

Second-Party Opinion

MetLife Sustainable Financing Framework



Evaluation Summary

Sustainalytics is of the opinion that the MetLife Sustainable Financing Framework aligns with the Green Bond Principles 2018, the Social Bond Principles 2020, and the Sustainability Bond Guidelines 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation, Sustainable Water and Wastewater Management, Pollution Prevention and Control, Environmentally Sustainable Management of Living Natural Resources and Land Use, Access to Essential Services, and Affordable Housing – are aligned with those recognized by both the Green Bond Principles and Social Bond Principles respectively. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 6, 7, 9, 11, 12 and 15.



PROJECT EVALUATION / SELECTION MetLife’s Investment and Treasury teams will propose Eligible Assets to the Sustainable Financing Council, who will be responsible for ultimate review and selection of assets that meet the Framework’s eligibility criteria and that are consistent with MetLife’s policies. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS MetLife will establish a Sustainable Finance Register to record an amount equal to the net proceeds from each MetLife Sustainable Financing and its allocation to Eligible Assets. The Investment and Sustainability teams will be in charge of maintaining and updating the register, which will be reviewed quarterly by the Sustainable Finance Council. Pending allocation, proceeds will be managed in accordance with MetLife’s normal liquidity activities. This is in line with market practice.



REPORTING MetLife intends to provide allocation reporting on its website on an annual basis until full allocation. MetLife’s allocation reporting will include amounts allocated to each Eligible Category, the balance of unallocated net proceeds, and where feasible, a brief description of examples of Eligible Assets for each MetLife Sustainable Financing. In addition, MetLife, Inc. is committed to reporting on relevant qualitative and quantitative impact metrics where feasible. Sustainalytics views MetLife, Inc.’s allocation and impact reporting as aligned with market practice.

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Introduction

MetLife, Inc. (“MetLife”, or the “Company”), through its subsidiaries and affiliates, is a financial services company providing insurance, annuities, employee benefits and asset management to individuals and institutional customers. Founded in 1868 and headquartered in New York, U.S., the Company has operations in more than 40 markets including the United States, Japan, Latin America, Asia, Europe and the Middle East.

MetLife has developed the MetLife Sustainable Financing Framework (the “Framework”) under which it intends to issue green, social, and sustainable bonds, term loans, preferred stock, subordinated notes, and funding agreements, together referred to as the “MetLife Sustainable Financing.” MetLife intends to use net proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that support and drive a more sustainable future.

The Framework defines eligible green categories in the following seven areas:

1. Renewable Energy
2. Energy Efficiency
3. Green Buildings
4. Clean Transportation
5. Sustainable Water and Wastewater Management
6. Pollution Prevention and Control
7. Environmentally Sustainable Management of Living Natural Resources

Additionally, the Framework defines an eligible social category in the following two areas:

1. Access to Essential Services
2. Affordable Housing

MetLife engaged Sustainalytics to review the MetLife Sustainable Financing Framework, dated June 2020, and provide a second-party opinion on the Framework’s environmental and social credentials and its alignment with the Green Bond Principles (2018),¹ the Social Bond Principles (2020),² and the Sustainability Bond Guidelines (2018)³. This Framework will be published in a separate document.⁴

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the International Capital Markets Association (“ICMA”) Green Bond Principles 2018 (“GBP”), ICMA Social Bond Principles 2020 (“SBP”), and ICMA Sustainability Bond Guidelines 2018 (“SBG”);
- The credibility and anticipated positive impacts of the use of proceeds;
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.4, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of MetLife’s management team to understand the sustainability impact of their business processes and planned use of

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Social Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>.

³ The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>.

⁴ The MetLife Sustainable Financing Framework will be made available on MetLife, Inc.’s website at: <https://www.metlife.com/Sustainability/>.

⁵ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

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proceeds, as well as management of proceeds and reporting aspects of the Framework. MetLife representatives have confirmed (1) they understand it is the sole responsibility of MetLife to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with the MetLife Sustainable Financing Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and MetLife.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with MetLife Sustainable Financing proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the MetLife Sustainable Financing proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that MetLife has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the MetLife Sustainable Financing Framework

Sustainalytics is of the opinion that the MetLife Sustainable Financing Framework is credible, impactful and aligns with the four core components of the Green Bond Principles 2018 ("GBP") and Social Bond Principles 2020 ("SBP"). Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - MetLife's seven eligible green categories are aligned with those recognized by the GBP and the two social categories are aligned with those recognized by the SBP.
 - For the "Renewable Energy" category, the Company may finance assets dedicated to the transmission and distribution of renewable energy sources, including wind, solar, geothermal hydropower, tidal power and biomass. Sustainalytics views the criteria to be aligned with market practice, and highlights positively the following:
 - Geothermal facilities are limited to those with direct emissions less than 100g CO₂/kWh.
 - Hydropower facilities are limited to those with a power density greater than 5W/m², and hydropower assets over 25 MW will be subject to an environmental and social risk assessment based on recognized best practice guidelines.
 - Biomass facilities will be limited to those using waste feedstocks with emissions less than 100g CO₂/kWh.
 - For the "Energy Efficiency" category, the Framework allows for investments in (i) equipment such as for HVAC, refrigeration, and lighting; (ii) projects that reduce electrical losses or enable better integration of renewables; and (iii) monitoring and optimization equipment such as smart meter and building control systems.
 - Sustainalytics notes positively that MetLife has specified a threshold of 20% improvement for upgraded equipment.
 - Sustainalytics views investments in energy storage and monitoring systems to be aligned with market practice.

