



MetLife Investment Management

Engagement Policy

About MetLife Investment Management

MetLife Investment Management (MIM), MetLife, Inc.'s (MetLife's) institutional investment management business, serves institutional investors by combining a client-centric approach with long-established asset class expertise. MIM believes in the importance of investing sustainably and incorporating ESG factors into investment decision making. As a well-established global investment manager, our investment teams are responsible for incorporating financially material ESG factors into their risk management focused investment process. Active engagement with our investee company leadership is central to our approach as a key to managing investment risk. As ESG integration efforts in our industry continue to evolve, MIM's approach will continue to develop. We seek to work closely with our clients to provide transparency to our approach and adapt it, as needed, to meet our clients' guidelines.

Our Approach to Engagement

MIM's investment analysts regularly interact and engage in discussions with a company's senior management throughout the initial due diligence process and as part of the portfolio monitoring process. Ongoing dialogue helps to raise awareness of sustainable business practices.

Our engagement conversations are guided by the Sustainable Accounting Standards Board (SASB) materiality mapping framework, which identifies relevant industry specific environmental, social and governance (ESG) risks and opportunities for discussion.

Examples of MIM's core asset sectors' active engagement processes, including tracking and reporting of engagement activities, are as follows:

Public Fixed Income

We firmly believe that active engagement with issuer leadership is key to managing investment risk. Analysts engage in ongoing dialogue with senior leadership to assess their business model resilience and responsiveness to the ESG factors impacting their business.

Our proprietary engagement database is designed to be integrated into the research process and allow each analyst to log and update engagement on ESG factors. Additionally, the database includes deals that have been rejected due to a negative evaluation of these factors. The database is easily accessible by all members of MIM's public fixed income team.

For additional information and specific case studies, please see [Public Fixed Income](#).

Private Capital

MIM's private capital team sees active engagement with investee companies and projects as key to both its initial underwriting process and ongoing risk management.

When considering a potential investment opportunity, our credit analysts meet with the company's senior management team either in person or by video conference call ('road show'). This affords our credit analysts the opportunity to understand the sustainability of the company's business model as well as management's philosophy. After the road show, our credit analysts continue their due diligence, including additional questions to management.



MIM's private capital analysts may decide not to pursue transactions which present significant ESG concerns. In our view, adherence to sound ESG practices is important in seeking to minimize financial risks and exposures such as fines, penalties, environmental clean-up costs, etc. We believe such measures can also mitigate "headline" risk and minimize potential damage to the borrower's reputation, as well as that of the investors.

Financially relevant ESG risks and third-party ESG risk ratings, as may be applicable and available, are included as a part of our overall risk assessment as documented within a dedicated ESG section of our internal credit memos and discussed during our internal credit committee reviews.

MIM's private capital team's due diligence efforts continue from any soft commitment through our internal approval processes and finalization of definitive documentation to funding date. If adverse findings are identified, we pursue appropriate measures, which may include corrective action by the issuer, requirement of higher compensation (i.e., fees or coupon increase) or, in extreme situations, not proceeding with the committed investment.

On a regular basis, MIM's private capital analysts monitor the operations and performance of investee companies and projects, including financially relevant ESG performance. Our analysts maintain an ongoing dialogue with the management team, which allows us to address any concerns promptly.

Similar to MIM's public fixed income team, MIM's private capital team has developed a systematic approach for tracking engagement activities, which involves analysts logging their engagement conversations into a customized platform designed specifically to track these activities.

For additional information, please see the private capital's ESG investment brochure at [Private Capital](#).

Real Estate Equity

MIM's equity real estate team believes that our focus on financially material ESG factors is a crucial part of our mission. Through three operating directives — Partner, Guide and Sustain — MIM's equity real estate ESG programs seek to enhance value for the community, our clients, partners and investors and the real estate investments we manage on their behalf. We actively engage with our building occupants on a variety of sustainability-related topics including greenhouse gas emissions, energy, water, and waste management initiatives to drive reductions. We are focused on occupant health and wellbeing and increasing sustainability awareness throughout our MIM-managed properties.

MIM conducts an annual ESG challenge that rewards individual properties for innovative sustainability projects. MIM's real estate has a dedicated ESG team that explores and implements tools and resources and collaborates with consultants and property teams to track and improve data to enhance energy efficiency measures and effectively



communicate with occupants on the benefit of energy performance. MIM celebrates MetLife's green building certifications such as LEED and Energy Star by announcing building certifications to building occupants via internal websites, digital lobby monitors and signage. Our third-party property management teams are encouraged to distribute communications highlighting energy, water, and waste management best practices.

MIM also uses an ESG Acquisitions Assessment (Assessment) as part of the required due diligence for all new real estate equity investments. The Assessment seeks to uncover relevant associated risks, including both the physical and transition risks associated with climate change, from both a short- and long-term perspective.

Commercial Lending

MIM's commercial mortgage lending asset originators are tasked with sourcing and underwriting transactions. These efforts require getting to know our borrowers and respective business practices. We believe that engagement is the most effective way to discuss potential risks and opportunities, including those involving financially material ESG related considerations.

MIM uses a commercial mortgage ESG questionnaire that collects data on sponsor-level sustainability practices and accomplishments, including written policies, public disclosures and memberships in sustainable organizations. We also track LEED certification and Energy Star status at the time of loan origination and throughout the loan term. Finally, we use third party tools to assess the physical and transition risks associated with climate change during underwriting.

Proxy Voting

MIM is predominantly a global fixed income and real estate investment manager. Proxy voting by MIM primarily arises in the context of index funds and equity assets managed by MIM and in connection with a limited number of fixed income investments managed by MIM. MIM is a passive index investor and we utilize Institutional Shareholder Services Inc. (ISS) to vote proxies in accordance with MIM's proxy voting guidelines for most proxy voting requests.

Note:

Please note that the ESG features of funds and managed accounts offered by MIM to clients and investors will be subject to specific terms and investment guidelines. Since these terms will vary across individual products and services, this policy is not intended to operate as a statement of their characterisation under the EU Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) or any other investment labelling regime, given that such characterisation will be determined and applied on a case-by-case basis for these purposes.

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