

# Glossary

**BeWell:** A global physical, mental and emotional well-being program to convey a message of support and empathy for all of our employees through leadership engagement and outreach, virtual programs and the provision of relevant resources and tools.

**Carbon Neutrality:** Carbon neutral, or carbon neutrality, means eliminating or offsetting all greenhouse gas (GHG) emissions across a company's operations. For MetLife, in 2021, this goal applied to GHG emissions from all of MetLife's owned and leased properties across the world, as well as its fleet of automobiles (Scope 1 and 2 emissions). The goal also applies to the company's employee business travel (Scope 3 emissions).

**Carbon Offset:** A tool for claiming "rights" to carbon emissions reductions generated somewhere else in the world through the buying and selling of certificates representing a specific volume of emissions. To offset the GHG emissions that we cannot reduce in the short term, MetLife supports a diverse portfolio of third-party-certified emissions-reduction and renewable energy generation projects in countries where we operate around the world. MetLife seeks out and supports projects that empower local economies and align with the United Nations Sustainable Development Goals (UN SDGs).

**Diverse Business Partner:** A business that is majority owned, operated and controlled by ethnic minorities, women, lesbian, gay, bisexual, transgender, queer-plus (LGBTQ+) individuals, people with disabilities or veterans, as well as federally recognized small businesses. A diverse supplier is defined as a business that is at least 51% owned, operated and financially controlled by one or more of the following:

- Ethnic Minority Business Enterprises (MBEs) certified by the National Minority Supplier Development Council (NMSDC)
- Women Business Enterprises (WBEs) certified by the Women's Business Enterprise National Council (WBENC)
- Veteran and Service-Disabled Veteran Business Enterprise (SDVBE) certified by National Veteran Business Development Council (NVBDC)
- Disability-Owned Business Enterprise (DOBE) certified by Disability:IN
- LGBT Business Enterprise certified by National LGBT Chamber of Commerce (NGLCC)
- Small businesses as defined by the federal government (SBA)

**Diverse Business Partner Spend:** Payments made to third-party suppliers that qualify as Diverse Business Partners, according to their diversity status at the respective year end, in exchange for goods and services that are commercially feasible for negotiation and are within Global Procurement's scope according to its policy.

**Diversity:** Leveraging our unique attributes and perspectives.

## **Energy Savings Performance Contracts (ESPCs):**

Debt financings under which the U.S. government, military or a government agency contracts with a service provider to install equipment. The high-efficiency equipment is comprised of lighting, windows, heating/cooling equipment, plumbing fixtures or similar capital improvements. Once installed, the equipment generates cost savings versus the equipment replaced. The service provider raises debt capital to fund the capital expenditures, and the debt service is paid for the contracting government entity in the form of lower operating costs.

## **Environmental, Social and Governance (ESG):**

ESG is a common term now used to describe factors of corporate responsibility. For MetLife, corporate responsibility is about managing business and responsibly delivering long-term value for all stakeholders, and sustainability is about achieving a positive societal impact while improving the long-term sustainability of the company.

**Equity:** Providing opportunities for everyone to progress in their careers at all levels, no matter their background.

**EMEA:** A MetLife market acronym for Europe, Middle East and African countries.

**EXCELERATE:** MetLife's talent sponsorship program driven by the CEO and senior leaders.

**Exclusionary Investment Screening:** The exclusion of companies and/or sectors from an investment portfolio that contradict a client's corporate or moral values.

**Financial Wellness:** Describes the state of one's personal monetary affairs. There are many dimensions to financial health, including the amount of savings you have, how much you're putting away for retirement and how much of your income you are spending on fixed or non-discretionary expenses.

**Fitwel:** Created as a joint initiative led by the U.S. Centers for Disease Control and Prevention (CDC) together with the General Services Administration (GSA), Fitwel provides guidelines for designing, constructing and operating healthier buildings. The Center for Active Design (CfAD) is the operator of Fitwel and responsible for the third-party certification.

**Funding Agreement-Backed Note**

**(or Funding-Backed Security):** Securities that are backed by a funding agreement, which is a deposit-type contract, issued by life insurance companies, that promise a stream of predictable fixed payments over a specified period of time.

**Gender Equality:** The state in which access to rights or opportunities is unaffected by gender.

**Gender Gap Analysis:** An analysis of the relative disparity between people of different genders.

**Green Bonds:** Includes public corporate green bonds held within MetLife's general account and unaffiliated institutional asset management portfolios as identified by Bloomberg for all green bond International Securities Identification Numbers (ISINs) issued in the global market.

**Greenhouse Gas Emissions (or Carbon Emissions):**

A GHG is any gas that has the property of absorbing infrared radiation (net heat energy) emitted from Earth's surface and reradiating it back to Earth's surface. Carbon dioxide, methane and water vapor are examples of GHG gases. MetLife reports all GHG gases in CO2 equivalents (CO2e). This is why sometimes "carbon emissions" is used as shorthand for describing all GHG emissions.

**Green Investments:** Investments in projects, infrastructure or companies that support or provide environmentally friendly products and practices. MIM currently defines green investments to include 1) LEED, Energy Star, BREEAM and/or Fitwel-certified real estate equity investments; 2) commercial mortgage loans secured by LEED and/or Energy Star certified real estate; 3) renewable energy projects, including wind and solar; 4) energy savings performance contracts (ESPCs); 5) public and private corporate green bonds; and 6) property assessed clean energy (PACE) residential and commercial loans.