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- For the “Green Buildings” category, eligible investments include commercial or residential buildings that have (i) place within the top 15% of their city in terms of GHG emissions, or (ii) have reputable green building certifications.
 - Sustainalytics notes positively that MetLife intends to seek third-party verification of GHG performance to qualify a building under the “15%” criterion.
 - Sustainalytics views the schemes specified by the Framework to be credible and the levels selected to be indicative of positive impact and alignment with market practice, namely LEED (“Gold” or “Platinum”), BREEAM (“Very Good”⁶ or above), or other equivalent certification schemes such as BOMA BEST or Energy Star.⁷ For Sustainalytics’ assessment of these certifications please refer to Appendix 1.
- For the “Clean Transportation” category, the Framework allows investments in vehicles and infrastructure for zero direct emission private mobility, as well as infrastructure, rolling stock, and vehicles for electrified public transport and freight. Sustainalytics notes that rolling stock where the primary purposes is fossil fuel transportation is excluded, and considers the criteria to be aligned with market practice for green transportation.
- For the “Sustainable Water and Wastewater Management” category, MetLife will finance technologies and projects that improve water quality, water efficiency, or climate change resilience such as flood prevention, flood defense or storm water management. Sustainalytics considers these criteria to be aligned with market practice.
- For the “Pollution Prevention and Control” category, MetLife may finance technologies and projects focused on sorting, treatment, recycling and re-use, as well as wastewater treatment and soil remediation.
 - Sustainalytics notes the importance of the waste hierarchy in assessing the impact of waste management projects and highlights positively the focus of waste reduction.
 - The Framework specifically excludes financing of activities related to fossil fuels or other extractive industries, which Sustainalytics views as important in ensuring alignment with market practice.
- For the “Environmentally Sustainable Management of Living Natural Resources and Land Use” category, the Framework contemplates investments in certified operations, climate-smart farm inputs and the preservation or restoration of natural landscapes.
 - Eligible certification schemes include USDA Organic, EU Organic, Marine Stewardship Council (“MSC”), Rainforest Alliance; forestry assets with third-party certifications such as Forest Stewardship Council (“FSC”), Programme for the Endorsement of Forest Certification (“PEFC”), and the Sustainable Forestry initiative (“SFI”). Sustainalytics views these certifications as credible and robust. Refer to Appendix 2 and 3 for more a detailed overview of these schemes.
- For the two social categories, Sustainalytics notes that the Framework allows for the financing or refinancing of projects that will benefit identified target populations such as low-income or marginalized communities and vulnerable groups.⁸ Sustainalytics views this targeting as aligned with market practice.
- For the “Access to Essential Services” category, the Framework includes investments that enhance access to public, not-for-profit, free or subsidized essential services including: infrastructure for hospitals, laboratories, clinics, healthcare, childcare and elder care centers; and infrastructure for the provision of child, youth or adult education and vocation training services. Considering the Framework’s overarching identification of target populations, Sustainalytics considers the outlined areas to provide important social benefits and recognizes that advancing widely accessible public systems will increase social benefits to both disadvantaged groups as well as the general public.

⁶ Sustainalytics notes that it considers BREEAM Excellent and above as representative of best practice; while the level Very Good is indicative of some improvement in environmental performance and encourages the selection of buildings that perform well in the Energy category.

⁷ Sustainalytics notes that it would consider BOMA Best Gold and above and Energy Star certification as “equivalent” to the specified levels of LEED and BREEAM.

⁸ MetLife is aligned with the U.S. Department of Housing and Urban Development (“HUD”) to designate households to certain income groups based on their income relative to the Area Median Income (“AMI”) defined as: Extremely Low Income: Below 30% of AMI; Very Low Income: Below 50% of AMI; Low Income: Below 80% of AMI.

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- For the “Affordable Housing” category, the Framework defines eligible investments as those that meet national or regional affordable housing definitions in the applicable jurisdiction, including: households whose income is below 80% of the Area Median Income (“AMI”) in the U.S.; and investments in nonprofit social housing provides in the U.K. and overseas territories that provide rental homes at below-market rents to low-income earners. These thresholds are considered to be in line with market practice.
- Project Evaluation and Selection:
 - MetLife’s Investment and Treasury teams will be responsible for identifying existing green or social assets to then be approved by the Sustainable Financing Council (the “Council”), comprised of members from the Office of the Chief Investment Officer, Corporate Treasury, and Global Sustainability team. The Council will review and select assets that qualify under the Framework and that are consistent with MetLife’s policies and the MetLife Investment Management (“MIM”) Environmental, Social and Governance Investment Policy.⁹
 - Based on the establishment of a formal council, comprising members from across departmental representation, that validates the eligibility determinations of eligible assets Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - An amount equal to the net proceeds from each MetLife Sustainable Financing will be earmarked for allocation within MetLife’s general account. The Company will establish a Sustainable Finance Register, managed by the Investments and Sustainability Teams, to record allocation to Eligible Assets. The Sustainable Finance Register will be reviewed quarterly by the Sustainable Finance Council.
 - MetLife intends to fully allocate proceeds within 18 months of issuance an amount equal to the net proceeds of each Sustainability Financing. Pending allocation, proceeds will be managed in accordance with MetLife’s normal liquidity activities.
 - MetLife may issue a variety of instruments under the Framework, including bonds, loans, and funding agreements. Sustainalytics considers the instruments specified to be aligned with market expectations.
 - Based on the establishment of an official register and the disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - MetLife commits to report within a year after issuance and on an annual basis thereafter until full allocation, on its sustainability section of its website, the impact and allocation reporting of each MetLife Sustainable Financing. Allocation reporting will contain (i) management’s assertion of compliance with the Framework, (ii) amount of proceeds allocated to each eligible category, (iii) examples and general details of the assets where feasible, (iv) balance of unallocated net proceeds, and (v) impact reporting. Impact reporting will include, where feasible, qualitative and quantitative environmental and social performance indicators such as, but not limited to, annual GHG emissions reduced/avoided (tCO₂e), areas of certified green buildings (ft²) and certification level, volume of water saved/treated/reused (m³/a), number of healthcare facilities built/upgraded, number of affordable housing units built or refurbished, etc.
 - Based on MetLife’s commitment to publicly make available annual allocation and, where feasible, impact reporting, Sustainalytics considers the reporting process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2018

Sustainalytics has determined that the MetLife Sustainable Financing Framework aligns to the Sustainability Bond Guidelines 2018 and the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020). For detailed information please refer to Appendix 4: Sustainability Bond/ Sustainability Bond Programme External Review Form.

⁹ MetLife, “Environmental, Social and Governance Investment Policy”, at: https://investments.metlife.com/content/dam/metlifecom/us/investments/about/investing-in-society/ESG_Investment_policy.pdf.

