review Process

Defined annual compensation adjustment processes help ensure equity across the organization by reviewing potential compensation adjustments based on multiple factors, including performance, internal equity and market levels.

Consulting Services

Human Resources partners with nationally recognized compensation consulting firms to assist in the review of compensation practices, including the competitiveness of pay levels, design structures, market trends and other technical considerations that validate the consistency, legitimacy and equitability of our compensation practices and processes.

Grievance Process

Commitment to transparency across all levels is encouraged by our documented open-door policy as well as our formal grievance procedure in the event an employee perceives inequitable pay disparity at any time during the employee's career. These processes are documented and communicated via the employee handbook.

Compensation Committee

The board-level Compensation Committee, at least annually, reviews the goals and objectives of our executive compensation plans, evaluates the performance of the executive officers and, setting their compensation levels based on this evaluation, reviews our company's incentive compensation programs. This determines whether the incentive compensation program encourages excessive risk taking and evaluates how to structure compensation policies to mitigate risk as well as ensures the compensation and benefit plans promote our goals and objectives.

Protecting our Customers and Data with Cybersecurity

We leverage robust data protection strategies to protect against insider threats and external breaches that could result in the exposure of regulated data. Data at rest is protected through strong access controls such as multi factor authentication, denying all access unless explicitly permitted, access only as needed for job function, and robust encryption protocols. All Aflac data storage for production data is held on encrypted DASD devices. This includes mainframe and distributed database solutions. Furthermore, Aflac mobile devices and laptops use disk encryption solutions. The use of data encryption at rest solutions is based heavily on the following factors: criticality of data, accessibility, related entity type (Customer, Partner, Internal), practicality of encryption solution and on premise/cloud exposure. Transparent Database Encryption (TDE) is applied against most SQL Server databases containing personally identifiable information. Additionally, internal traffic between locations processing significant policyholder information is encrypted by the network infrastructure using link level encryption.

When business processes dictate the need to transmit sensitive data outside the Aflac network, Aflac has methods in place to ensure the protection of the information. These methods include but are not limited to:

- The use of software to encrypt files sent via email.
- The persistent encryption of all emails sent to a specific email domain through the use of Transport Layer Security (TLS).
- An ad-hoc email encryption/secure file transfer solution.

Reducing Risk Through Enhanced Cybersecurity and Privacy Training

As part of our ongoing investment for a better tomorrow, Aflac's Global Threat Intelligence Program provides critical information regarding global cybersecurity threats and recommends action plans to protect policyholders' information. A dedicated information security team detects and blocks millions of data attacks each month, protecting policyholders and employees. Aflac regularly conducts cybersecurity drills with Aflac U.S. and Aflac Japan teams to ensure policyholder data is protected globally. Every Aflac employee is required to complete privacy and security training, and the security team initiates periodic testing of employees' attention to detail through exercises. While phishing attempts may continue as the world becomes more connected, Aflac employees are making substantial efforts to protect our informational assets with the help of Aflac's accountability model.

In 2020 Aflac employees passed 98% of phishing attempt awareness tests.

The accountability framework for employees is detailed as follows:

If an employee fails a fishing test:

- Once, they can voluntarily take a training class.
- Twice, they receive a written warning and must complete an instructor-led training class.
- Three times, they receive a second written warning and are suspended from work for a certain amount of time.
- Four times, their employment is terminated.

Aflac Japan employees are also subject to an accountability model. Phishing exercises are being formalized and aligned globally, and the related metrics will be collected and reported as benchmarking is complete.

Learn more about the [Aflac Incorporated's Cybersecurity Disclosure](#) policy.

Political Activity Report

Aflac has a long history of participating in the democratic process; as an entity that is regulated at the federal and state levels, it's important that we engage with elected officials to help us keep the Aflac promise to our policyholders.

[Read the Political Activity Report](#)

Workforce Overview

We know doing good is good for business, and we do that every day by investing first in our Aflac family. In both Japan and the United States, the Company strives to develop an engaged employee culture by developing programs including career development support and programs, emphasizing work life balance, engaging our employees, and ensuring we show our appreciation for their hard work. Our overarching human capital philosophy is, “If you take care of your employees, your employees will take care of the business.”

Workforce: Aflac U.S.

Employee Wellness and Work/Life Balance

The company encourages employees to keep a healthy mind and body. As part of our commitment, Aflac provides many tools and resources to help employees stay healthy. To assist with Aflac U.S., offers two on-site child care centers and five on-site fitness centers as well as multiple employee health care facilities known as the Aflac Care Clinics at many locations.

Aflac U.S. Health and Wellness, a training and service program, works to enhance organizational health, encourage healthy lifestyles among all U.S. employees, provide diverse wellness programs to meet a wide range of personal health needs, recognize employees for participating in healthier lifestyles activities, and support a positive corporate culture that is focused on celebrating and improving the quality of life for all U.S. employees.

Employee Appreciation

Employee Appreciation Week is designed celebrate and recognize Aflac’s greatest assets – our employees! In the U.S., EAW is held the first week of May as a week-long celebration of Aflac’s greatest assets – its employees. From daily drawings to enjoying snacks and food, each day of Employee Appreciation Week is designed to show employees how much Aflac appreciates them every day of the year.

Employee Engagement, Training and Development

From Employee Appreciation Week to the Diversity World Fair, we prioritize a workplace that is an environment where employees feel valued and look forward to their future with Aflac.

Aflac U.S. regularly partners with civic leaders and other organizations to help develop and inform public policy that assure fair laws and diverse representation that can lead to meaningful change. Called “Continuing the Conversation,” these classes seek to build the trust and comfort needed to tackle difficult subjects candidly.

At Aflac U.S., in response to the social unrest that erupted around the world in the summer of 2020, our senior leaders held a series of virtual town halls, “Our Future, Our Voice.” In

these sessions, leaders transparently talked about their own experiences showing how racism has touched their lives. After those town halls, leaders across the U.S. organization were encouraged to continue the dialogue around race and social injustice. Leaders were provided with a series of development classes that covered issues related to diversity and inclusion. The “Continuing the Conversation” series of five facilitated trainings focusing on fostering an understanding of one’s biases, building trust, having challenging conversations and change. This curriculum intends to better equip leaders for difficult conversations in light of challenging times. Launched in August, over 75% of the target audience have participated in this program. We are continuing this program in 2021 and will cascade it throughout our U.S. employee population.

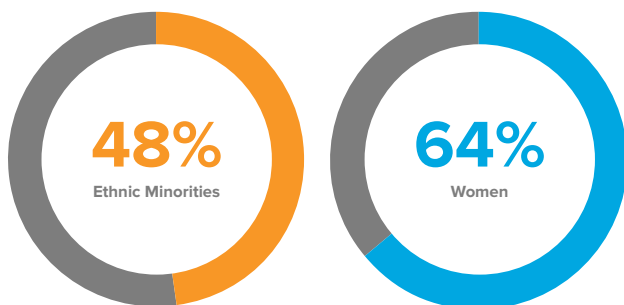
Career Success Center

At Aflac’s Career Success Center, Aflac U.S. employees can meet with career consultants who provide mentoring, coaching, résumé writing, mock interviews, career consultations, exam proctoring and talent assessments. In 2020, the Career Success Center virtually hosted the Career Awareness Expo which included 18 various informative webinars each week from July 14 through August 6, promoting various business areas of interest, career development and progression, and educational partners. Over 1,200 employees participated in the various sessions.

