

MetLife, Inc.

Type of Engagement: Annual Review

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Introduction

In July 2020, Metropolitan Life Insurance Company (“MLIC”), a subsidiary of MetLife, Inc. (“MetLife”), issued a green funding agreement with the aim of ultimately allocating the net proceeds thereof to renewable energy projects, green buildings or other eligible green assets under the MetLife Sustainable Financing Framework (the Framework).¹ In June 2021, MetLife engaged Sustainalytics to review the allocation of net proceeds from the green funding agreement to eligible assets and provide an assessment as to whether the allocation of net proceeds to such assets met the Use of Proceeds criteria and the Reporting commitments outlined in the Framework. Sustainalytics provided a Second Party Opinion of the Framework in 2020.²

Evaluation Criteria

Sustainalytics evaluated the allocation to eligible assets funded through June 2021 based on whether the projects and programmes:

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

Table 1 lists the Use of Proceeds, and Eligibility Criteria while Table 2 lists the associated KPIs.

Table 1: Use of Proceeds and Eligibility Criteria

Use of Proceeds	Eligibility Criteria
Renewable Energy	Investments dedicated to generation, transmission and distribution of energy from renewable sources including: <ol style="list-style-type: none"> i. Wind ii. Solar iii. Geothermal with direct emissions <100gCO₂/kWh iv. Hydropower³ with power density > 5W/m² v. Tidal power vi. Waste biomass <100gCO₂/kWh
Green Buildings	Investments in new or existing commercial or residential buildings that have: <ol style="list-style-type: none"> i. achieved or expect to achieve, based on third-party assessment, greenhouse gas emission performance in the top 15% of their city, or ii. received, or expect to receive based on its design, construction and operational plans, certification according to third party verified green building standards, such as: <ul style="list-style-type: none"> • LEED Gold or Platinum standard • BREEAM very good or above

¹ MetLife, “MetLife Sustainable Financing Framework”, at: <https://www.metlife.com/sustainability/MetLife-sustainability/investments/financing-framework/>

² Sustainalytics, “MetLife Sustainable Financing Framework Second-Party Opinion”, at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/metlife-inc/metlife-sustainable-financing-framework-second-party-opinion/metlife-sustainable-financing-framework-second-party-opinion-pdf>

³ Large hydro assets >25 MW will be subject to an assessment, based on recognized best practice guidelines, of environmental and social risks and measures to address such risks

	<ul style="list-style-type: none"> • other equivalent certification schemes, such as BOMA Best Energy Star
Environmentally Sustainable Management of Living Natural Resources	<p>Investments that enhance ecosystem protection or restoration, including:</p> <ul style="list-style-type: none"> i. Agriculture and fisheries assets with recognized third-party sustainability certifications such as USDA Organic, EU Organic, Marine Stewardship Council (MSC) or Rainforest Alliance ii. Forestry assets with recognized third-party sustainability certifications such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC), and the Sustainable Forestry Initiative (SFI) which is affiliated with PEFC iii. Climate smart farm inputs such as biological crop protection or drip-irrigation iv. Preservation or restoration of natural landscapes

Table 2: Key Performance Indicators

Use of Proceeds	Key Performance Indicators
Renewable Energy	<ul style="list-style-type: none"> • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) • Annual GHG emissions reduced/avoided in tones of CO₂ equivalent
Green Buildings	<ul style="list-style-type: none"> • Area of certified green buildings in square feet and by certification level • Annual GHG emissions reduced/avoided in tones of CO₂ equivalent
Environmentally Sustainable Management of Living Natural Resources	<ul style="list-style-type: none"> • Total surface financed (hectares), with reference to specific certification schemes where relevant • Environmentally sensitive areas protected (acres)

Issuing Entity's Responsibility

MetLife is responsible for providing accurate information and documentation relating to the details of the eligible assets to which net proceeds have been allocated, including description of assets, amounts allocated, and asset impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of the green funding agreement Use of Proceeds and Reporting commitments. The work undertaken as part of this engagement included collection of documentation from MetLife employees and review of documentation to confirm conformance with the MetLife Sustainable Financing Framework.

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

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

Conclusion

Based on the limited assurance procedures conducted,⁴ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed assets, funded through proceeds of MLIC's green funding agreement, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the MetLife Sustainable Financing Framework. MetLife has disclosed to Sustainalytics that the proceeds of the green funding agreement were fully allocated as of June 2021.