Section 2: Sustainability Strategy of MetLife

Contribution of Framework to MetLife, Inc.'s sustainability strategy

Sustainalytics is of the opinion that MetLife demonstrates a commitment to sustainability through its corporate responsibility strategy and control mechanisms aimed at strengthening society and ensuring sound governance. In 2015, MetLife announced a series of environmental goals to be achieved in the next 5 years including becoming carbon neutral by 2016, reducing all energy consumption by 10% and reducing location-based GHG emissions by 10%, from a 2012 baseline, and requiring 100 of MetLife's top suppliers to publicly disclose their GHG emissions and emission-reduction activities.¹⁰

MetLife achieved carbon neutrality in 2016, through the implementation of sustainable and energy efficient practices across its operations, with the remainder of emissions offset through investments in carbon mitigation projects;¹¹ this has been maintained ever since. By year end 2019, MetLife had surpassed the rest of its goals, reducing energy consumption by 33% and location-based GHG emissions by 27%, and had 103 of its top suppliers disclose their GHG emission and reduction activities.¹² The Company is also a founding member of the Climate Leadership Council, and encourages employee participation in green initiatives. In 2019, over 9,000 employees in around 35 offices in 16 markets mobilized to support Earth Day activities, and the Company now has 22 teams in multiple offices to promote responsible environmental stewardship through MetLife's "Our Green Impact" program.¹³ In addition, as part of its ongoing global environmental efforts the Company is prioritizing the following environmental initiatives¹⁴:

- Implement initiatives to mitigate direct and indirect GHG emissions
- Reduce energy consumption through effective energy management policies
- Improve the environmental and financial performance of MetLife facilities
- Facilitate waste reduction, recycling and reuse efforts globally
- Engage employees on environmental issues and healthy lifestyle choices
- Work with suppliers to reduce environmental impact

MetLife also recognizes the serious challenge that climate change represents and thus has further sought to support low carbon initiatives and businesses. The Company's Global Sustainability Team, along with the Global Technology & Operations Team, oversees MetLife's environmental management, energy efficiency and performance, and engages with employees and suppliers to further advance these goals.¹⁵

Sustainalytics views positively MetLife's quantitative and time-bound targets for its internal operations and encourages the establishment of similar targets for its green investments. Overall, Sustainalytics is of the opinion that the MetLife Sustainable Financing Framework is aligned with the company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Well positioned to address common environmental and social risks associated with the projects

While MetLife's use of proceeds categories are intended to finance green and/or social projects that are anticipated to have overall positive impacts, Sustainalytics recognizes that there exist environmental and social risks which could be associated with the financing provided. Some key environmental risks associated with the eligible green and social projects may include occupational health and safety, land use change and biodiversity loss, and community relations. Although MetLife has a limited role in the development of specific eligible projects which they are financing, Sustainalytics considers that the following mechanisms, systems and procedures MetLife has in place will help mitigate the associated risks.

The Company's institutional investment management business, MetLife Investment Management ("MIM"), has an Environmental, Social and Governance Investment Policy¹⁶ which serves as a framework to perform its due diligence by incorporating ESG considerations and actively engaging companies when assessing credit risk related to investment opportunities. All Eligible Assets will be assessed against these criteria which

¹⁰ MetLife, "Our Environmental priorities", at: <https://www.metlife.com/sustainability/MetLife-sustainability/climate/>.

¹¹ MetLife, "MetLife is First U.S. Insurer to Achieve Carbon Neutrality", (2017), at: <https://www.metlife.com/about-us/newsroom/2017/february/metlife-is-first-u-s-insurer-to-achieve-carbon-neutrality/>.

¹² MetLife, "2019 Corporate Responsibility Report", (2020), at: <https://sustainabilityreport.metlife.com/report/>.

¹³ MetLife, "2018 Corporate responsibility Report", (2019), at: <https://www.metlife.com/content/dam/metlifecom/us/sustainability/pdf/Reports-and-statements/csr-and-sustainability-reports/2018/corporate-responsibility-report.pdf>.

¹⁴ MetLife, "Our Environmental priorities", at: <https://www.metlife.com/corporate-responsibility/environment/our-environmental-priorities/>.

¹⁵ MetLife, "2018 Corporate responsibility Report", (2019), at: <https://www.metlife.com/content/dam/metlifecom/us/homepage/corporate-responsibility/reports/2018/corporate-responsibility-report.pdf>.

¹⁶ MetLife, "Environmental, Social and Governance Investment Policy", at: https://investments.metlife.com/content/dam/metlifecom/us/investments/about/investing-in-society/ESG_investment_policy.pdf.

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includes assessing environmental impacts, labour protections and compliance with regulations and corporate governance standards.

In addition, the Company's employees, and senior management are all governed by MetLife's Code of Business Ethics. The Code is meant to embed protection for the environment and for its employees by conducting business ethically and in line with MetLife's standards, laws, and regulations. The Company has a risk management framework designed to address all material financial and nonfinancial risks to its business, and the framework "provides for an independent, dedicated risk management team led by the Chief Risk Officer ("CRO"), who is independent of its business lines."¹⁷ As an executive member, the CRO reports directly to the CEO and is primarily responsible for monitoring and analyzing all material risk. Furthermore, each business unit must identify emerging potential threats to its operations and MetLife's Board and senior management team provide company-wide oversight and assess emerging challenges. The Company's risk management team, led by the Chief Risk Officer, is responsible for implementing risk management programs and practices in all business and strategic decision making. The Company also has an Enterprise Risk Committee ("ERC") comprising senior leadership from all financial and nonfinancial business units. The ERC identifies, measures and mitigates all material risks to the company.¹⁸

Based on the above-mentioned policies and mechanisms, Sustainalytics is of the opinion that MetLife has in place adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All nine use of proceeds categories are aligned with those recognized by GBP or SBP. Sustainalytics has discussed below the importance of these investments in the context of MetLife's operations.

The role of insurance companies in financing climate transition

Insurance firms are both highly impacted by and well-positioned to take action against climate change. One of the consequences of climate change is the increase in frequency and severity of extreme weather-related disasters (droughts, flooding, wildfires, severe storms etc.).¹⁹ Climate change is already causing loss of life with the previous decade recording ~398,000 deaths due to natural disasters.²⁰ A 2018 report by the World Health Organization ("WHO") predicts that between 2030-2050, climate change will lead to an additional 250,000 deaths per year from malnutrition, malaria, diarrhea, and heat stress.²¹ This elevated mortality risk may lead to higher life insurance payouts and impact the financial stability of life insurance companies.

Further, the decade from 2010-19 was the costliest in modern record of natural disasters with economic loss adding up to \$2.98 trillion, 44% above the total for the previous decade. Record economic damage led to higher insurance payouts as insurance companies paid out \$845 billion, with the US accounting for over 50% of it.²² In this context, financing initiatives that mitigate environmental risk are aligned with the business objectives of large insurance companies.

In addition to being highly exposed to climate change risks, insurance companies operate on a large scale and are well placed to support significant investments that enable climate resilience. According to estimates by the Organisation for Economic Co-operation and Development, in order to meet the Paris Agreement goals, investments of USD 6.9 trillion a year are required through 2030.²³ With more than USD 24 trillion in assets under management²⁴, the global insurance industry can redirect the flow of finance towards building socioeconomic resilience to mitigate and better cope with the effects of climate change.