TEACH

TEACH, Aflac U.S.’s mentoring program, allows employees to “teach what they know and to learn what they don’t.”

TEACH mentors are:



COVID-19 Response

In early March, we shifted to a work from home environment for 97% of our employees. At this time, to ensure employees did not lose pay due to COVID-19, we implemented a pandemic leave policy for employees infected with COVID-19, having to care for a family member with COVID-19 or to assist with childcare since daycares and schools were closed. We waived co-pays for virtual health care to encourage employees and their families to utilize the medical service in the safety of their homes. We adopted changes to our 401k plan and benefits programs to allow more flexibility. We also implemented virtual wellness sessions and focus groups to help employees navigate the challenges of remote work and juggling priorities. Our On-site Care Clinics, which include behavioral health coaches, provided drive-through flu shots, shifted to virtual services to maintain the ability to assist our employees, and offered safe and secure, CDC-compliant in-person consultations for the limited number of on-site essential workers.



Voting Initiatives

Aflac has always encouraged participation in elections as part of the democratic process, however in 2020 we hosted a voter education and registration program to ensure our employees and agents were prepared to cast their vote even during a pandemic. Our efforts led to more than 2,000 individuals registering to vote or confirming their registration status. To support this vital work beyond Aflac, we were proud to sponsor National Voter Registration Day in September, with approximately 30 volunteers staffing booths at two voting locations in Columbus to provide drinks and snacks to voters. National Voter Registration Day is a nonpartisan civic holiday that celebrates our democracy where an estimated 1.5 million new or updated voter registrations were completed across the country. To help employees act on this important civic exercise, employees are offered flexible schedules on election day(s).



2020 U.S. CENSUS initiative

Aflac was an official partner of the 2020 U.S. Census, which occurs every 10 years and counts every individual living in the United States only once and at the correct address. On April 1, 2020, the nation observed Census Day. Aflac employees were encouraged to become advocates for the program and spread the word to neighbors and family. Aflac created cobranded Aflac/Census logos for this initiative and shared information with its employees through the employee intranet, internal Facebook page activities, incentive items with letters from Aflac Incorporated's general counsel, two lunch-and-learn sessions with the regional census director and digital signs at all Aflac campuses.



At Aflac Incorporated's headquarters in Columbus, Ga., representatives of the Diversity Council assisted with the effort by distributing information materials in English and Spanish at the regional Tri-City Latino Festival and distributing Census 2020 materials at the annual Tuskegee-Morehouse Football Classic. Additionally, Aflac purchased time on three billboards in Columbus, again cobranded with the Census, to encourage the community to "be counted."



Workforce: Aflac Japan

Employee Wellness and Work/Life Management

The company encourages employees to keep a healthy mind and body. As part of our commitment, Aflac provides many tools and resources to help employees stay healthy. Aflac Japan is certified as a Health and Productivity Management Organization by Japan's Ministry of Economy, Trade and Industry. This certification is awarded for best practices in employee health management, strategically focused work style and development of a socially appreciative work environment. Aflac Japan has also developed a program to promote healthy lifestyles for employees at home and the office, with benefits including women's health programs, healthy meal options in the cafeteria, fitness programs and smoking cessation support.

Aflac Japan offers an on-site child care center and provides support for different parenting stages: before prenatal, during childbirth/child care leave, and balancing work and parental responsibilities.

Japan Work SMART

Aflac Japan promotes workstyle reform through its "Aflac Work SMART" initiative. This initiative aims at maximizing organization-wide performance through such activities as review of employee workstyles, support for work-life management via a system where employees can work without being limited by "time" or "place".

The Aflac Work SMART acronym stands for:



Aflac Japan has instilled the "Five Principles of Work SMART" not only to reduce overtime, but also to promote healthy workstyles and maximize performance of the organization as a whole.

Realizing a better balance between work and home:

Flexible schedules

Aflac Japan offers every employee a flexible work schedule through utilization of shift work and flex-time, as well as paid days-off on an hourly basis. For those utilizing child or nursing care, Aflac Japan offers reduced working hour system where eligible employees can choose work hours from ten options with a combination of shift work.

Remote Work

Aflac Japan provides a working system and environment that enables every employee to work from home. The Company provides remote workers with notebook PCs and/or a USB device that enables privately owned PCs to work as work computer. Aflac Japan has also created a work environment where employees are able to work at home as they do from the office via web conferencing. This mobile work environment also allows easy access to internal information system through tablet devices or smart phones. In addition, to encourage flexible work styles, employees and departments are encouraged to share their experiences or ideas by posting comments on Aflac Japan's intranet forum.

This flexible work style enabled Aflac Japan to rapidly shift to a remote environment and still maintain business operations as the COVID-19 pandemic spread.

In 2020, the Work SMART initiative contributed to workstyle reform across the Company.

- Despite the change of environment due to COVID-19, level of overtime work was unchanged as compared to the previous year.
- 84% of managers and employees took their annual paid leave.
- 100% of employees took their maternity or paternity leave, when applicable.

Aflac Japan provides an annual survey to employees to assess their work styles, and in 2021 Aflac Japan plans to conduct a more comprehensive employee survey.

Implemented “Keep in Fit! My Best Program beyond 2020”

From April 20 to July 26, Aflac Japan implemented “Keep in Fit! My Best Program beyond 2020” connected to the planned 2020 Olympics and Paralympics.

In Aflac’s health management, “Keep in Fit” is an initiative that demonstrates an ideal work-life cycle for employees to enjoy healthy work/life management where they prioritize their journey toward wellness. Although the 2020 Olympics and Paralympics were postponed due to the global pandemic, this program was implemented to increase immune strength and provide good opportunities to connect with one another. In total, 1,700 employees participated in this program.



Employee Appreciation

Employee Appreciation Week is designed to celebrate and recognize Aflac’s greatest assets - employees! To coincide with the anniversary of Aflac Japan’s establishment, each November Aflac Japan holds its annual Employee Appreciation Week. From daily drawings to enjoying snacks, food and family events, Employee Appreciation Week is designed to show employees how much Aflac appreciates them every day of the year.

Employee Engagement, Training and Development

Driven by passion, collaboration and innovation, One Aflac is a voluntary employee group established at Aflac Japan to cultivate employee connections and culture within Aflac the spirit of continual personal and professional improvement. It is open to all Aflac Japan employees at every level, and members are invited to attend many different types of events from self-development seminars about mindfulness to gatherings on career development and having internal employees as lecturers, among many others. In 2020, its activities centered on exchanging information outside of Aflac Japan with major corporation volunteer groups. Members held monthly sessions with “ONE JAPAN,” a consortium of more than 50 volunteer groups with spirits similar to One Aflac, and in October 2020, held an on-line conference among those involved. The goal of One Aflac is to create a virtuous cycle where each employee voluntarily takes on challenges through which new value is created for Aflac. They share this vision with others to help underscore One Aflac’s venues for growth where members are committed to motivating each other, drawing out each other’s best qualities and expanding horizons in a free and vigorous manner.



