



PRESS RELEASE

Aflac Global Investments Announces \$2.1 Billion Strategic Partnership with Denham Capital to Accelerate Denham Sustainable Infrastructure's Platform

- *Aflac Global Investments to commit \$2 billion to launch a new debt platform within Denham Sustainable Infrastructure and \$100 million toward Denham Sustainable Infrastructure's next equity fund.*
- *Partnership furthers Aflac Global Investments' long-term growth strategy, identifying unique investment opportunities targeting growth of investment income, maintaining high credit quality, and aligning to ESG objectives while creating additional value for Aflac and its stakeholders through strategic equity partnerships.*
- *Denham Sustainable Infrastructure builds on Denham's 15-year success in renewable power and global infrastructure investing with a focus on assets dedicated to environmental sustainability.*
- *Sustainable Infrastructure market anticipated to become a \$100 trillion-\$150 trillion market by 2050¹ as the world aims to achieve Paris Agreement goals to limit climate change and accelerate the energy transition.*

Boston, MA and New York, NY — July 21, 2021 — Aflac Global Investments, the asset management subsidiary of Aflac Incorporated, announced a new partnership with Denham Capital — a global sustainable infrastructure, energy and resources investment firm — to expand the Denham Sustainable Infrastructure business. Aflac Global Investments has made a \$2 billion commitment to Denham Sustainable Infrastructure to launch a new debt platform, which will invest primarily in the senior debt of sustainable infrastructure projects. Aflac has also committed \$100 million toward Denham's second dedicated equity fund to support the acquisition, enhancement and development of sustainable infrastructure assets. Aflac Global Investments will hold a non-controlling 24.9% minority equity interest in Denham Sustainable Infrastructure.

The transaction with Denham Capital is part of Aflac's long-term growth strategy to identify unique investment opportunities that meet the objectives of Aflac's general account while taking tailored strategic equity stakes in asset managers to generate value for stakeholders. The agreement positions Denham Sustainable Infrastructure to become a leader in bringing both debt and equity investment capital to help satisfy the global demand for assets that support economic growth while protecting the environment.

Environmental, social, and governance (ESG) and the energy transition are at the core of Denham Sustainable Infrastructure's investment strategy. All investments are assessed against Denham Sustainable Infrastructure's screening and ESG scoring methodology, ensuring investments support climate change mitigation, natural resource conservation, pollution prevention and control, and digital connectivity.

¹ *Climate Finance Markets and the Real Economy (2020), Global Financial Markets Association and Boston Consulting Group.*

Eric M. Kirsch, Aflac Incorporated executive vice president, global chief investment officer and president of Aflac Global Investments, said:

“Part of Aflac Global Investments’ long-term growth strategy is to identify and partner with successful third-party managers like Denham, which has a track record and is a leading asset manager of infrastructure assets. The nature of these asset classes will enable us to capture higher yields while providing enhanced credit protection, adding value to our portfolio and to our stakeholders, while advancing our ESG priorities. In addition, our equity stake enables Aflac to participate in the expected growth of an attractive asset management partner in a growing asset class while broadening our sustainability exposure and commitments.”

Stu Porter, founder, managing partner, CEO and CIO of Denham Capital, said:

“Now is the optimal time for this transaction as we look to provide solutions across all parts of the capital structure. The partnership with Aflac will trigger the rapid growth of our Sustainable Infrastructure platform, enabling Denham to play a pivotal role in accelerating the transition toward an electrified, clean economy. Global demand for assets which fulfill ESG objectives has significantly bolstered the need for investing in sustainable infrastructure, and as such, we expect energy transition initiatives and investment into sustainable infrastructure to increase materially well into the future. Our expanded Sustainable Infrastructure strategy will focus on markets where we see the biggest growth opportunity, and we believe we can make the biggest positive impact. Denham looks forward to partnering with Aflac as we seek to address climate change with capital, infrastructure and technology.”