¹⁷ CDP, "MetLife, Inc. – Climate Change 2019", (2019), at:

https://www.cdp.net/en/formatted_responses/responses?campaign_id=66216852&discloser_id=830268&locale=en&organization_name=MetLife%2C+nc.&organization_number=11796&program=Investor&project_year=2019&redirect=https%3A%2F%2Fcdp.credit360.com%2Fsurveys%2F9hz110bc%2F41236&survey_id=65670419.

¹⁸ MetLife, "2018 Corporate responsibility Report", (2019), at: <https://www.metlife.com/content/dam/metlifecom/us/homepage/corporate-responsibility/reports/2018/corporate-responsibility-report.pdf>.

¹⁹ National Oceanic and Atmospheric Administration, Billion-Dollar Weather and Climate Disasters: Time Series, January 2020, at:

<https://www.ncdc.noaa.gov/billions/time-series>.

²⁰ *Ibid*

²¹ WHO report titled Climate Change and Health (accessed in May 2020) at: <https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health>

²² Aon 2019 Report titled Weather, Climate, & Catastrophe Insight (accessed in May 2020) at: http://thoughtleadership.aon.com/Documents/20200122-if-natcat2020.pdf?utm_source=ceros&utm_medium=storypage&utm_campaign=natcat20

²³ OECD, The World Bank, UN Environment, Financing Climate Futures, 2018, at: <http://www.oecd.org/environment/cc/climate-futures/policy-highlights-financing-climate-futures.pdf>

²⁴ UNEPFI, Message from the UN Secretary-General, (accessed in May 2020), at: <https://www.unepfi.org/psi/message-from-the-united-nations/>

The environmental impact of projects funded by MetLife's Sustainability Financings

The energy, transport, building, and water infrastructure sectors cumulatively make up 60% of GHG emissions in the United States.²⁰ An unprecedented overhaul of these infrastructure systems across all industries is needed in order to mitigate the impact of climate change. Sustainalytics is of the opinion that MetLife's investments to finance projects under the eligible categories for green assets will help decarbonize their investment portfolio and facilitate the transition to a low carbon economy.

Further, agriculture is the fourth largest source of GHG emissions in the US contributing to about 9% of its emissions²⁵ and accounting for about 80% of its consumptive water use.²⁶ Soil management is the largest source of agricultural GHG emissions, mostly in the form of nitrous oxide (N₂O), with most N₂O emission²⁷ Although requirements to obtain organic certification vary from country to country, generally compliance with organic production standards requires a reduction / avoidance of the use of synthetic fertilizer, pesticides and antibiotics. Therefore, MetLife's support to finance agriculture and forestry activities that conform to reputable third-party certifications will likely result in the reduction of GHG emissions and resource use in the sector as well as environmental protection in general.

Importance of affordable housing in the US and UK

The lack of affordable housing is a catastrophic problem in the United States with about 568,000 people experiencing homelessness in 2019, a 3% increase over the previous year. More than 18.5 million households spend greater than 30% of their income on rent, with about 10.8 million households spending over 50%.²⁸ The problem is of a similar scale in the UK where an estimated 8.4 million people are living in unaffordable, insecure or unsuitable homes.²⁹ Over a million people are on the waiting list for social housing while only 5,000 such homes were constructed last year.³⁰ Lack of affordable housing further leads to negative social outcomes across multiple dimensions as families and individuals are compelled to make trade-offs between spending on rent and on other essentials such as food, healthcare, and transportation.

Solutions to address this severe shortage are multi-faceted and amongst others include state-sponsored solutions such as (i) The national Housing Trust Fund ("HTF"), an annual grant to states for creation, preservation, or rehabilitation of rental housing for low-income renters; and (ii) The Low-Income Housing Tax Credit ("LIHTC"), a tax incentive to construct or rehabilitate affordable rental housing for low-income households. The government has announced allocation of \$326 million towards the HTF in 2020, an increase of over 30% versus last year³¹, and the LIHTC costs about \$9 billion per year making it the largest federal program for low-income housing.³²

Similarly, structural rent affordability pressures compelled the UK Government to spend ~GBP 1.1 billion on temporary accommodation such as B&Bs, hostels and temporary shelter for homeless people in 2018-19, up 78% in the last five years.³³ The Government has established a GBP 1.03 billion Land Assembly Fund to acquire land and invest in enabling infrastructure to bring forward developable sites that will further help in sustainably delivering 300,000 homes a year on average.³⁴

In addition to state-sponsored support in both countries, housing development at the level required will also require significant private-sector investment. In this context, and considering the thresholds which are used by MetLife to determine eligibility, Sustainalytics views positively investment in subsidized and affordable housing projects.

²⁵ EPA, "Greenhouse Gas Emissions", (accessed in May 2020), at: <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

²⁶ United States Department of Agriculture, Irrigation & Water Use, (accessed in May 2020), at: <https://www.ers.usda.gov/topics/farm-practices-management/irrigation-water-use.aspx>

²⁷ Center for Climate Change and Energy Solutions, Decarbonizing U.S. Agriculture, Forestry, And Land Use, July 2018, at: <https://www.c2es.org/site/assets/uploads/2018/06/innovation-agriculture-background-brief-07-18.pdf>

²⁸ National Low Income Housing Coalition (NLIHC), The Gap: A Shortage of Affordable Homes, (2020), at: https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2020.pdf

²⁹ BBC report, Housing crisis affects estimated 8.4 million in England- research, accessed in May 2020 at: <https://www.bbc.com/news/uk-49787913>

³⁰ Shelter report, accessed in May 2020 at: https://england.shelter.org.uk/what_we_do/our_strategy?utm_medium=referral&utm_content=Post2317_Link_10thOctober2018&utm_source=twitter&utm_campaign=Strategy

³¹ NLIHC article, FHFA Authorizes \$326.4 Million Disbursement for National Housing Trust Fund for 2020, (2020), at: <https://nlihc.org/resource/fhfa-authorizes-3264-million-disbursement-national-housing-trust-fund-2020>

³² Tax Policy Center, What is the LIHTC and how does it work?, (2020), at: <https://www.taxpolicycenter.org/briefing-book/what-low-income-housing-tax-credit-and-how-does-it-work>

³³ The Independent, "Councils spend more than £1.1bn on temporary housing for homeless people in space of a year", accessed May 2020 at: <https://www.independent.co.uk/news/uk/home-news/homeless-housing-accommodation-temporary-councils-spending-a9203396.html>

³⁴ Homes England, Strategic Plan 2018/19- 2022/23, accessed in May 2020 at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752686/Homes_England_Strategic_Plan_AW_REV_150dpi_REV.pdf

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Alignment with/contribution to SDGs

The Sustainable Development Goals (“SDGs”) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. MetLife Sustainable Financings advance the following SDG and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Green Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and Green Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Green Buildings	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
Clean Transportation	9. Industry, Innovation, and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
	11. Sustainable Cities and Communities	11.5 By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations
Pollution Prevention and Control	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Environmentally Sustainable Management of Living Natural Resources and Land Use	15. Life on Land	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements
Access to Essential Services - Health	3. Good Health and Well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and

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		access to safe, effective, quality and affordable essential medicines and vaccines for all
Access to Essential Services - Education	4. Quality Education	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes
Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Conclusion

MetLife has developed the MetLife Sustainable Financing Framework under which it will issue green, social, and sustainable bonds and other fixed income securities, and use the proceeds to finance responsible investments that promote social and/or environmental benefits. Sustainalytics considers that the projects funded by the Sustainable Financing proceeds will provide positive environmental and social impact.

