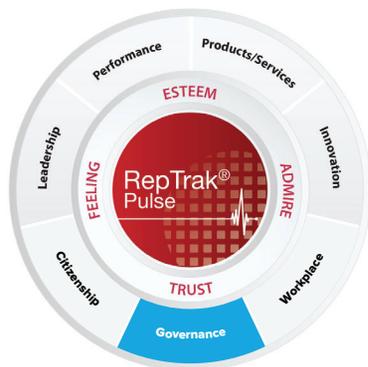




MATT ORR

Managing Aflac’s compliance standards, Matt commits to honesty, transparency and integrity. Although he may not communicate with customers day to day, he never loses sight of the big picture: making sure that Aflac meets and exceeds expectations of what is being advertised.

GOVERNANCE: DOING GOOD IS GOOD FOR BUSINESS



People often believe companies are successful because they’re hard-driving, business-focused and attentive to the bottom line. [Aflac](#), a Fortune 135 company with annual revenues of \$22 billion, is all of those things. But there’s something else you should know about us:

While sales, earnings and the number of policies in force are important to our business, how we go about achieving our goals is **IMPORTANT IN DEFINING WHO WE ARE AS A COMPANY.**

We would be remiss to exclude intangible assets – ethics, integrity, service – that characterize what shapes the company’s culture and how we conduct business. We are proud of our position as the leader in voluntary insurance sales at the worksite in the United

States and celebrate the many attributes that make Aflac a hero to so many.

Aflac was founded in 1955 by principal founder John Amos and his brothers, Paul and Bill Amos, who literally invented the voluntary insurance industry when they began selling policies door to door. Their idea? To provide individuals and families with a new type of protection: lifestyle insurance. In other words, insurance that covers what major medical does not and that helps pay bills that continue to roll in when a breadwinner is sick or injured.

THE AFLAC WAY

Aflac’s commitment to behaving in an ethical, trustworthy manner is best captured by our code of conduct, also known as [“The Aflac Way.”](#) You see, in addition to making boardroom decisions based on what we believe is morally right, we expect our employees to follow suit at



Aflac principal founder, John Amos, with brothers Paul and Bill.

every level. Those expectations are outlined in the [code of conduct](#).

Our spirit of responsibility, caring and compassion is also the central premise of our Seven Commitments to Customer Service.

The tenets may sound simple – communicate regularly; respond immediately; know your stuff; treat everyone with respect and care; your problem is my problem; shoot straight; and cover the customer, not your behind – but they’re courtesies rarely found in today’s hard-driving business world. These commitments are the ultimate embodiment of doing business “The Aflac Way.”

THE BOARDROOM AND BEYOND

At Aflac, we believe that doing good is good for business. Our commitment to that belief reverberates from the boardroom’s seven principle committees – Audit, Executive, Compensation, Pension, Acquisition, Corporate Social Responsibility and Sustainability, and Corporate Governance – to our employees. It’s also important to other stakeholders like the communities in which we live and work, investors, suppliers, agents, brokers and the businesses that offer Aflac policies to their employees. We share information with these individuals to ensure they’re updated on our initiatives and the strength of our company. We also listen to them. In fact, as a result of a shareholder’s request, we’ve conducted shareholder votes at each annual meeting since 2008 to consider our processes for compensating top-level executives. This initiative is commonly referred to as Say on Pay, and Aflac was the first publicly traded company in the United States to conduct such a nonbinding vote.

Aflac maintains an active role in the public policy arena, and we do so with complete transparency, the cornerstone of Aflac’s communication with stakeholders. In addition to complying with all state and federal regulations, we take additional steps to eliminate obfuscation common to corporate governance. For example, the company has gone beyond SEC

requirements since 2012 by posting political contributions on [Aflac.com](#). Our commitment to transparency engenders trust and confidence, which is critical to our company’s reputation.



Aflac’s CSR Team meets to discuss the 2016 CSR Report. Key dimensions of the report are outlined by Aflac’s RepTrak pulse: citizenship, workplace and leadership.

DOING RIGHT BY OUR CUSTOMERS AND SHAREHOLDERS

Aflac is committed to doing right by our stakeholders. While we consider ourselves great listeners, we also conduct dozens of surveys each year to ensure our products, services and even our behavior as a company exceed expectations. Two of the most comprehensive and valuable surveys are our annual Aflac



WorkForces Report and Corporate Social Responsibility Survey.

The [Aflac WorkForces Report](#) is an annual temperature check that gauges employer and employee attitudes and opinions about health insurance, health care spending and related issues. We use this report to determine the value and viability of Aflac’s products and make adjustments to our lineup. We also use it to help associates and brokers direct their conversations with employers – and, in turn, their direct conversations with workers – with respect to their insurance needs and coverage. In short, the Aflac WorkForces Report tells us what Americans have, want, need and can afford when it comes to their health care and insurance.

The [Corporate Social Responsibility Survey](#) is our annual look at how consumers and investors decide what kind of companies they want to do business with, as well as what they believe constitutes admirable and desirable corporate behavior. What have we discovered? Well, the latest survey results show that:

- Expectations of good business behavior have become so strong that consumers are ready to take action to penalize companies they view as irresponsible. In fact, 75 percent of consumers are likely to take some negative action toward irresponsible companies.

- A vast majority of professional investors view investments in community action and philanthropy not as a waste of money that could be returned to shareholders, but rather as an indicator of a corporate culture less likely to produce expensive missteps like financial fraud. In fact, 61 percent of investment professionals view CSR programs as a marker for ethical corporate behavior, which reduces investment risk.
- An overwhelming majority of employees believe their own companies are socially responsible, while less than half believe that American companies overall are socially responsible.

Doing good is not just the right thing to do; it is the best business decision we can make if we want to

GROW OUR BUSINESS FOR THE FUTURE.

Results indicate that consumers and investors wish to be associated with companies that have corporate citizenship built into their DNA.