Sustainable Infrastructure

As of December 2020, Aflac’s impact and sustainable investments totaled more than \$1.7 billion, including bonds supporting affordable housing, education, hospitals and public transit in the United States and Japan.

The new debt platform will leverage Denham’s expertise and relationships to source attractive opportunities to provide debt financing in support of assets dedicated to environmental and social sustainability. The debt platform will target investment-grade and below-investment-grade sustainable infrastructure investments, leveraging Denham Capital’s global presence but with an initial focus on developed markets, including North and South America, Asia, Europe and Australia. Denham Sustainable Infrastructure’s equity strategy will continue Denham Sustainable Infrastructure’s focus of targeting mid-market companies, with the majority of investments expected to be in renewable power and energy storage in both developed and developing markets.

Denham Sustainable Infrastructure management builds on Denham Capital’s 15-plus years of investing in the renewable power sector and other infrastructure around the world. Denham Sustainable Infrastructure is well positioned to provide critical business development support and financing as sustainable infrastructure investments grow from supply-side-only solutions (e.g., renewable power) toward supply-and-demand solutions as increased electrification and efficiency become a material means to mitigate climate change.

According to the Global Financial Markets Association and Boston Consulting Group’s 2020 Climate Finance markets and the Real Economy Report, the cumulative need for sustainable infrastructure investment is projected to be \$100 trillion-\$150 trillion by 2050 or \$3 trillion-\$4 trillion per annum, as heightened awareness of climate-related issues has increased the urgency for developing additional infrastructure focused on sustainability.

About Aflac Global Investments

Aflac Global Investments refers to Aflac Asset Management LLC, Aflac Asset Management Japan Ltd., and Aflac GI Holdings LLC., which are the asset management subsidiaries of Aflac Incorporated. Aflac Global Investments is responsible for managing the invested assets of Aflac Incorporated's insurance subsidiaries in Japan and the U.S. As of December 2020, Aflac Global Investments managed nearly \$129 billion in general account assets and had 133 investment and support professionals who work at its offices in New York and Tokyo.

About Denham Capital

Founded in 2004, Denham Capital is a global sustainable infrastructure, energy and resources focused investment firm, with more than \$10 billion of invested and committed capital across multiple fund vehicles since inception. Specializing in both private equity and credit facilities, Denham invests in sectors that are essential to economic growth. Denham's investments help deliver the sustainable infrastructure, energy and mineral resources needed for everyday life. The Denham team comprises highly skilled sector specialists with a collective 570+ years of operational and investment experience. This unrivalled expertise enables Denham to build, develop and exit valuable renewable power, energy storage, water infrastructure and resources assets. With an ongoing focus on opportunities in the global energy transition, Denham recognizes the need to build a low carbon economy and seeks to invest increasingly in companies and projects which share our vision for sustainable growth and long-term value creation.

For more information, visit <https://www.denhamcapital.com/sustainable-infrastructure>.

About Aflac Incorporated

Aflac Incorporated (NYSE: AFL) is a Fortune 500 company helping provide protection to more than 50 million people through its subsidiaries in Japan and the U.S., where it is a leading supplemental insurer by paying cash fast when policyholders get sick or injured. For more than six decades, insurance policies of Aflac Incorporated's subsidiaries have given policyholders the opportunity to focus on recovery, not financial stress. Aflac Life Insurance Japan is the leading provider of medical and cancer insurance in Japan where it insures 1 in 4 households. For 15 consecutive years, Aflac Incorporated has been recognized by Ethisphere as one of the World's Most Ethical Companies. In 2021, Fortune included Aflac Incorporated on its list of World's Most Admired Companies for the 20th time, and Bloomberg added Aflac Incorporated to its Gender-Equality Index, which tracks the financial performance of public companies committed to supporting gender equality through policy development, representation and transparency, for the second consecutive year. To find out how to get help with expenses health insurance doesn't cover, get to know us at aflac.com. Investors may learn more about Aflac Incorporated and its commitment to ESG and social responsibility at investors.aflac.com and esg.aflac.com.

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