The MetLife Sustainable Financing Framework outlines a process by which an amount equal to the net proceeds of Sustainable Financings will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the Eligible Assets in the Sustainable Finance Register. Furthermore, Sustainalytics believes that MetLife Sustainable Financing Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 3, 4, 6, 7, 9, 11, 12 and 15. Additionally, Sustainalytics is of the opinion that MetLife has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that MetLife, Inc. is well-positioned to issue Sustainable Financings and that the MetLife Sustainable Financing Framework is robust, transparent, and in alignment with the Sustainability Bond Guidelines 2018 and the four core components of the Green Bond Principles 2018, and the Social Bond Principles 2020.

Appendices

Appendix 1: Comparison of Green Building Certification Schemes

	LEED ³⁵	Energy Star ³⁶	BOMA BEST ³⁷	BREEAM ³⁸
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	ENERGY STAR is a U.S Environmental Protection Agency voluntary program that provides independently certified energy efficiency ratings for products, homes, buildings, and industrial plants. Certification is given on an annual basis, so a building must maintain its high performance to be certified year to year.	BOMA BEST, administered by the Building Owners and Managers Association (BOMA) of Canada, is a certification program for existing buildings. The assessment considers performance and operation of buildings in a wide range of performance and operations categories.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, this scheme can be used for new, refurbished and extension of existing buildings.
Certification levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • 1-100 score, 75 is minimum for certification 	<ul style="list-style-type: none"> • Certified • Bronze • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding
Areas of assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Energy use 	<ul style="list-style-type: none"> • Energy • Water • Air • Comfort • Health and Wellness • Custodial • Purchasing • Waste • Site • Stakeholder Engagement 	<ul style="list-style-type: none"> • Management • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation
Requirements	Minimum requirements independent of level of certification; point-based scoring system weighted by category to determine certification level. The rating system is adjusted to apply to specific sectors, such as: New Construction, Major Renovation,	1-100 score based on energy use, as calculated through the Portfolio Manager tool. Raw score is adjusted based on location, operating conditions, and other factors. The numerical score indicates performance better than at least 75 percent of similar buildings nationwide.	Minimum requirements independent of level of certification; score based on checklist to determine certification level. The minimum best practices and category scoring is adjusted for seven different asset classes: office, enclosed shopping centres, light industrial, open air retail,	Minimum requirements depending on the level of certification; scoring system weighted by category, producing a percentage-based overall score. The majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their performance score.

³⁵ USGBC, LEED, at: <https://new.usgbc.org/leed>.

³⁶ ENERGY STAR, at: <https://www.energystar.gov/>.

³⁷ BOMA BEST, at: <http://bomacanada.ca/bomabest/>.

³⁸ BREEAM, at: www.breeam.com.

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	Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, and Existing Buildings: Operation and Maintenance.		universal, MURB, and health care.	BREAAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.
Qualitative Considerations	Widely accepted within the industry, both in North America and internationally, and considered a guarantee of strong performance.	Accounts only for energy use, not other measures of environmental performance. Is a key component of other green building certification systems.	Most commonly used certification for existing buildings in Canada, and considered less administratively burdensome for existing buildings.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus, lower levels are less strict than LEED.
Performance display				

Appendix 2: Overview of Referenced Agricultural and Fisheries Certifications

	USDA Organic ³⁹	EU Organic ⁴⁰	Rainforest Alliance ⁴¹	Marine Stewardship Council ⁴²
Background	The USDA Organic label is a US certification system overseen, administered and enforced by the National Organic Program of the United States Department of Agriculture. The US Organic label is regulated by the US Organic Foods Production Act of 1990 and involves input from the National Organic Standards Board (a Federal Advisory Committee made up of 15 members of the public) and the public.	The EU Organic Farming is a European wide label organized under the European Commission's Council Regulation (EC) no 834/2007. The regulation covers the organic production and labelling of organic products including live or unprocessed agricultural projects, processed agricultural products for use of food, feed, and vegetative propagating material and seeds for cultivation.	The Rainforest Alliance Seal is a global certification system for Agriculture, Forestry and Tourism. The Rainforest Alliance certification indicates compliance with the organization's standards for environmental, social and economic sustainability. Rainforest Alliance merged with UTZ in January 2018.	Marine Stewardship Council (MSC) is a non-profit organization founded in 1996, that issues eco-label certifications for fisheries which are sustainable and well-managed.
Clear positive impact	Promoting sustainable farming practices that improve water quality, conserve energy, increase biodiversity and contribute to soil health.	Promotion of a sustainable management system that respects nature's systems, contributes to biological diversity, uses energy responsibly, respects high animal welfare standards.	Promoting sustainable practices in agriculture, forestry and tourism.	Promoting sustainable fisheries practices.
Minimum standards	The USDA Organic seal sets strict production and labeling requirements:	The EU Organic Farming system prohibits the use of GMOs (minimum 95% GMO	Rainforest Alliance establishes a minimum threshold for impact	A minimum score must be met across each of the performance indicators.

³⁹ U.S. Department of Agriculture, USDA Organic: <https://www.usda.gov/topics/organic>

⁴⁰ European Commission, Organics at a glance: https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organics-glance_en

⁴¹ Rainforest Alliance: <https://www.rainforest-alliance.org/>

⁴² Marine Stewardship Council, "The MSC Fisheries Standard", at: <https://www.msc.org/standards-and-certification/fisheries-standard>.