**Impact Investments:** Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return (GIIN—Global Impact Investment Network—definition). This activity includes both MetLife's general account and a smaller volume of MetLife Foundation assets.

**Inclusion:** Ensuring that through our interactions, everyone is fully respected, recognized and valued.

**Infrastructure:** Includes infrastructure investments supporting airports, ports, transportation (roads, rail, bridges), transmission, energy management systems, social infrastructure (stadiums, housing, courthouses), data centers, metering, telecom and water. Excludes: ESPCs, renewable investments, energy (pipelines, gas-fired generation) and private prisons.

**International Labour Organization's Declaration on Fundamental Principles and Rights at Work:**

Adopted in 1998, the Declaration commits Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant Conventions. These categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation.

**LATAM:** A MetLife market acronym for Latin American countries.

**Leadership in Energy and Environmental Design (LEED):**

An internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, stewardship of resources and sensitivity to their impacts.

**MetLife Investment Management (MIM):** MIM is the institutional asset management business of MetLife, Inc. MIM provides public fixed income, private capital and real estate investment solutions to institutional investors worldwide.

**MetLife's Purpose Awards:** An exclusive, selection-based award recognizing colleagues who went to extraordinary efforts to bring our purpose to life.

**Municipal Bonds:** Includes entire (public) municipal bond portfolio for MetLife's general account and unaffiliated institutional asset management clients—no exclusions.

**MyVoice:** MetLife's all-employee survey that gives employees the opportunity to be heard more frequently on topics that are relevant to our culture and business and measures the behaviors that drive our business strategy.

**Net Zero:** The balance between the amount of GHGs produced and the amount removed from the atmosphere.

While sometimes used synonymously with "carbon neutral," a growing consensus behind "net zero" is to reduce all identified emissions in value chains and economies to zero as quickly as possible through technical, policy and behavioral change. The transition to a net zero emissions future focuses on reducing all emissions as much as possible, without the purchase offsets (see "carbon offset") that balance GHGs emitted elsewhere in the world through activities such as burning fossil fuels.

**Our Green Impact:** MetLife's signature environmental employee engagement program that aims to promote environmental awareness across the global enterprise and empowers employees to reduce environmental impact at work, at home and in our communities.

**Paris Agreement:** A legally binding international treaty on climate change. The agreement's goal is to limit global warming to well below 2, preferably to 1.5, degrees Celsius, compared to pre-industrial levels.

**Pay Equity:** Providing equal pay for equal work.

**Preferred Provider Organization (PPO):**

A type of health plan that contracts with medical providers, such as hospitals and doctors, to create a network of participating providers.

**Principles of Responsible Investment (PRI):**

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

**Private Sector Alliance to Promote Financial Inclusion:**

An initiative to develop collaborative business models that help companies do well financially, and to expand inclusion and financial health for underserved customer segments.

**Pro Bono Services:** Professional work undertaken voluntarily and without payment.

**Prudent Risk Management:** A legal obligation to always act with the responsibilities, care and skill of a person showing ordinary prudence.

**Real Estate Equity:** Includes LEED-, Energy Star- and Fitwel-certified real estate equity investments.

**Renewable Energy Sources:** These include solar, wind, hydropower, biomass, geothermal resources and hydrogen derived from renewable resources.

**Responsible Investments:** Investments that intend to achieve both a market financial return and promote social and/or environmental benefits. Responsible investments at MetLife include green investments, infrastructure, municipal bonds, affordable housing and impact investments.

**Sustainable Financing Framework:** Guidance for future issuances of green, social and sustainable bonds, term loans, preferred stock, subordinated notes and funding agreements (each a "MetLife Sustainable Financing") by MetLife, Inc. and its subsidiaries, including Metropolitan Life Insurance Company and Metropolitan Tower Life Insurance Company.

**Total Compensation:** With respect to a year, the total of base salary earnings during the year, annual incentive awards for performance in that year, stock-based long-term incentive awards in consideration of performance in that year and potential for future contributions. Items such as sign-on payments and others that the Compensation Committee recommends, but which are not determined under the company's general executive compensation framework, are not included. Retirement benefits, medical programs and potential termination payments are also not included.

**Total Compensation Framework:** The sum of wages and benefits paid to employees.

**U.K. Social Housing Investments:** Includes social housing providers in the U.K. and overseas territories through investments in nonprofit organizations that provide rental homes at below-market rents to low-income earners, including teachers, nurses, council workers and the elderly and infirm (privates).

**United Nations (UN) Global Compact:**

A voluntary initiative based on CEO commitments to implement universal sustainability principles to take steps to support UN goals.

**UN Global Compact's Target Gender Equality Initiative:**

A gender equality accelerator program for participating companies of the UN Global Compact.

**Unit-Linked Insurance Plan:** A multi-faceted product that offers both insurance coverage and investment exposure in equities or bonds.

**UN Sustainable Development Goals (SDGs):**

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which are an urgent call for action by all countries—developed and developing—in a global partnership.

**UN Women's Empowerment Principles:** A set of principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community.

**U.S. Department of Energy's Better Building Challenge:**

An initiative to encourage institutions to improve building energy efficiency by at least 20% over 10 years and share their strategies and results.

**U.S. Low-Income Housing Tax Credit Investments:**

Includes federal tax credit equity investments financing affordable rental housing and state tax credit investments that are made with substantially similar requirements. Affordable units in a project may charge no more than 30% of a household's income, and the average income of all households in assisted units is 60% of area median income or below.