

# Metropolitan Life Insurance Company

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## Introduction

In June 2020, MetLife, Inc. (“MetLife”) established the MetLife Sustainable Financing Framework (the “Framework”),<sup>1</sup> under which its subsidiary Metropolitan Life Insurance Company (“MLIC”) has issued sustainable funding agreements backing medium-term notes and commercial papers, namely the “2020 Green Funding Agreement”, the “2022 Sustainable Funding Agreement” and the “2023 Sustainable Commercial Paper Agreement” (collectively, the “Sustainable Financings”) to finance projects related to renewable energy, green buildings, environmentally sustainable management of living natural resources and land use, and affordable housing. In June 2024, MetLife engaged Sustainalytics to review the projects financed with proceeds from the Sustainable Financings (the “Nominated Projects”) and provide an assessment as to whether the projects meet the use of proceeds criteria and the reporting commitments outlined in the Framework. Sustainalytics provided a Second-Party Opinion on the Framework in June 2020.<sup>2</sup> This is Sustainalytics’ fourth annual review of allocation and reporting of the instruments issued under the 2020 Framework, following previous reviews in June 2021,<sup>3</sup> June 2022,<sup>4</sup> and June 2023.<sup>5</sup>

## Evaluation Criteria

Sustainalytics evaluated the Nominated Projects based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

**Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs**

Use of Proceeds Category	Eligibility Criteria
<b>Renewable Energy</b>	Investments dedicated to generation, transmission and distribution of energy from renewable sources including: <ol style="list-style-type: none"> <li>i. Wind</li> <li>ii. Solar</li> <li>iii. Geothermal with direct emissions &lt;100gCO<sub>2</sub>/kWh</li> <li>iv. Hydropower<sup>6</sup> with power density &gt; 5W/m<sup>2</sup></li> <li>v. Tidal power</li> <li>vi. Waste biomass &lt;100gCO<sub>2</sub>/kWh</li> </ol>
<b>Green Buildings</b>	Investments in new or existing commercial or residential buildings that have:

<sup>1</sup> MetLife, “MetLife Sustainable Financing Framework”, (2020), at: [https://www.metlife.com/content/dam/metlifecom/us/sustainability/pdf/investments-financing-framework/MetLife\\_Sustainable\\_Financing\\_Framework.pdf](https://www.metlife.com/content/dam/metlifecom/us/sustainability/pdf/investments-financing-framework/MetLife_Sustainable_Financing_Framework.pdf)

<sup>2</sup> Sustainalytics, “Second-Party Opinion, MetLife”, (2020), at: [https://www.metlife.com/content/dam/metlifecom/us/sustainability/pdf/investments-financing-framework/Second\\_Party\\_Opinion\\_by\\_Sustainalytic.pdf](https://www.metlife.com/content/dam/metlifecom/us/sustainability/pdf/investments-financing-framework/Second_Party_Opinion_by_Sustainalytic.pdf)

<sup>3</sup> Sustainalytics, “Annual Review”, (2021), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/metlife-inc.\\_green-bond-annual-review.pdf?sfvrsn=f8ee5e8c\\_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/metlife-inc._green-bond-annual-review.pdf?sfvrsn=f8ee5e8c_1)

<sup>4</sup> Sustainalytics, “Annual Review”, (2022), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/metlife-inc.-green-bond-annual-review-\(2022\).pdf?sfvrsn=75f9fe98\\_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/metlife-inc.-green-bond-annual-review-(2022).pdf?sfvrsn=75f9fe98_1)

<sup>5</sup> Sustainalytics, “Annual Review”, (2023), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/metlife-sustainable-financing-annual-review-2023.pdf?sfvrsn=fa1daaa9\\_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/metlife-sustainable-financing-annual-review-2023.pdf?sfvrsn=fa1daaa9_1)

<sup>6</sup> Large hydro assets >25 MW will be subject to an assessment, based on recognized best practice guidelines, of environmental and social risks and measures to address such risks.