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	<ul style="list-style-type: none"> produced without genetic engineering, ionizing radiation or sewage sludge produced using allowed substances based on a comprehensive list of authorized synthetic and non-synthetic substances overseen by a USDA NOP authorized agent 	free), the use of ionizing radiation and sets core requirements for plant production, production rules for seaweed, livestock production rules, production rules for aquaculture animals.	through critical criteria and requires farmers to go beyond by demonstrating improved sustainability on 14 continuous improvement criteria.	As a condition to certification, low-scoring indicators must be accompanied by action plans for improvement.
Scope of certification or programme	The USDA Organic system addresses key risks such as substance use through the regulation of synthetic and non-synthetic substances to preserve soil quality and in line with federal guidelines on animal raising practices, pest and weed control and the use of additives.	The EU Organic Farming system addresses key risks such as substance use (e.g. pesticides, soluble fertilizers, soil conditioners or plant protection products), the maintenance and enhancement of soil life, natural soil fertility, soil stability and biodiversity, preventing and combating soil damage (compaction, erosion).	Rainforest Alliance addresses key risks such as human rights, child labour, pesticide use and biodiversity use through its criteria.	<p>The MSC standard consists of a fisheries standard and a chain of custody standard.</p> <p>The Fishery Standard assesses three core principles: sustainable fish stocks, minimising environmental impact, and effective fisheries management; collectively these account for the major environmental and social impacts.</p> <p>The Chain of Custody standard addresses certified purchasing, product identification, separation, traceability and records, and good management.</p>
Verification of standards and risk mitigation	The USDA seal has a twofold enforcement mechanism, one by Organic Certifiers and one by the USDA Agricultural Marketing Services. The two bodies undergo audits to ensure compliance with criteria and continuous improvement at least once a year or unannounced.	Certified entities undergo audits to ensure compliance with criteria and continuous improvement at least once a year, or more often based on a risk assessment.	Certified entities undergo third party verification to ensure compliance with criteria and continuous improvement.	<p>Third-party conformity assessment bodies (CABs), certified by Accreditation Service International (ASI) carry out assessments in line with the MSC standard and ISO 17065.</p> <p>Certification is valid for up to five years.</p>
Third party expertise and multi-stakeholder process	The USDA Organic seal is organized by the National Organic Program which develops the rules and regulations for the production, handling, labeling and enforcement of all USDA organic products. This process receives input from the national Organic Standards Board (a Federal Advisory Committee made of 15 members of the public) and the general public.	The EU Organic Farming is a government-based standard resulting from public consultations and third-party deliberations in line with the European Commission's typical legislative approach.	Standard setting is aligned with the ISEAL Standard Setting Code.	Aligned with the UN Code of Conduct for Responsible Fishing, and further informed by the Global Sustainable Seafood Initiative (GSSI), World Trade Organization (WTO), and International Social and Environmental Accreditation and Labelling (ISEAL)

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<p>Performance Display</p>				
<p>Third-party verified</p>	<p>80 certifying agents are USDA accredited and authorized to certify operations under the USDA organic standards. 48 of the 80 certifying authorities are US based and 32 are in foreign countries. Most certifying agents are directly accredited by the USDA National Organic Program, with an additional 21 members being officially authorized through recognition agreements between US and other governments.</p>	<p>Every Member State must designate one or more private and/or public control authorities in charge for the organic production and labelling of organic products in the EU Member States.</p>	<ul style="list-style-type: none"> • Africert • Conservacion y Desarrollo Certified S.A. • Imafloa • IMO India • CERES • IBD • Indocert • NaturaCert • Productos y Procesos Sostenables, A.C. • NEPCon 	<ul style="list-style-type: none"> • MSC assessment is carried out by accredited Conformity Assessment Bodies (“CABs”). CABs must meet the requirements set out in the MSC Certification Requirements.
<p>Qualitative considerations</p>	<p>Under the USDA Organic seal, the US federal legislation allows three levels of organic foods, namely: purely organic products made entirely with certified organic ingredients and labeled 100% organic, products with at least 95% organic ingredients. Both categories are allowed to be certified USDA Organic. A third category with at least 70% organic ingredients may be labeled as “made with organic ingredients”, but cannot display the USDA Organic seal.</p>	<p>The EU Organic Farming system is widely recognized across all 28 Member States. Currently, 11.9% million hectares are currently certified under the system, with the whole organic area representing 6.2% of the total utilized agricultural area in the European Union.</p>	<p>Global recognition across 76 countries around the world. There are 763 Rainforest Alliance certified products and more than 1,354,057 people who have conducted training, certification and verification under the Rainforest Alliance standard. Rigorous on the enforcement of minimum standards and strong governance over the implementation of social and environmental mitigation processes.</p>	<p>The MSC label is the most widely recognized sustainable fisheries label worldwide and is generally accepted to have positive impacts on marine environments.</p> <p>Proponents of the label cite the transparent science-based process for approval and its successful engagement with industry groups. Criticism from various observers include lack of focus on preventing by-catch, protecting marine mammals and endangered species, follow-up on conditions, crew safety, and live tracking of supply chains.</p>

Appendix 3: Summary of Forestry Certifications

	FSC ⁴³	PEFC ⁴⁴	SFI ⁴⁵
Background	Founded in 1993 after the 1992 Earth Summit in Rio failed to produce any international agreements to fight against deforestation, FSC aims to promote sustainable forest management practice.	PEFC was founded in 1999 in response to the specific requirements of small- and family forest owners as an international umbrella organization providing independent assessment, endorsement and recognition of national forest certification systems.	In 2005, the PEFC recognized the SFI standard with an aim to advance sustainable forestry and responsible purchasing globally. The SFI program has on-product labels to help consumer interact with the forestry supply chain by supporting responsible forestry. The SFI standards pertain to - Forest Management Standard, Fiber Sourcing Standard and Chain-of-Custody Standard
Basic Principles	<ul style="list-style-type: none"> • Compliance with laws and FSC principles • Tenure and use rights and responsibilities • Indigenous peoples' rights • Community relations and workers' rights • Benefits from the forests • Environmental impact • Management plans • Monitoring and assessment • Special sites – high conservation value forests (HCVF) • Plantations 	<ul style="list-style-type: none"> • Maintenance and appropriate enhancement of forest resources and their contribution to the global carbon cycle • Maintenance and enhancement of forest ecosystem health and vitality • Maintenance and encouragement of productive functions of forests (wood and no-wood) • Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems • Maintenance and appropriate enhancement of protective functions in forest management (notably soil and water) • Maintenance of socioeconomic functions and conditions • Compliance with legal requirements 	<ul style="list-style-type: none"> • To practice sustainable forestry that integrates land stewardship ethic and conservation of ecosystem services • To protect and maintain forest productivity and health • To protect water resources and biological diversity • To manage the visual impacts of forest operations, and to provide recreational opportunities for the public • To manage and protect integrity of forests and lands of special significance (ecologically, geologically or culturally important) • To use and promote sustainable forestry practices that are both scientifically credible and economically, environmentally and socially responsible • To avoid Controversial Sources including Illegal logging in Offshore Fiber Sourcing as well as sourcing from countries that do not have effective social laws. • To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations • To support advances in sustainable forest management through forestry research as well as improve the practice of sustainable forestry through training and education programs • To broaden the practice of sustainable forestry on public lands through community involvement as well as the understanding of the standard by documenting certification audits and making the findings publicly available. • To continually improve the practice of forest management

⁴³ Forest Stewardship Council, at: <https://www.fsc.org/en>.

