



MetLife Sustainable Financing Report

June 2022



Sustainability at MetLife

At MetLife, our customers come first, which means that we must strive at all times to deliver on our promises several decades into the future. Our investments, accordingly, help ensure we can keep the financial promises we made to our customers all over the world and fulfill our purpose of building a more confident future for everyone. That's why we seek out investments that are diverse, stable, secure, and offer competitive, risk-adjusted returns. That includes evaluating all material risks, including environmental, social and governance (ESG) factors. In fact, our ESG integration efforts are applied broadly across asset classes.

For more than 150 years MetLife has been committed to serving our communities. From energy efficiency and green buildings to volunteer projects and responsible investments that promote social and/or environmental benefits, we work to reduce our footprint and build resiliency in a changing world.

In 2020, MetLife released its Sustainable Financing Framework (the Framework) to facilitate the alignment of MetLife's business and investment activities to support and drive a more sustainable future. Since that release, Metropolitan Life Insurance Company (MLIC) issued a green funding agreement in 2020 in connection with a Metropolitan Life Global Funding I issuance of funding agreement-backed notes. In 2021, MLIC amended its funding agreement-backed commercial paper (FACP) program to enable the issuance of green FACP.

About the Report

In the Framework, MetLife committed to publishing a Sustainable Financing report which includes a summary of outstanding MetLife Sustainable Financing issuances as well as the allocation of amounts equal to net proceeds of the outstanding issuances to eligible categories of assets, as described in the Framework. The inaugural annual report was published in June 2021 and can also be found on the sustainability section of MetLife's website at [metlife.com/sustainability](https://www.metlife.com/sustainability).

This report details the final allocation by MLIC of amounts equal to the net funding agreement proceeds in connection with its Sustainable Financings through May 2022. The MetLife Sustainable Financing Council has determined the use of all such proceeds complies with the MetLife Sustainable Financing Framework.




- On July 2, 2020 MLIC issued its inaugural green funding agreement under the Framework in connection with a Metropolitan Life Global Funding I issuance of \$750 million 0.95% funding agreement-backed notes due July 2025; and
- In November 2021 MetLife Short Term Funding LLC issued \$40 million in Sustainable Commercial Paper Notes with proceeds deposited under a funding agreement issued by MLIC, which was the maximum amount of concurrently outstanding Sustainable Commercial Paper Notes during 2021.

Also in this report, MetLife provides a brief summary of the portfolio of potential eligible assets that it intends to be financed or refinanced in an amount equal to any funding agreement proceeds in connection with the issuance of Sustainable Commercial Paper Notes ("Sustainable Funding Agreement Proceeds") prior to publication of the next year's Sustainable Financing report.

Use of Proceeds and Impact

Green Funding Agreement issuance due July 2025



An amount equal to the net proceeds of the inaugural green funding agreement issuance under the Framework was fully allocated across three of the eligible categories as described in the Framework: Renewable Energy, Green Buildings and Environmentally Sustainable Management of Living Natural Resources and Land Use. There is no change in allocations from the June 2021 Sustainable Financing report; however, certain impact metric share amounts have been updated below. There is no balance of unallocated net proceeds.

Eligible Category	MLIC Holdings Allocated to Funding Agreement (\$M)	Percent of Allocation	Impact Metric	MLIC's Share of Impact Metric Allocated to Funding Agreement
Renewable Energy 	180	24%	Renewable energy generation (MWh)	294,433
			Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent	114,181
Green Buildings 	220	30%	Area of certified LEED – Platinum (ft ²)	514,149
			Area of certified LEED – Gold (ft ²)	151,508
			Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent	80
Environmentally Sustainable Management of Living Natural Resources and Land Use 	346	46%	Total surface financed (hectare), SFI Certified	547,575
			Total surface financed (hectare), FSC Certified	28,499
			Drip irrigation – annual water saved (m ³ /hectare)	5,083
Total	746	100%		

See appendix for details. Due to confidentiality obligations, individual asset and borrower names are not disclosed.

Sustainable Commercial Paper Notes

An amount equal to the Sustainable Funding Agreement Proceeds associated with the maximum concurrently outstanding Sustainable Commercial Paper Notes during the 2021 calendar year was fully allocated across two of the eligible categories as described in the Framework: Renewable Energy and Environmentally Sustainable Management of Living Natural Resources and Land Use. There is no balance of unallocated net proceeds.