	<ul style="list-style-type: none"> <li>i. Achieved or expect to achieve, based on third-party assessment, greenhouse gas emission performance in the top 15% of their city, or</li> <li>ii. Received, or expect to receive based on its design, construction and operational plans, certification according to third party verified green building standards, such as: <ul style="list-style-type: none"> <li>a. LEED Gold or Platinum standard</li> <li>b. BREEAM very good or above</li> <li>c. other equivalent certification schemes, such as BOMA Best Energy Star</li> </ul> </li> </ul>
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	<p>Investments that enhance ecosystem protection or restoration, including:</p> <ul style="list-style-type: none"> <li>i. Agriculture and fisheries assets with recognized third-party sustainability certifications such as USDA Organic, EU Organic, Marine Stewardship Council (MSC) or Rainforest Alliance</li> <li>ii. Forestry assets with recognized third-party sustainability certifications such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC), and the Sustainable Forestry Initiative (SFI) which is affiliated with PEFC</li> <li>iii. Climate smart farm inputs such as biological crop protection or drip-irrigation</li> <li>iv. Preservation or restoration of natural landscapes</li> </ul>
<b>Affordable Housing</b>	<p>Investments meeting national/regional affordable housing definitions in the applicable jurisdiction, including:</p> <ul style="list-style-type: none"> <li>i. Investments that expand or maintain the availability of housing for U.S. households whose income is below 80% of the area median income (AMI)</li> <li>ii. Investments in nonprofit social housing providers in the U.K. and overseas territories that provide rental homes at below-market rents to low-income earners, including teachers, nurses, council workers, the elderly and infirm</li> </ul>

**Table 2: Key Performance Indicators**

<b>Use of Proceeds</b>	<b>Key Performance Indicators</b>
<b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>i. Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)</li> <li>ii. Annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent</li> </ul>
<b>Green Buildings</b>	<ul style="list-style-type: none"> <li>i. Area of certified green buildings in square feet and by certification level</li> <li>ii. Annual GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent</li> </ul>
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	<ul style="list-style-type: none"> <li>i. Total surface financed (hectares), with reference to specific certification schemes where relevant</li> <li>ii. Environmentally sensitive areas protected (acres)</li> </ul>
<b>Affordable Housing</b>	<ul style="list-style-type: none"> <li>i. Rental costs compared to the national/regional rent index</li> <li>ii. Number of affordable housing units built or refurbished</li> </ul>

## Issuer's Responsibility

MLIC is responsible for providing accurate information and documentation relating to the details of the funded projects, including descriptions of projects, amounts allocated and project impact.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from MLIC's Sustainable Financings. The work undertaken as part of this engagement included

collection of documentation from MLIC and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by MLIC. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by MLIC.

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

## Conclusion

Based on the limited assurance procedures conducted,<sup>7</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Framework. MLIC has disclosed to Sustainalytics that the 2020 Green Funding Agreement and the 2022 Sustainable Funding Agreement were fully allocated as of May 2023, while the 2023 Sustainable Commercial Paper Agreement was fully allocated as of December 2023.

## Detailed Findings

Table 3: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
<b>Use of Proceeds Criteria</b>	Verification of the Nominated Projects to determine alignment with the use of proceeds criteria outlined in the Framework.	All projects reviewed complied with the use of proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of the Nominated Projects to determine if impact was reported in line with the KPIs outlined in the Framework.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

<sup>7</sup> Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

## Appendix

In July 2020, MLIC issued the 2020 Green Funding Agreement for USD 750 million. One hundred percent of the proceeds were used to finance or refinance the following nominated projects.

**Table 3: Allocation of proceeds from the 2020 Green Funding Agreement**

Use of Proceeds Category	Eligibility Criteria	Description	Location	Net Proceeds Allocated (USD million)	Share of allocation (%)
<b>Renewable Energy</b>	Solar	Three solar projects in Western US. MLIC's share of installed capacity is 19MW	US	56	25%
	Solar	Portfolio of solar projects in Western US. MLIC's share of installed capacity is 44MW	US	48	
	Solar	Multiple solar projects in Chile. MLIC's share of installed capacity is 10MW	Chile	9	
	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	39	
<b>Green Buildings</b>	LEED - Platinum Certified	Class A Office in Northeast US	US	178	30%
	LEED - Gold Certified	Two Class A Offices in Northwest US	US	42	
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	Forestry assets with SFI certification	Manage timberland in US and Canada in a manner compliant with SFI	US	77	45%
	Forestry assets with SFI certification	Manage timberland in Northwest US in a manner compliant with SFI	US	14	
	Forestry assets with SFI certification	Manage timberland in Northeast US in a manner compliant with SFI	US	120	
	Forestry assets with SFI certification	Manage timberland in Northeast US in a manner compliant with SFI	US	46	
	Forestry assets with FSC certification	Manage timberland in Western US in a manner compliant with FSC	US	80	
<b>Total</b>				<b>750<sup>8</sup></b>	<b>100%</b>

<sup>8</sup> Sustainalytics notes that the Net Proceeds allocated does not add up to USD 750 million as MetLife has incurred USD 4 million as transactional expense.