Workforce Diversity

Aflac was founded in 1955 with a simple philosophy: if we take care of our people, they will take care of the business. Our commitment to diversity and inclusion goes back to the early days of the company when our principal founder, John Amos, a supporter of the Civil Rights movement, encouraged dialogue between blacks and whites. Though time has passed, our commitment continues to this day. Our employees are the bedrock of our company and we greatly benefit from their diverse backgrounds, experiences and ideas.

Aflac is also mindful of the communities in which we operate striving to be reflective of the diversity and actively working to mirror it. We recognize that our success is often defined by what we do each and every day when others aren't looking. It's how we treat all people. It's the opportunity we give to all people. It's about how we embrace diversity and encourage dialogue and inclusiveness. We are committed to doing even better and to continuing to make a difference.

Diversity continues to play an important role at Aflac, as it has for decades. Fostering diversity isn't only the right approach to take; it also makes good business sense. In order to accomplish our goals and serve the communities where we have a presence, we must surround ourselves with a group of people who bring different perspectives to the table.

Over the years, we have brought this same inclusive spirit to Japan where we have boosted our diversity promotion efforts by increasing the number of women in leadership positions.

At Aflac, our commitment goes beyond talking about diversity to actions that foster equity and inclusion. It is reflected in the makeup of our workforce, the equity of our pay policies and the initiatives we continually undertake to make every person feel welcomed and valued. There is no doubt that we are building a stronger company, but we recognize there is more that we can do. Still, we believe we are on the right path.

The Company's corporate culture reflects its commitment to diversity and inclusion at all levels of the Company. For example, at the end of 2020:

46% of Aflac's U.S. employees were minorities and 65% were women.	23% of our U.S. senior officers (VP or higher) were minorities and 30% were women.	44% of Aflac U.S. new hires were ethnic minorities and 56% were women.	64% of our Board were minorities or women (36% of our board were minorities and 36% women).
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In 2020, through its Women's Empowerment Program, Aflac Japan surpassed its goal of reaching 30% of women in leadership positions (assistant manager or higher) one year ahead of schedule, and more progress is being made. Aflac Japan has now raised the bar and is on pace for a new target of 30% of manager or higher positions to be filled by women by the end of 2025 and has achieved a milestone of 20% by the end of 2020 as planned.

Employee Demographics by Position (CSR)

Please Note:

- Rows do not add up to 100%, as categories are not mutually exclusive
- U.S. Workforce Demographics Only: As of Dec. 31, 2020
- Includes EEO-1 categories of Administrative Support Workers, Craft Workers (Skilled), Operatives (Semi-Skilled), Laborers (Unskilled), Service Workers and Technicians

All Employees	Women	White	Minority
Executive/Senior Officials & Managers	18.4%	73.7%	26.3%
First/Mid-Level Officials & Managers	51.3%	68.1%	31.9%
Professionals	60.0%	60.6%	39.4%
Sales Workers	38.2%	87.8%	12.2%
All Others	81.4%	34.4%	65.6%
Total	65.1%	57.3%	46.3%

Minorities (Part A)	Black or African American	Asian	Hispanic
Executive/Senior Officials & Managers	15.8%	5.3%	2.6%
First/Mid-Level Officials & Managers	19.1%	5.5%	5.2%
Professionals	24.2%	6.0%	5.8%
Sales Workers	3.4%	1.0%	5.2%
All Others	54.5%	1.2%	6.9%
Total	33.5%	3.7%	6.1%

Minorities (Part B)	Native Hawaiian or Other Pacific Islander	Native American or Alaska Native	Two or More Races
Executive/Senior Officials & Managers	0.0%	0.0%	2.6%
First/Mid-Level Officials & Managers	0.1%	0.2%	1.7%
Professionals	0.1%	0.4%	2.9%
Sales Workers	0.0%	0.0%	2.6%
All Others	0.2%	0.3%	2.6%
Total	0.1%	0.3%	2.6%

To learn more about Aflac Incorporated's Statement on Human Rights, Human Capital Management, Diversity and Inclusion and Supply Chain Approach, please visit <https://esg.aflac.com/policies>

Diversity Councils

In both the U.S. and Japan, we have created diversity councils that include employees from various levels that meet each quarter to discuss activities and initiatives. The councils are designed to create avenues in which people can communicate and appreciate one another's differences.



Heartful Services

Established in 2009, Aflac Heartful Services Co., Ltd. (Aflac Heartful Services), a special subsidiary of Aflac Japan, promotes the hiring of employees with disabilities. Aflac Heartful Services has established a work environment and provides, among other things, specialized training, specially-trained supervisors and development opportunities to support those with disabilities. In addition, with or without a disability, it offers job assistance for those who have experienced pediatric cancer. Of Aflac Heartful Services' 146 employees as of December 31, 2020, 116 have a disability and five experienced pediatric cancer. Aflac Heartful Services supports these employees with the assistance of advisors for long-term career support.

Philanthropy

Aflac Cancer and Blood Disorders Center

2020 marked an important milestone for the Aflac Cancer and Blood Disorders Center at Children's Healthcare of Atlanta: the 25th anniversary of its establishment. Since its doors first opened in 1995, the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta has become nationally renowned as one of the leading childhood cancer, hematology, and blood and marrow transplant programs in the United States. With innovative research programs and cutting-edge treatment options, the five-year survival rate for childhood cancer has improved dramatically, from 20% in 1965 to greater than 80% today. This worthwhile cause is very near and dear to the heart of the Aflac family, including the Aflac Foundation, Inc., our executives, employees and the field force, whose generous contributions help to provide a steady flow of funding for research. In total, Aflac's contributions to the Aflac Cancer Center have exceeded the \$150 million mark. This generosity has greatly contributed to the Aflac Cancer Center's success and distinction in research, which has earned the Aflac Cancer Center recognition as one of the top pediatric cancer programs in the United States by U.S. News and World Report.



"The Aflac Cancer and Blood Disorders Center has been a constant North Star for our company for 25 years and continues to instill pride for our employees and our independent field force, which gives so generously so that these precious children receive the highest level of care that they need and deserve," said The Aflac Foundation, Inc. President Kathelen Amos. "From its beginnings in 1995 as a fine regional pediatric cancer program, the Aflac Cancer Center, whose dedicated doctors, nurses and health care professionals work tirelessly to innovate and improve care for children and their families,

is now one of America's top-10 childhood cancer facilities, according to U.S. News and World Report. This National Childhood Cancer Awareness Month we pledge to continue our ongoing commitment to finding cures and providing more hope to more families."

As part of its month-long celebration, Aflac paid tribute to frontline workers helping children facing cancer, beginning with the Aflac Childhood Cancer Foundation awarding \$2,500 grants to 10 child life programs across the U.S. to commemorate Aflac's 25-year history of supporting the cause. The grants, which are in addition to Aflac's ongoing \$150-plus million support for childhood cancer, are the result of careful selection of recipients chosen among nearly 60 applicants.