⁴⁴ Programme for the Endorsement of Forest Certification, at: <https://www.pefc.org/>.

⁴⁵ Sustainable Forestry Initiative, at: <https://www.sfiprogram.org/>.

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<p>Governance</p>	<p>The General Assembly, consisting of all FSC members, constitutes the highest decision-making body.</p> <p>At the General Assembly, motions are proposed by one member, seconded by two more, and deliberated and voted on by all members. Members are entitled to vote to amend the bylaws, initiate new policies, and clarify, amend or overturn a policy decision by the board.</p> <p>Members apply to join one of three chambers – environmental, social, or economic – that are further divided into northern and southern sub-chambers.</p> <p>Each chamber holds 33.3% of the weight in votes, and within each chamber the votes are weighted so that the North and South hold an equal portion of authority, to ensure influence is shared equitably between interest groups and countries with different levels of economic development.</p> <p>The votes of all individual members in each sub-chamber represent 10% of the total vote of the sub-chamber, while the votes of organizational members make up the other 90%.</p> <p>The members vote for the board of directors, which is accountable to the members. There is an international board elected by all members and a US board, elected by the US-based members.</p>	<p>PEFC’s governance structure is formed by the General Assembly (GA) which is the highest authority and decision-making body. It is made up of all PEFC members, including national and international stakeholders.</p> <p>Members vote on key decisions including endorsements, international standards, new members, statutes and budgets. All national members have between one and seven votes, depending on membership fees, while international stakeholder members have one vote each.</p> <p>The Board of Directors supports the work of the GA and together the GA and the Board make the formal approval of final draft standards. Standards are developed by working groups.</p> <p>In general, PEFC’s governance structure is more representative of industry and government stakeholders than of social or environmental groups, which gives industry and governments more influence in the decision-making process. However, the organization does include stakeholders from all sectors.</p>	<p>The SFI program is operated by SFI Inc., a fully independent non-profit charitable 501(c)(3) organization.</p> <p>SFI Inc. is governed by an 18-member board of directors made up of three chambers with equal membership: environmental, social and economic. This multi-stakeholder board of directors is the sole governing body over all aspects of the SFI program, including the SFI 2010-2014 Standard, chain-of-custody, labeling and claims, marketing and promotion.</p> <p>The SFI has an External Review Panel, comprising environmental, conservation and forestry experts. This panel annually reviews the program’s progress and releases a report publicly.</p> <p>There are thirty-seven SFI Implementation Committees across North America that operate at the regional, state and provincial level to help promote the SFI Standard through targeted local actions. They involve public agencies, universities, local forestry associations, landowners, loggers, partnerships with conservation groups, and other community based organizations</p>
<p>Scope</p>	<p>FSC is a global, multi-stakeholder owned system. All FSC standards and policies are set by a consultative process. There is an FSC Global standard and for certain countries FSC National standards. Economic, social, and environmental interests have equal weight in the standard setting process. FSC follows the ISEAL Code of Good Practice for Setting Social and Environmental Standards.</p>	<p>Multi-stakeholder participation is required in the governance of national schemes as well as in the standard-setting process. Standards and normative documents are reviewed periodically at intervals that do not exceed five years. The PEFC Standard Setting standard is based on ISO/IEC Code for good practice for standardization (Guide 59)⁴⁶ and the ISEAL Code of Good Practice for Setting Social and Environmental Standards.</p>	<p>SFI Standards promote sustainable forest management in North America and responsible procurement of forest products around the world.</p> <p>The SFI Forest Management Standard particularly applies to organizations in the United States and Canada and the Fiber Sourcing Standard as well as the Chain-of-Custody standard apply to any organization globally.</p>

⁴⁶ ISO, “ISO/IEC Guide 59:2019”, (2019), at: <https://www.iso.org/standard/23390.html>.

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<p>Chain-of-Custody</p>	<ul style="list-style-type: none"> • The Chain-of-Custody (CoC) standard is evaluated by a third-party body that is accredited by FSC and compliant with international standards. • CoC standard includes procedures for tracking wood origin. • CoC standard includes specifications for the physical separation of certified and non-certified wood, and for the percentage of mixed content (certified and non-certified) of products. • CoC certificates state the geographical location of the producer and the standards against which the process was evaluated. Certificates also state the starting and finishing point of the CoC. 	<ul style="list-style-type: none"> • Quality or environmental management systems (ISO 9001:2008 or ISO 14001:2004 respectively) may be used to implement the minimum requirements for chain-of-custody management systems required by PEFC. • Only accredited certification bodies can undertake certification. • CoC requirements include specifications for physical separation of wood and percentage-based methods for products with mixed content. • The CoC standard includes specifications for tracking and collecting and maintaining documentation about the origin of the materials. • The CoC standard includes specifications for the physical separation of certified and non-certified wood. • The CoC standard includes specifications about procedures for dealing with complains related to participant's chain of custody. 	<ul style="list-style-type: none"> • Any entity harvesting, transporting, handling or processing forest based products can use CoC certification to track and communicate forest fiber content using one of the following optional approaches for chain of custody: physical separation, average percentage or volume credit method. • These entities shall obtain an independent, third-party certification by an SFI certification body to the requirements set out in this standard if they choose to utilize an SFI CoC label or claim. • Quality or environmental management systems (ISO 9001: 2008) or environmental management system (ISO 14001:2004) can be used to meet minimum requirements for the management system. • This standard shall be used together with the requirements specifying the origin, which is to be verified by the CoC. Usage of labels and claims based on the implementation of this standard shall follow ISO 14020:2000 (Environmental labels and declarations)
<p>Non-certified wood sources</p>	<p>FSC's Controlled Wood Standard establishes requirements to participants to establish supply-chain control systems, and documentation to avoid sourcing materials from controversial sources, including:</p> <ol style="list-style-type: none"> Illegally harvested wood, including wood that is harvested without legal authorization, from protected areas, without payment of appropriate taxes and fees, using fraudulent papers and mechanisms, in violation of CITES requirements, and others, Wood harvested in violation of traditional and civil rights, Wood harvested in forests where high conservation values are threatened by management activities, 	<p>The PEFC's Due Diligence System requires participants to establish systems to minimize the risk of sourcing raw materials from:</p> <ol style="list-style-type: none"> forest management activities that do not comply with local, national or international laws related to: operations and harvesting, including land use conversion, <ul style="list-style-type: none"> management of areas with designated high environmental and cultural values, protected and endangered species, including CITES species, health and labor issues, 	<p>SFI requires program participants to:</p> <ol style="list-style-type: none"> Comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations such as - The Clean Water Act, The Endangered Species Act, The Species at Risk Act, The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) etc. Avoid controversial sources including Illegal Logging and Fiber Sourced from Areas that do not have Effective Social Laws pertaining to: workers' health and safety, fair labor practices, indigenous peoples' rights, anti-discrimination and anti-harassment measures, prevailing wages and workers' right to organize. Document information that includes knowledge about direct suppliers' application of the principles of sustainable forestry.