**Table 4: Reported Impact from the 2020 Green Funding Agreement**

Use of Proceeds Category	Impact Metric	MLIC's share of Impact
Renewable Energy	Renewable energy generation (MWh)	356,929
	Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent	142,401
Green Buildings	Area of certified LEED - Platinum (ft <sup>2</sup> )	514,149
	Area of certified LEED - Gold (ft <sup>2</sup> )	151,508
	Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent	92
Environmentally Sustainable Management of Living Natural Resources and Land Use	Total surface financed (hectare), SFI Certified	628,457
	Total surface financed (hectare), FSC Certified	33,058

In June 2022, MLIC issued a sustainable funding agreement in the amount of USD 500 million. One hundred percent of the proceeds were used to finance or refinance the following nominated projects.

**Table 5: Allocation of proceeds from the 2022 Sustainable Funding Agreement**

Use of Proceeds Category	Eligibility Criteria	Description	Location	Net Proceeds Allocated (USD million)	Share of allocation (%)
Renewable Energy	Geothermal	Three solar projects in Western US. MLIC's share of installed capacity is 19MW	US	40	17%
	Solar	Portfolio of solar projects in Western US. MLIC's share of installed capacity is 44MW	US	26	
	Wind	Multiple solar projects in Chile. MLIC's share of installed capacity is 10MW	Norway	17	
Green Buildings	LEED - Platinum Certified	Class A Office in Northeast US	US	183	37%
Environmentally Sustainable Management of Living Natural Resources and Land Use	Forestry assets with SFI certification	Manage timberland in US and Canada in a manner compliant with SFI	US	32	25%
	Forestry assets with SFI certification	Manage timberland in Northwest US in a manner compliant with SFI	US	71	
	Climate smart farm inputs: drip-irrigation	Manage timberland in Northeast US in a manner compliant with SFI	Peru	24	
Affordable Housing	Investments meeting national/regional affordable housing definitions in the applicable jurisdiction	Affordable housing developer/provider in Northeast US	US	14	21%
		Social housing provider in the UK	UK	41	

		Social housing provider in a UK overseas territory	UK	49	
<b>Total</b>				<b>500<sup>9</sup></b>	<b>100%</b>

**Table 6: Reported Impact from the 2022 Sustainable Funding Agreement**

Use of Proceeds Category	Impact Metric	MLIC's share of Impact
<b>Renewable Energy</b>	Renewable energy generation (MWh)	215,736
	Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent	70,486
<b>Green Buildings</b>	Area of certified LEED - Platinum (ft <sup>2</sup> )	325,139
	Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent	39
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	Total surface financed (hectare), SFI Certified	294,089
	Total surface financed (hectare), FSC Certified	308,094
	Drip irrigation - annual water saved (m <sup>3</sup> /hectare)	6,037
<b>Affordable Housing</b>	Number of affordable housing units built or refurbished	738

In 2023, MLIC issued USD 50 million under a funding agreement backing sustainable commercial paper. One hundred percent of the proceeds were used to finance or refinance the following nominated projects.

**Table 7: Allocation of proceeds from the funding agreement backing Sustainable Commercial Paper issued in 2023**

Use of Proceeds Category	Eligibility Criteria	Description	Location	Net Proceeds Allocated (USD million)	Share of allocation
<b>Renewable Energy</b>	Solar	Solar project in Midwest US. MLIC's share of installed capacity is 20MW	US	17	35%
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	Forestry assets with FSC certification	Manage timberland in Southern US in a manner compliant with FSC	US	32	65%
<b>Total</b>				<b>50<sup>10</sup></b>	<b>100%</b>

<sup>9</sup> Sustainalytics notes that the Net Proceeds allocated does not add up to USD 500 million as MetLife has incurred USD 2 million as transactional expense.

<sup>10</sup> Sustainalytics notes that the Net Proceeds allocated does not add up to USD 50 million as MetLife has incurred USD 1 million as transactional expense.

**Table 8: Reported Impact from the funding agreement backing Sustainable Commercial Paper issued in 2023**

Use of Proceeds Category	Impact Metric	MLIC's share of Impact
<b>Renewable Energy</b>	Renewable energy generation (MWh)	26,629
	Annual GHG emissions reduced/avoided in tonnes of CO <sub>2</sub> equivalent	9,923
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>	Total surface financed (hectare), FSC Certified	37,868

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