To further commemorate National Childhood Cancer Awareness Month, Aflac is celebrated its 25th year of supporting childhood cancer by celebrating 25 childhood cancer heroes through its "25 for 25" Facebook campaign. The company also recognized four special pediatric cancer survivors treated at the Aflac Cancer Center and who are now health care providers at the very hospital at which they were treated as children.

As part of the 25th anniversary celebrations, The Aflac Childhood Cancer Foundation, Inc. saluted the important role of the child life specialist in the health and well-being of children going through treatment for cancer by awarding \$25,000 in total funding to 10 child life programs at hospitals across the country. For this second year of the awards, the Foundation increased not only the number of awardees, but also the total grant amount in honor of Aflac's 25th year of commitment to pediatric cancer treatment and research.

The ten awardees were selected from a pool of 57 applicants requesting funding for projects, activities and supplies used in their work providing psychological and emotional support not only to pediatric cancer patients, but also to their siblings. The 10 grant recipients for 2020 each received \$2,500 for their proposed use.

Aflac recognizes that as frontline workers who have incredible resolve in their mission to make each child's experience better, child life professionals are among the many unsung heroes in the fight against childhood cancer, and that their impact on the pediatric oncology family support system is immeasurable.

Aflac Parents House

A large part of being a well-respected and trusted company includes being a compassionate and socially responsible company. Aflac Japan recognizes that social responsibility is an essential element of our purpose. As a company, the Aflac Japan family cares deeply about our communities, and it is our privilege to help where we can. When a child is diagnosed with cancer or other serious medical conditions, he or she often must travel to Tokyo or Osaka from other parts of Japan to receive treatment, which is often an ongoing process. To help provide a level of assistance, the first Aflac Parents House, which was established in 2001 through a donation from Aflac Japan serves as a home-away-from-home where pediatric patients and their families can temporarily live together while they support their child's battle with cancer or numerous other serious illnesses. Parents House is also utilized as a comprehensive support center for consultation and events related to pediatric cancer. Supported through generous donations from Aflac Japan's sales agents, employees and officers, the three Parents House locations (two in Tokyo and one in Osaka) have helped to provide assistance to more than 140,000 people.



Donation to Support Pediatric Cancer

In 2020, Aflac Japan and the National Association of Aflac Associates donated ¥46 million to help groups supporting pediatric cancer who are facing fundraising difficulty as a result of the pandemic.

COVID-19 has dramatically changed the environment for pediatric cancer patients and their families. In addition to the direct anxieties of contracting COVID-19 during cancer treatment, pediatric cancer patients and their families face added financial pressure by having to avoid potential COVID-19 exposure, such as by taking taxis and other non-public modes of transportation rather than crowded trains. Patients and their families are also incurring greater hotel and accommodation expenses due to issues such as support facility temporary closures and reduced flights. In addition, cancer support groups are struggling with reduced amount of donations due to the lack of face-to-face fund raising activities and charity event opportunities.

To address these circumstances, Aflac Japan has called for donation from its officers and employees as well as from the National Association of Aflac Associates. Aflac Japan matched the donations and contributed to the total to the Gold Ribbon Network and Children's Cancer Association of Japan.



Cancer Awareness Classroom

Aflac recognizes the duty and responsibility that comes with being the pioneer and leading company for cancer insurance. As the pioneer of cancer insurance, consumers have placed their trust in our company and our products. We work hard each day to be good stewards of that trust. At Aflac Japan, for example, we are actively engaged in cancer prevention awareness and education regarding the importance of early

detection and seeking out the latest treatments through our partnership agreements with all 47 prefectures in Japan. We held the cancer awareness exhibitions 101 times and have welcomed more than 320,000 visitors since 2004. In recent years, Aflac cancer awareness exhibitions have focused on dynamic classroom settings to ensure that as many citizens as possible take part. 21 such exhibitions have taken place across Japan, reaching more than 60,000 visitors.

Aflac Japan All Ribbons

Aflac strives not only to provide peace of mind to our policyholders, but also compassionate help to our employees. With that in mind, in 2017, Aflac Japan pioneered a volunteer peer-based employee community called “All Ribbons” for employees who experienced cancer. At All Ribbons, members themselves provide support to employees who are battling cancer and struggling to balance treatment and their jobs by leveraging their own unique experiences and by presenting opportunities such as archiving and posting of “experiences for cancer/ job balancing talks” or “employee consulting services.” In addition to these support activities, All Ribbons also hosts panel discussions and a meeting place called All Ribbons Cafe for fellow employees and provides cancer services information.



Volunteer Hours by Location (Japan and U.S.)

Aflac's steadfast philanthropic initiatives and volunteerism are grounded in "leaving our duckprints." In the U.S., employees and independent sales agents have donated more than \$150 million to support pediatric cancer research and treatment and the Aflac Cancer and Blood Disorders Center through 2020.

In Japan, we support those facing childhood cancer through initiatives such as the Aflac Parents House, where children being treated for diseases such as childhood cancer and their families can stay at a low price; scholarships for high school students who have lost their parents to cancer or who have experienced childhood cancer themselves; and supports the Gold Ribbon activities and more, including initiatives to improve the cancer screening rate in Japan.

In the U.S., more than 10,900 volunteer hours were logged by 167 employees in 2020

Red Cross

In 2020, the Aflac Foundation contributed \$25,000 to help purchase a much-needed biomedical vehicle used to conduct blood drives in the Columbus metropolitan area, where Aflac Incorporated's worldwide headquarters is located. This vehicle transports equipment and supplies and takes local blood donations to Red Cross processing, testing and storage facilities.



United Way

Through employee, retiree, and corporate contributions, in 2020, Aflac donated more than \$900,000 to United Way of the Chattahoochee Valley to support the local community.



My Special Aflac Duck®

In Japan and the U.S., Aflac Incorporated believes in doing good for future generations. That takes shape in many ways within the Aflac family, but most prominently in our dedication to children and families facing childhood cancer. We know it takes more than medicine to help children cope with cancer. That's why Aflac delivers My Special Aflac Duck free of charge to children in the U.S. and Japan to assist them as they undergo cancer treatments. It's an investment – for the children, their families and their futures.

In addition to supporting the treatment and research of childhood cancer, Aflac wanted to do more. We wanted to give children with cancer something they could literally hold on to... something that would give them joy and help them on their journey. Aflac delivered on this commitment with My Special Aflac Duck, our smart comforting companion that helps children feel less alone by using interactive technology during their cancer treatment. A compatible web-based app enables children to mirror their care routines, including medical play, lifelike movement and emotions to engage and help bring comfort to children during their cancer care journey.

Each year, more than 15,000 children are diagnosed with cancer in the United States, and Aflac's goal is to gift each newly diagnosed child in the United States, above the age of three, his or her very own My Special Aflac Duck completely free of charge. By the end of 2020, Aflac had delivered more than 10,000 My Special Aflac Duck units to children across the U.S. and Japan. Through the Aflac Childhood Cancer Campaign, Aflac Cancer Center, and now, My Special Aflac Duck, Aflac is committed to providing support, hope, time and resources to children with cancer.