Eligible Category	MLIC Holdings Allocated to Funding Agreement (\$M)	Percent of Allocation	Impact Metric	MLIC's Share of Impact Metric Allocated to Funding Agreement
Renewable Energy 	11	27%	Renewable energy generation (MWh)	17,595
			Annual GHG emissions reduced/avoided in tonnes of CO ₂ equivalent	6,727
Environmentally Sustainable Management of Living Natural Resources and Land Use 	29	73%	Total surface financed (hectare), FSC Certified	34,579
Total	40	100%		

Methodology

For reporting purposes, the allocation and impact of each asset was scaled on a pro-rata basis to equate to the net funding agreement proceeds in connection with Sustainable Financings. The share of the investment is based on the debt and equity investment as a proportion of the capitalization or book value at time of investment. Where available, we use the project developers' or borrowers' estimation for impact metrics. Absent this data we estimate the metrics as per the methodology described below.

Renewable Energy

Avoided emissions were estimated using the renewable energy production and the carbon dioxide emission factors in the relevant project location. Emission factors reflect emissions from the fossil fuel electricity generation that are displaced by renewable sources in the local energy mix. Energy mixes were obtained from U.S. Energy Information Administration (EIA) and International Energy Agency (IEA) statistics and emissions avoidance calculated from International Renewable Energy Agency (IRENA) emission data.

Green Buildings

Avoided emissions are provided by borrower and are an average annual savings based on Energy Star calculations.

Environmentally Sustainable Management of Living Natural Resources and Land Use

Area of underlying forestry of each loan provided by third-party certifications. Water savings for drip-irrigation calculated by borrower who compares annual water use by crop using traditional gravity flow irrigation versus water use by crop using drip irrigation.

Potential Eligible Assets for Sustainable Commercial Paper Notes

Below are the shortlisted categories of potential eligible assets that MetLife intends to be financed or refinanced using Sustainable Funding Agreement Proceeds prior to the publication of the following year's report:

- Renewable Energy
- Environmentally Sustainable Management of Living Natural Resources and Land Use

Many factors determine the assets in which MetLife invests and they involve unpredictable risks and uncertainties. MetLife's expectations depend on its assumptions and understanding of the economic environment, but they may be inaccurate and may change. MetLife does not guarantee any future performance or proportion of eligible assets that may be financed or refinanced.

External review




As committed in the Framework, MetLife requested a qualified independent external reviewer, Sustainalytics, to verify and provide third-party assurance with respect to the management of the MetLife Sustainable Financing proceeds allocation and the compatibility of the selected Eligible Assets with the Framework. The second party opinion on the Framework and the annual report review can be found in the sustainability section of MetLife's website at [metlife.com/sustainability](https://www.metlife.com/sustainability).



Appendix

Details on Assets

Green Funding Agreement issuance due July 2025

Eligible Category	Eligibility Criteria	Description	Location	Amount Allocated to Funding Agreement (\$M)
Renewable Energy 	Solar	Three solar projects on East Coast and in Western U.S. MLIC's share of installed capacity is 19MW	U.S.	60
	Solar	Portfolio of solar projects in four locations in Western U.S. MLIC's share of installed capacity is 44MW	U.S.	50
	Wind	Wind farm in Mexico. MLIC's share of installed capacity is 33MW	Mexico	37
	Wind	Wind farm in Mexico. MLIC's share of installed capacity is 17MW	Mexico	33
Green Buildings 	LEED - Platinum Certified	Class A Office in Northeast U.S.	U.S.	178
	LEED - Gold Certified	Two Class A Offices in Northwest U.S.	U.S.	42
Environmentally Sustainable Management of Living Natural Resources and Land Use 	Forestry assets with Sustainable Forestry Initiative (SFI) certification	Manage timberland in U.S. and Canada in a manner compliant with SFI	U.S.	68
	Forestry assets with Sustainable Forestry Initiative (SFI) certification	Manage timberland in Northwest U.S. in a manner compliant with SFI	U.S.	15
	Forestry assets with Sustainable Forestry Initiative (SFI) certification	Manage timberland in Northeast U.S. in a manner compliant with SFI	U.S.	104
	Forestry assets with Sustainable Forestry Initiative (SFI) certification	Manage timberland in Northeast U.S. in a manner compliant with SFI	U.S.	40
	Forestry assets with Forest Stewardship Council (FSC) certification	Manage timberland in Western U.S. in a manner compliant with FSC	U.S.	69
	Climate smart farm inputs: drip-irrigation	Develop and operate ~3,800ha of farms using drip-irrigation to cultivate produce such as blueberries, table grapes, avocados, and asparagus	Peru	51
Total				746

Sustainable Commercial Paper Notes

Eligible Category	Eligibility Criteria	Description	Location	Amount Allocated to Funding Agreement (\$M)
Renewable Energy 	Solar	Multiple solar projects in various stages (operational, construction and development) in Chile. MLIC's share of installed capacity is 18MW	Chile	11
Environmentally Sustainable Management of Living Natural Resources and Land Use 	Forestry assets with Forest Stewardship Council (FSC) certification	Manage timberland in Southern US in a manner compliant with FSC	U.S.	29
Total				40

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