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	<p>d. Wood harvested in forests being converted from forests and other wooded ecosystems to plantations or non-forest uses,</p> <p>e. Wood from management units in which genetically modified trees are planted.</p>	<ul style="list-style-type: none"> ○ indigenous peoples' property, tenure and use rights, ○ payment of royalties and taxes. <p>c. genetically modified organisms,</p> <p>d. forest conversion, including conversion of primary forests to forest plantations.</p>	
<p>Accreditation/ verification</p>	<p>FSC-accredited Certification Bodies (CB) conduct an initial assessment, upon successful completion companies are granted a 5-year certificate. Companies must undergo an annual audit every year and a reassessment audit every 5 years. Certification Bodies undergo annual audits from Accreditation Services International (ASI) to ensure conformance with ISO standard requirements.</p>	<p>Accreditation is carried out by an accreditation body (AB). Like a certification body checks a company meets the PEFC standard, the accreditation body checks that a certification body meets specific PEFC and ISO requirements. Through the accreditation process PEFC has assurance that certification bodies are independent and impartial, that they follow PEFC certification procedures.</p> <p>PEFC does not have their own accreditation body. Like with the majority of ISO based certifications, PEFC relies on national ABs under the umbrella of the International Accreditation Forum (IAF). National ABs need to be a member of the IAF, which means they must follow IAF's rules and regulations.</p>	<p>All SFI certifications require independent, third-party audits and are performed by internationally accredited certification bodies.</p> <p>Accredited certification bodies are required to:</p> <ul style="list-style-type: none"> • maintain audit processes consistent with the requirements of ISO 17021:2006 conformity assessment – requirements for bodies providing audit and certification of management systems; and • conduct audits in accordance with the principles of auditing contained in the ISO 19011:2002 Guidelines for Quality and/or Environmental Management Systems Auditing.
<p>Conclusion</p>	<p>Sustainalytics views both FSC and PEFC, as well as the PEFC-affiliated scheme SFI, as being robust, credible standards that are based on comprehensive principles and criteria that are aligned with ISO. Both schemes have received praise for their contribution to sustainable forest management practices⁴⁷ and both have also faced criticism from civil society actors.^{48,49} In certain instances, these standards go above and beyond national regulation and are capable of providing a high level of assurance that sustainable forest management practices are in place. However, in other cases, the standards are equal or similar to national legislation and provide little additional assurance. Ultimately, the level of assurance that can be provided by either scheme is contingent upon several factors including the certification bodies conducting audits, national regulations and local context.</p>		

⁴⁷ FESPA, "FSC, PEFC and ISO 38200", (2018), at: <https://www.fespa.com/en/news-media/blog/fsc-pefc-and-iso-38200>

⁴⁸ Yale Environment 360, "Greenwashed Timber: How Sustainable Forest Certification Has Failed", (2018), at: <https://e360.yale.edu/features/greenwashed-timber-how-sustainable-forest-certification-has-failed>

⁴⁹ EIA, "PEFC: A Fig Leaf for Stolen Timber", (2017), at: <https://eia-global.org/blog-posts/PEFC-fig-leaf-for-stolen-timber>

Appendix 4: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	MetLife, Inc.
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	MetLife Sustainable Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 16, 2020
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs and SBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

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The eligible categories for the use of proceeds – Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation, Sustainable Water and Wastewater Management, Pollution Prevention and Control, Environmentally Sustainable Management of Living Natural Resources and Land Use, Access to Essential Services, and Affordable Housing – are aligned with those recognized by both the Green Bond Principles and Social Bond Principles respectively. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 6, 7, 9, 11, 12 and 15.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input checked="" type="checkbox"/> Other (please specify): Environmentally Sustainable Management of Living Natural Resources and Land Use |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|--|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input checked="" type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

MetLife's Investment and Treasury teams will propose Eligible Assets to the Sustainable Financing Council, who will be responsible for ultimate review and selection assets that meet the Framework's eligibility criteria

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and that are consistent with MetLife's policies. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

MetLife will establish a Sustainable Finance Register to record an amount equal to the net proceeds from each MetLife Sustainable Financing and its allocation to Eligible Assets. The Investments and Sustainability teams will be in charge of maintaining and updating the register, which will be reviewed quarterly by the Sustainable Finance Council. Pending allocation, proceeds will be managed in accordance with MetLife's normal liquidity activities. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

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4. REPORTING

Overall comment on section (if applicable):

MetLife intends to undertake annual allocation reporting on its website on an annual basis until full allocation. MetLife's allocation reporting will include amounts allocated to each Eligible Category, the balance of unallocated net proceeds, and where feasible a brief description of examples of Eligible Assets for each MetLife Sustainable Financing. In addition, MetLife, Inc. is committed to reporting on relevant qualitative and quantitative impact metrics where feasible. Sustainalytics views MetLife, Inc.'s allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|---|
| <input type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators (please specify): Area of certified green buildings in sqft and by certification level, volume of water saved/treated/reused (m ³ /a), number of hospital and other healthcare facilities built/upgraded, number of educational institutions funded, location and type, rental costs compared to the national/regional rent index, number of affordable housing units built or refurbished. |

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Frequency:

- Annual
 Semi-annual
 Other (please specify):

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
 Information published in ad hoc documents
 Other (please specify): Report published on website
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion)
 Certification
 Verification / Audit
 Rating
 Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- i. Second Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines

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specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

- iv.** Green, Social and Sustainability Bond Scoring/Rating: An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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