Pay Equity

Aflac Japan is reforming its human capital management system. Starting in 2021, a new system for management was introduced and from 2022 a new system for general employees will be established. Under the new system, jobs are assigned specific grades according to the respective position duties and responsibilities. Factors such as gender, age and race are not used in determining a job grade, and every job provides an equal opportunity for all employees. Aflac Japan's total reward system provides competitive market-based compensation to acquire and retain talent. Aflac Japan's Human Capital Policy Committee, which is led by the Aflac Japan president and consists of senior management, conducts annual monitoring of the personnel system for equity and fairness and evaluates job grades and compensation for consistency and adequacy.

In 2020, 340 job titles held by both men and women at Aflac U.S. were reviewed, accounting for 3,458 employees. Among those positions, the salary ratio (compensation for women relative to men) was par; 99%.

Logan Cheadle, Aflac U.S. Sales Agent

Independent Aflac Sales Agent and District Sales Coordinator Logan Cheadle knows the value of teamwork, hard work and service. After earning a full football scholarship, Logan attended the University of Missouri, majoring in health science and becoming the first person in his family to graduate from college. It was during his senior year that he was recruited and hired to participate in a regional internship with a local independent Aflac sales agent. Fast forward four years, and Logan is still with Aflac, but these days he is mentoring other sales agents in his role as district sales coordinator.

As a former cornerback with the Mizzou Tigers, Logan knows how to work as part of team, pivot quickly and go the extra mile to deliver a win. When the COVID-19 pandemic struck, Logan and his team pivoted quickly to try to keep the ball moving in terms of navigating pandemic conditions. Beginning in early 2020, Logan was instrumental in Aflac's U.S. national pilot program, helping to develop long-term best practices to assist the U.S. sales force with navigating the pandemic. Leveraging technology and experience in the field, the pilot team helped create unique tools and resources for the sales force to leverage nationwide, including auto scheduling, account landing pages, direct marketing tools and tactics, and enhancing remote enrollment capabilities and options for Aflac's independent sales agents across the U.S.

“Being there for policyholders now, when many of them need us more than ever before, is paramount, and it’s our privilege as members of the sales force to help educate employers and employees about the value of Aflac’s policies and the difference those policies can make when an illness strikes or an accident occurs. I have always enjoyed helping people and been interested in health. Selling Aflac insurance allows me to help people, because I know what a difference it can make in policyholders’ lives and livelihoods, and I am passionate about educating others about that.”

Allison Lariviere, Customer Care Specialist

Our greatest commitment at Aflac lies in our promise to be there for our policyholders when they need us most. Helping to deliver on that promise each and every day, Allison Lariviere embodies Aflac's idea of going above and beyond to assist its policyholders. Allison joined Aflac's Omaha, Neb. Customer Solutions Center in 2019 as a customer care specialist, where she is dedicated to assisting customers with filing claims and answering calls covering array of questions related to their Aflac policies, including cancer, accident, critical illness and disability. Realizing that Aflac's policyholders are often facing one of the most difficult challenges of their lives – an accident or event that has left them disabled or a cancer diagnosis – Allison is both passionate and compassionate in assisting Aflac's policyholders. Amid the COVID-19 pandemic, Allison has helped to coach other customer care specialists with creative ways to help streamline their workflow and respond efficiently to policyholder calls while working remotely, including volunteering to help other customer care specialists through the peer-to-peer assist line and direct coaching assistance.

“Being there to help our customers file their Aflac claims, answer questions and calm concerns among policyholders the Aflac way has never been more important as we all navigate the challenges of this pandemic. The COVID-19 crisis has required people to pivot both personally and professionally; our lives continue on, and unfortunately personal challenges related to our health and well-being still arise whether they are directly related to the pandemic or not. I’m glad to be a part of Aflac, and to have the unique opportunity to help provide a measure of comfort to our policyholders and assist them with their calls and claims, especially during this crisis; that is extremely rewarding to me.”

Yukari Hashimoto, Vice President, Contact Center Management, Policy Maintenance and Premium Accounting Departments

Yukari Hashimoto joined Aflac Japan's Policy Maintenance Department in 1989, and her career has been progressing through positions of increasing responsibility over the last three decades. Following her recent role as general manager of Diversity Promotion, in January 2021, she was promoted to vice president over the Contact Center Management, Policy Maintenance and Premium Accounting Departments. Reflecting on her career, she commented:

"One of the most significant events that impacted my career was my recent experience in the Diversity Promotion Department. The business environment is changing dramatically, and customer needs are diversifying. If we don't flexibly adapt and respond to these changes, we will not be able to win as a company. I believe that better answers come from constructive discussions where we are open to the differing opinions of others. I think it is important to create a diverse workforce that is able to express their opinions and work actively and vibrantly."

Aflac
新任役員インタビュー
橋本ゆかり 執行役員



Naoko Matsuura, Manager, Aflac Japan's Premium Accounting Department

Naoko Matsuura joined Aflac Japan in 2004 and has been promoted multiple times, most recently to manager of Aflac Japan's Premium Accounting Department. Reflecting on the advancement in her career, she commented:

"Through experiencing a group leader's responsibilities, I started realizing how seeing others grow and develop is a passion for me. After being promoted to assistant manager and taking several programs regarding opportunities for female managers, being promoted to a manager gradually came into my sight. It is my personality to take on challenges, including the manager position. As a manager, there have been many times when I have faced obstacles, but these challenges have increased my abilities to do my job and broadened the scope of my job. Accordingly, my thoughts and perspective widened. I myself experienced how utilization of training and systems provided by the company can motivate employees. As a manager, I would like to leverage my experience to support team members and colleagues."



SmartGreen

With LEED Gold-certified buildings in Japan and the U.S. and an Energy Star rating for 86% of our eligible space in the U.S., Aflac Incorporated remains committed to making our communities, cities and planet better places. The Aflac Incorporated board of directors' Corporate Social Responsibility and Sustainability Committee leads green efforts according to the Aflac SmartGreen®. These beliefs pave the way toward becoming a more socially responsible company and put us even closer to achieving our goal of reducing our carbon emissions by 75% by 2030 in the U.S. and Japan. Aflac became carbon neutral in 2020 for Scopes 1 and 2 by reducing emissions and by purchasing renewable energy credits and carbon offsets. To be a leading steward of the planet, Aflac is committing to a carbon neutrality goal by 2040 and net zero emissions by 2050. This net-zero climate commitment will require a comprehensive and transparent approach to both defining Scopes 1 through 3 emissions and developing a formal plan to meet our commitments. We will, therefore, provide appropriate reporting and hold ourselves accountable along the way.

SMARTGREEN PHILOSOPHY: Wisely choose, use and dispose of the resources we use each day and focus these actions in five categories:

- Business operations
- Strategic sourcing and procurement
- Facilities management
- Waste management
- Employee engagement

To support SmartGreen, Aflac Incorporated has taken measures to ensure this framework is implemented throughout the company. Aflac Japan built an environmental management promotion system to ensure advocacy throughout our workforce. This system has three pillars:

- The Environmental Management Promotion Committee oversees overall environmental policy management throughout the company.
- The Environmental Management Promotion Council is made up of employees who volunteered to serve on the council. They plan and carry out environmental policy initiatives by leveraging every member's knowledge and experiences.
- The Environmental Management Advocates are employees located at 20 Aflac Japan locations to implement environmental conservation activities.