Detailed Findings

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the eligible assets to which proceeds from the green funding agreement were allocated between July 2020 and June 2021 to determine if assets aligned with the Use of Proceeds Criteria outlined in the MetLife Sustainable Financing Framework and above in Table 1. For a list of eligible assets receiving proceeds from the funding agreement please refer to Appendix 1.	All assets reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the eligible assets to which proceeds from the green funding agreement were allocated between July 2020 and June 2021 to determine if impact of assets was reported in line with the KPIs outlined in the MetLife Sustainable Financing Framework and above in Table 2. For a list of KPIs reported please refer to Appendix 2.	All assets reviewed reported on at least one KPI per Use of Proceeds criteria.	None

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

Appendices

Appendix 1: Asset Allocation Details

Use of Proceeds Category	Eligibility Criteria	Project Description	Project Location	Net Funding Agreement Proceeds Allocation (USD)
Renewable Energy	Solar Energy	Three solar projects across Western and East Coast U.S. locations. MetLife's share of installed capacity is 19MW.	U.S.	\$59,843,279
	Solar Energy	Portfolio of solar projects in four Western U.S. locations. MetLife's share of installed capacity is 44MW.	U.S.	\$50,388,632
	Wind Energy	Wind farm in Mexico. MetLife's share of installed capacity is 33MW.	Mexico	\$37,215,739
	Wind Energy	Wind farm in Mexico. MetLife's share of installed capacity is 17MW.	Mexico	\$33,046,217
Green Buildings	Buildings with LEED – Platinum certification	Class A Office in Northeastern U.S.	U.S.	\$178,050,681
	Buildings with LEED – Gold certification	Two Class A Offices in Northwestern U.S.	U.S.	\$41,759,615
Environmentally Sustainable Management of Living Natural Resources	Forestry assets with Sustainable Forestry Initiative (SFI) certification	Timberland in Northeastern U.S. and Canada managed in a manner compliant with SFI.	U.S.	\$67,735,204
	Forestry assets with Sustainable Forestry Initiative (SFI) certification	Timberland in Northwestern U.S. managed in a manner compliant with SFI.	U.S.	\$15,225,965
	Forestry assets with Sustainable Forestry Initiative (SFI) certification	Timberland in Northeastern U.S. managed in a manner compliant with SFI.	U.S.	\$103,501,466
	Forestry assets with Sustainable Forestry Initiative (SFI) certification	Timberland in Northeastern U.S. managed in a manner compliant with SFI.	U.S.	\$39,937,920
	Forestry assets with Forest Stewardship Council (FSC) certification	Timberland in Western U.S. managed in a manner compliant with FSC.	U.S.	\$68,798,484
	Climate smart farm inputs: drip-irrigation	Development and operation of ~3,800ha of farmland using drip-irrigation.	Peru	\$50,559,297
Total				\$746,062,500

Appendix 2: Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Environmental Impact Reported by Eligibility Criteria ⁵	Net Funding Agreement Proceeds Allocation (USD)
Renewable Energy	Generated renewable energy associated with green funding agreement proceeds is reported as 292,821 MWh.	\$180,493,866
	Share of annual emissions avoided by funded renewable energy projects is reported as 121,344 tCO ₂ e.	
Green Buildings	Area of certified green buildings () funded with green funding agreement proceeds is reported as 514,149 ft ² for LEED Platinum, and 151,508 ft ² for LEED Gold.	\$219,810,297
	Share of annual emissions avoided by funded green building projects is reported as 68.75 tCO ₂ e.	
Environmentally Sustainable Management of Living Natural Resources	Area of certified sustainably managed forest funded by green funding agreement proceeds is reported as 545,575 Ha under the Sustainable Forestry Initiative, and 28,499 Ha under the Forest Stewardship Council.	\$345,758,337
	Share of annual water savings through use of installed drip irrigation systems funded by green funding agreement proceeds is reported as 5,083 m ³ .	

⁵ Figures are calculated based on the total respective impacts of each asset funded by the green funding agreement issuance multiplied by MetLife's ownership share of the asset, and prorated to the share of the ownership stake that consists of green funding agreement allocations.

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