Additionally, more than 60 employees in the U.S. – aka Aflac Greenbassadors – volunteer to support Aflac's green goals by coordinating events and offering program communication support to business departments. This Green Committee also encourages employees to think green not just at work, but at home, as well.

Aflac Japan created the Environmental Management Declaration in 2019. In this declaration, Aflac Japan is committed to:

- Environmentally friendly behaviors in its business
- Compliance with applicable laws and regulations related to the environment
- Promotion of environmental education and social contributions
- Ongoing promotion of improvements to the environment

Paperless Initiative

Aflac Japan's IT team launched a "No Paper" campaign to encourage employees to go paperless and reduce the consumption of paper resulting in about a 65% reduction in 2019. Aflac Japan has expanded this initiative companywide. Beginning in 2020, Aflac Japan began aggressively working through a three-year paperless initiative as we made progress in digitalizing operations and driving efficiencies throughout the value chain to significantly reduce paper usage. This initiative represents a ¥10 billion investment and will reduce paper consumption by approximately 80 million pieces of paper per-year.

Aflac Global Investments: Responsible Investing

Aflac Global Investments encompasses Aflac's asset management subsidiaries responsible for investing and protecting the policyholder funds entrusted to us by Aflac Incorporated's insurance subsidiaries.

Our team contributes to Aflac's long-term success by seeking to maximize long-term returns and preservation of capital based on an investment foundation of strategic asset allocation and a conservative asset and liability management approach that focuses on making investments across a diversified portfolio of high-quality assets. We employ a disciplined investment strategy to evaluate numerous factors when assessing the appropriateness of all new and existing investments. This includes extensive fundamental research on every asset class in which we invest and credit research on every individual investment that we make to thoroughly analyze business and financial risks.

Integrating ESG factors into Aflac Incorporated's business has been a critical part of our operations for more than 30 years and extends to Global Investments' core investment philosophy. We believe this leads to better decisions with respect to the sustainability of an investment and its risk and return profile, while helping to make a positive financial and social impact on all of Aflac's stakeholders.

We leverage our reach and resources to analyze climate-related risks, natural resources, pollution and waste, human capital, product safety, social opportunity, corporate governance and ethics. Our comprehensive credit process entails assigning a proprietary ESG score as part of our core fundamental analysis that captures our assessment of ESG-related factors to an issuer's overall business, financial and credit prospects. We also leverage our relationships with companies' management teams to help us verify and amplify our analysis from our internal scoring. This is a rigorous and thorough underwriting process, but we believe it is the best and right way to invest.

Our ESG investment approach applies to our portfolios, including assets for which we may employ third-party asset managers. Our external manager relationships span multiple asset classes, including debt and equity positions in public and private companies, as well as real assets such as real estate that may have direct exposure to climate and other environmental risks. We take great care to evaluate the ESG policies of our external managers, and we require each to undergo a due diligence process, including an annual review, and assessment of how ESG considerations are integrated into their investment process.

Our work to date has paved the way for what we believe is helping to make a direct and measurable positive impact on society and the environment. As of December 2020, our impact and sustainable investments total over \$1.7 billion of private and public investments in:

- Municipal and other bonds that support affordable housing, education, hospitals, public transit, water facilities and similar investments supporting local communities in the United States, Japan and other markets;
- Bonds issued in the public markets that qualify as green or sustainable bonds;
- Infrastructure debt that supports the expansion of renewable energy initiatives, including investments by Aflac Japan for the advancement of solar power in Japan; and
- Investments in minority-and women-owned private equity funds.

We are committed to enriching our ESG investments as we continue to further review and develop our investment framework. For additional information on our current investment portfolio, please see Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ending Dec. 31, 2020.

To learn more about related policies and statements, please visit esg.aflac.com/policies.

Energy Management / ISO – Leading the Way Toward Making a Real Difference

Through energy conservation efforts beginning in 2007, Aflac U.S. has saved more than \$20 million in electricity costs.

Aflac is the first insurance company in the U.S. to achieve ISO 50001:2011 Energy Management Systems certification and the only insurance company in the U.S. to achieve both ISO 50001:2011 Energy management systems and ISO 14001:2015 Environmental Management.

Aflac Incorporated's leadership in corporate responsibility is centered around limiting the Company's carbon footprint and ultimately helping make our communities, cities and planet a better place. Risks, including climate change, natural disasters, epidemics and related risks, are identified and evaluated based on financial impact and probability. These risk profiles are monitored, and every three months, our "Risk Register" is reported to the management Global Risk Committee (GRC) and its interdepartmental executives. Overall, Aflac Incorporated believes environmentally friendly and prudent business actions serve to enhance our corporate reputation, improve talent recruitment and retention, and reduce business expenses, making them integral to our performance.

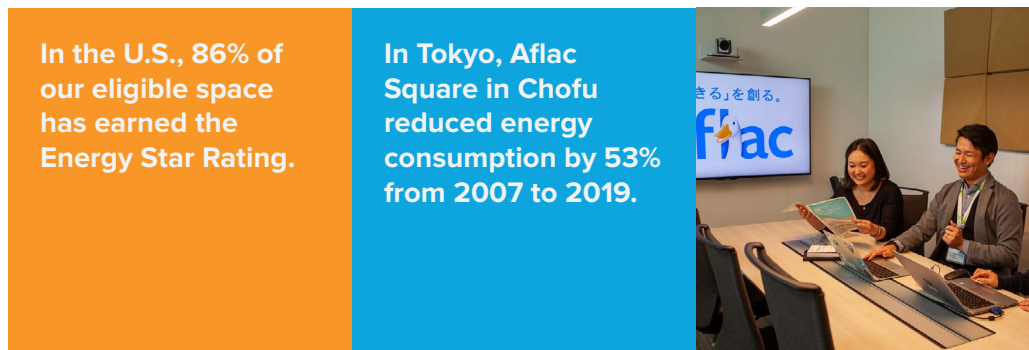
Aflac U.S. is ISO 14000 certified in its operations. Before that, Aflac became the first insurance company in the U.S. to be ISO 50001 Energy Management System registered, which represents the latest best-practice in energy management. We became recertified in 2019 with zero nonconformance issues.

Aflac Square in Chofu and the Aflac U.S. CSC building are LEED Gold certified. In addition, we installed 500 solar panels on one of our Columbus buildings, and in the U.S., 86% of our eligible space has earned the Environmental Protection Agency's Energy Star Rating. Our data center was the 10th data center in the U.S. to become Energy Star certified.

Through sustained and deliberate energy saving measures, the company has reduced its total electricity consumption in U.S. owned corporate real estate by more than 20% in 2020. The significant decrease in electricity was due to energy reduction initiatives and reduced building occupancy due to COVID-19. Since 2007, the electricity consumption in Aflac U.S. has been reduced by over 50% KWH per square foot. This has saved Aflac U.S. over \$20 million in expenses and successfully marks the goal of reducing electricity consumption in the U.S. by 50% by 2025 against the 2007 baseline. Aflac now intends to reduce U.S. electricity use by at least 70% by 2030 against the 2007 baseline.

Energy and Gas Reduction:

To invest in a better future, Aflac began reducing its electricity consumption in 2007 in the U.S. and will continue to reduce it by 50% per square foot by 2025.



Carbon Emissions Reduction:

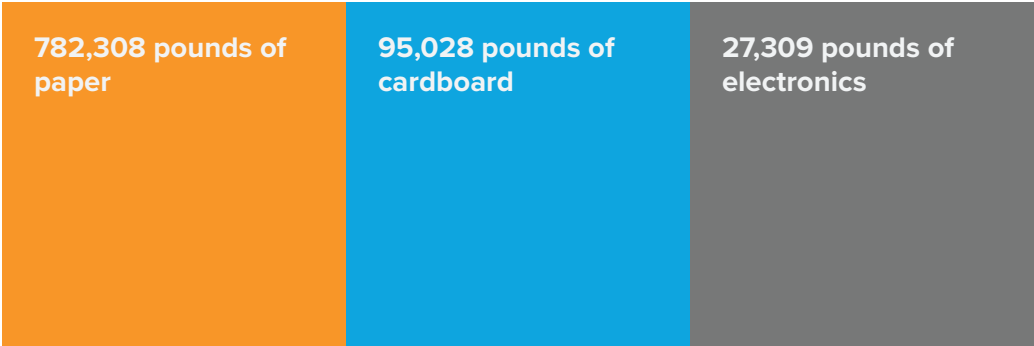
Aflac became carbon neutral in 2020 for Scopes 1 and 2 by reducing emissions and by purchasing renewable energy credits and carbon offsets.

- There has been a more than 60% reduction in carbon emissions for Aflac U.S. since the 2007 baseline.
- There has been a 43% reduction in carbon emissions for Aflac Square in Chofu since the 2007 baseline.
- The absolute Scope 1 emissions (by facilities) in Aflac U.S. for 2019 were 3,512 mtCO₂e (metric tons of carbon dioxide equivalents). This represents more than a 48% reduction since the 2007 baseline (6,805 mtCO₂e)
- The Scope 2 emissions (location-based) in Aflac U.S. for 2019 were 10,619 mtCO₂e, representing a 6.8% decrease year over year and 64.3% reduction from the 2007 baseline of 29,765 mtCO₂e. In 2020, Aflac US contracted to construct a solar array that is expected to reduce Aflac U.S. Scope 2 emissions by as much as 10%. Construction is anticipated to complete in the third quarter of 2021.
- In 2019, Aflac Japan's Scope 1 and Scope 2 emissions decreased by about 43% since our 2007 baseline of 4,842 mtCO₂e.
- Aflac Japan's 2,762 mtCO₂e Scope 1 and Scope 2 emissions in 2019 represent a 9.2% decrease from the prior year.
- On March 1, 2021, Aflac Square in Chofu converted 100% of its electricity to renewable energy that does not emit CO₂.

Recycling

The waste reduction and recycling strategy for Aflac U.S. diverted more than 750,000 , pounds of paper waste from the landfill in 2020, and our recycling strategy diverted over 900,000 pounds of solid waste from the landfill for U.S.-owned properties. With more than half our U.S. employees working outside of our properties in 2020, the percentage of waste recycled increased from 64% to 80% and waste sent to landfills decreased from 625,240 pounds to 223,980 pounds. Our senior vice president of Share Services and Greenbassador employee network strive to increase the amount of printed materials printed on Forest Stewardship Council-certified paper to 90% by 2025 . In Japan, recycled plastics are used for power generation and recycled paper is reused, earning Aflac Japan a 65% recycling rate. Aflac Japan’s green purchasing accounts for 81.9% of office stationery supplies. In Aflac Japan’s office, about 62% of waste is recycled and reused.

Aflac U.S. recycled 904,645 pounds of waste in 2020 including:



To learn more about Aflac Incorporated’s Climate Change 2020 submission to CDP, [click here](#).

Glossary of Non-U.S. GAAP Measures

Adjusted earnings

The Company defines adjusted earnings as the profits derived from operations. The most comparable U.S. GAAP measure is net earnings. Adjusted earnings are adjusted revenues less benefits and adjusted expenses. The adjustments to both revenues and expenses account for certain items that cannot be predicted or that are outside management's control. Adjusted revenues are U.S. GAAP total revenues excluding net investment gains and losses, except for amortized hedge costs/income related to foreign currency exposure management strategies and net interest cash flows from derivatives associated with certain investment strategies. Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest cash flows from derivatives associated with notes payable but excluding any nonrecurring or other items not associated with the normal course of the Company's insurance operations and that do not reflect the Company's underlying business performance.

Adjusted earnings per share (basic or dilutive)

The Company defines adjusted earnings per share (basic or diluted) to be adjusted earnings for the period divided by the weighted average outstanding shares (basic or diluted) for the period presented. The most comparable U. S. GAAP measure is net earnings per share.

Adjusted earnings excluding current period foreign currency impact

The Company computes adjusted earnings excluding current period foreign currency impact using the average foreign currency exchange rate for the comparable prior-year period, which eliminates fluctuations driven solely by foreign currency exchange rate changes. The most comparable U.S. GAAP measure is net earnings.

Adjusted earnings per diluted share excluding current period foreign currency impact

The Company defines adjusted earnings per diluted share excluding current period foreign currency impact as adjusted earnings excluding current period foreign currency impact divided by the weighted average outstanding diluted shares for the period presented. The most comparable U.S. GAAP measure is net earnings per share.

Adjusted earnings per share scenarios

The Company defines, adjusted earnings per share (basic or diluted) as adjusted earnings for the period divided by the weighted average outstanding shares (basic or diluted) for the period presented. In reliance on the unreasonable efforts exception in Item 10(e)(1)(i)(B) of SEC Regulation S-K, a quantitative reconciliation to the most comparable U.S. GAAP measure is not provided for this financial measure. Forward-looking information with regard to the most comparable U.S. GAAP financial measure, earnings per share, is not available without unreasonable effort. This is due to the unpredictable and uncontrollable nature of these reconciling items, which would require an unreasonable effort to forecast and we believe would result in such a broad range of projected values that would not be meaningful to investors. For this reason, we believe that the probable significance of such information is low.

Adjusted revenues, excluding current period foreign currency impact

The Company defines adjusted revenues, excluding current period foreign currency impact as adjusted revenues calculated using the average foreign currency exchange rate for the comparable prior year period, which eliminates fluctuations driven solely by foreign currency exchange rate changes. The most comparable U.S. GAAP measure is total revenues.

Adjusted return on equity

The Company defines adjusted return on equity as adjusted earnings divided by average shareholders' equity, excluding accumulated other comprehensive income (AOCI). The most comparable U.S. GAAP financial measure is return on average equity (ROE) as determined using net earnings and average total shareholders' equity.

Adjusted return on equity excluding foreign currency impact

The Company defines adjusted return on equity excluding foreign currency impact as adjusted earnings excluding the current period foreign currency impact divided by average shareholders' equity, excluding AOCI. The most comparable U.S. GAAP financial measure is ROE as determined using net earnings and average total shareholders' equity.

U.S. dollar-denominated investment income excluding foreign currency impact

The Company determines amounts excluding foreign currency impact on U.S. dollar-denominated investment income using the average foreign currency exchange rate for the comparable prior year period.

Amortized hedge costs/income

Amortized hedge costs/income represent costs/income incurred or recognized as a result of using foreign currency derivatives to hedge certain foreign exchange risks in the Company's Japan segment or in the Corporate and Other segment. These amortized hedge costs/ income are estimated at the inception of the derivatives based on the specific terms of each contract and are recognized on a straight line basis over the term of the hedge. There is no comparable U.S. GAAP financial measure for amortized hedge costs/ income.

Adjusted book value

The Company defines adjusted book value as U.S. GAAP book value (representing total shareholders' equity), less Accumulated Other Comprehensive Income (AOCI) as recorded on the U.S. GAAP balance sheet. The most comparable U.S. GAAP measure is total book value. The Company considers adjusted book value important as it excludes AOCI, which fluctuates due to market movements that are outside management's control.

Adjusted book value per common share

The Company defines adjusted book value per common share as adjusted book value at the period end divided by the ending outstanding common shares for the period presented. The most comparable U.S. GAAP measure is total book value per common share.

Adjusted book value, including unrealized foreign currency translation gains (losses)

Adjusted book value including unrealized foreign currency translation gains (losses) is adjusted book value plus unrealized foreign currency translation gains (losses). The most comparable U.S. GAAP measure is total book value.

Adjusted book value, including unrealized foreign currency translation gains (losses) per common share

Adjusted book value including unrealized foreign currency translation gains (losses) per common share is adjusted book value plus unrealized foreign currency translation gains (losses) divided by the ending outstanding common shares for the period presented. The most comparable U.S. GAAP measure is total book value per common share.

Adjusted book value, including unrealized foreign currency translation gains (losses) and pension liability adjustment

Adjusted book value including unrealized foreign currency translation gains (losses) and pension liability adjustment is adjusted book value plus unrealized foreign currency translation gains (losses) and pension liability adjustment. The most comparable U.S. GAAP measure is total book value.

Note: The pension liability adjustment referred to above is equal to the pension liability adjustment measured under U.S. GAAP and disclosed within AOCI in the Consolidated Balance Sheet.

Adjusted debt

The Company defines adjusted debt as the sum of notes payable, as recorded on the U.S. GAAP balance sheet, excluding 50% of subordinated debentures and perpetual bonds and all pre-funding of debt maturities. The most comparable U.S. GAAP measure is notes payable.

Note: Pre-funding of debt maturities refers to new debt proceeds that will be used to extinguish existing debt at a later date. These amounts are excluded to avoid "double counting" of debt issuances that are meant to represent one liability and temporarily are both outstanding due to the "roll over" timing.

Adjusted debt, including 50% of subordinated debentures and perpetual bonds

The Company defines adjusted debt, including 50% of subordinated debentures and perpetual bonds as the sum of notes payable, as recorded on the U.S. GAAP balance sheet, excluding pre-funding of debt maturities. The most comparable U.S. GAAP measure is notes payable.

Adjusted net investment income

The Company defines adjusted net investment income as net investment income adjusted for i) amortized hedge cost/income related to foreign currency exposure management strategies and certain derivative activity, and ii) net interest cash flows from foreign currency and interest rate derivatives associated with certain investment strategies, which are reclassified from net investment gains and (losses) to net investment income. The most comparable U.S. GAAP measure is net investment income. The Company considers adjusted net investment income important because it provides a more comprehensive understanding of the costs and income associated with the Company's investments and related hedging strategies.

Board of Directors

Daniel P. Amos

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Chief Executive Officer
Aflac Incorporated

W. Paul Bowers

Chairman, President and
Chief Executive Officer
Georgia Power Co.

Toshihiko Fukuzawa

President and CEO
Chuo Real Estate Co., Ltd

Thomas J. Kenny

Former Partner and Co-Head
of Global Fixed Income
Goldman Sachs Asset Management

Georgette D. Kiser

Operating Executive
The Carlyle Group

Karole F. Lloyd

Certified Public Accountant and Retired
Ernst & Young LLP
Audit Partner

Nobuchika Mori

Representative Director, Japan Financial
and Economic Research Co. Ltd.

Joseph L. Moskowitz

Retired Executive Vice President
Primerica, Inc.

Barbara K. Rimer, DrPH

Dean and Alumni Distinguished
Professor, Gillings School of Global Public
Health, University of North Carolina,
Chapel Hill

Katherine T. Rohrer

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Melvin T. Stith

Dean Emeritus of the Martin J. Whitman
School of Management at
Syracuse University

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Chairman and
Chief Executive Officer
Aflac Incorporated

Frederick J. Crawford

President and
Chief Operating Officer
Aflac Incorporated

Max K. Brodén

Executive Vice President
Chief Financial Officer
Aflac Incorporated

Charles D. Lake II

President, Aflac International
Chairman and Representative Director,
Aflac Life Insurance Japan

Masatoshi Koide

President and
Representative Director
Aflac Life Insurance Japan

Teresa L. White

President
Aflac U.S.

Eric M. Kirsch

Executive Vice President and Global
Chief Investment Officer; President
Aflac Global Investments

Audrey Boone Tillman

Executive Vice President
General Counsel
Aflac Incorporated

J. Todd Daniels

Director, Executive Vice President
Chief Financial Officer
Aflac Life Insurance Japan

Koji Ariyoshi

Director, Executive Vice President
Director of Sales and Marketing
Aflac Life Insurance Japan

Yoko Kijima

Director, Executive Vice President
Chief Administrative Officer
Aflac Life Insurance Japan

Virgil R. Miller

Executive Vice President
President, Individual Benefits Division
Aflac U.S.

Richard L. Williams Jr.

Executive Vice President
President, Group Benefits Division
Aflac U.S.

Koichiro Yoshizumi

Executive Vice President; Assistant to
Director of Sales and Marketing, Aflac
Life Insurance Japan

Corporate Headquarters

Aflac Worldwide Headquarters

1932 Wynnton Road
Columbus, GA 31999
706-323-3431

Stock Listing

New York Stock Exchange
Ticker Symbol: AFL

Annual Meeting

May 3, 2021, 10:00 a.m. ET

Reports Available to Shareholders

Annual Reports this Report and Proxy
Statements are posted [here](#) and SEC
Filings, including form 10-K can be
found [here](#).

Independent Registered Public Accounting Firm

KPMG LLP
Shareholder Services

Investors seeking to learn more about
Aflac Incorporated may do so by visiting
investors.aflac.com

For information or assistance regarding
individual stock records, dividend
reinvestment, dividend payments,
dividend tax forms, or direct deposits of
dividend payments, contact Shareholder
Services at any of the following:

By telephone:

1-800-227-4756 or 706-596-3581

By mail:

Shareholder Services
Aflac Incorporated
1932 Wynnton Road
Columbus, GA 31999

By email:

shareholder@aflac.com or
shareholder@broadridge.com

On the internet:

Aflac Incorporated's [Shareholder
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