

Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

MetLife Europe d.a.c. (the "Company")

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "Sustainable Finance Disclosure Regulation")

Principal adverse sustainability impacts statement

The MetLife group is committed to sustainability. MetLife, Inc., the ultimate parent company of the Company was the first U.S.-based insurance company to become a signatory to the U.N. Global Compact. MetLife, Inc. reports to the Dow Jones Sustainability Index (DJSI), an annual corporate sustainability assessment, the Carbon Disclosure Project (CDP), and MetLife has aligned its annual sustainability reporting via MetLife's annual Global Sustainability Report to the Global Reporting Initiative, the Sustainability Accounting Standards Board, and the Task Force on Climate-related Financial Disclosures.

MetLife Investment Management (MIM), the MetLife group's institutional management platform, is responsible for managing the MetLife group's general account assets including those of the Company (being the investment asset portfolio that the Company holds to meet its insurance liabilities), as well as some of the assets of the Company's insurance-based investment products. MIM is a signatory to the Principles for Responsible Investment (PRI) and is a member of the Global Impact Investing Network (GIIN).

Information on policies for the integration of sustainability risk in the investment decision-making process and due diligence policies with respect to the principal adverse sustainability impacts of sustainability factors

The Company believes information about principal adverse impacts (PAI) of sustainability factors influences investment performance and are important considerations to effectively manage risk and achieve investment objectives. The investment due diligence process which MIM carries out on behalf of the Company involves reviewing material environmental, social and governance (ESG) factors, including:

Environmental

Matters pertaining to environmental issues are identified and discussed to determine the issuers' impact on the environment (including air, water, land protection, climate change and resource use) and the risk that such issues present to the credit profile or business operations. MIM also evaluates, on behalf of the Company, the prospective liabilities of an issuer resulting from its environmental impacts, including payments relating to penalties imposed by government agencies, litigation risk or future remediation spending requirements.

Social

Evaluating issues related to labour unrest, health and safety, compliance with labour regulations, and general labour relations and conditions. It also reviews risks associated with product safety and suitability to ensure companies have sustainable business operations. How a company manages relationships with its employees, suppliers, customers and the communities in which it operates is critical to the investment analysis.

Governance

Thoroughly evaluating the diversity, independence and qualifications of corporate boards and management teams to ensure companies are prepared to face future risks and act in the best interests of the business, shareholders and other key stakeholders, focusing on identifying management teams that clearly and consistently communicate information regarding ESG factors material to their respective business.

Risk management is ingrained in MIM's culture and integrated throughout the organisation. When MIM is assessing investment opportunities on behalf of the Company, ESG considerations are a vital part of the due diligence process and the Company believes adhering to sound ESG practices can minimize financial risk, such as controversy triggered by loss of customers, fines, penalties and environmental clean-up costs. Relevant ESG risks and ESG risk ratings, as applicable, are included as a part of the overall risk assessment.

Within the meaning of Article 4 of the SFDR, the Company does not currently maintain comprehensive data regarding the PAIs. However, the Company is currently focused on identifying and implementing more detailed PAI data gathering and reporting methodologies prior to January 2022.

Active Engagement and Exclusionary Screens

The Company and MIM believe active engagement with company leadership is a key to managing investment risk. Investment analysts frequently interact and engage in discussions with a firm'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.

Additionally, MIM has implemented several exclusionary investment screens for the Company's general account assets. These exclusionary investment screens apply to assault and controversial weapons, tobacco, as well as certain thermal coal-related investments.

The decision to implement these exclusionary investment screens is the latest chapter in the Company's broader sustainability story. While the Company has always invested responsibly, these investment screens are consistent with MetLife's growing focus on sustainability at all levels across the organization. Additional details supporting the Company's exclusionary investment screens can be found on our website

at: <https://www.metlife.com/sustainability/data/policies-codes>

Additional information about MIM's responsible investments is available in the MetLife group's annual Global Sustainability Report which can be accessed through our website

at: <https://sustainabilityreport.metlife.com/report/>

The Company's shareholder engagement policy, which describes how the Company has integrated shareholder engagement in our investment strategy, can also be accessed through our website at: <https://www.metlife.eu/shareholder-rights-directive-II/>

Information on policies for the integration of sustainability risks in the investment decision-making process and due diligence policies with respect to the principal adverse sustainability impacts of sustainability factors in manager selection

Many of the underlying assets in the Company's insurance-based investment products are managed externally by third party asset managers.

The MetLife group's EMEA Fund Management and Investment Manager Oversight teams are responsible for the selection and monitoring of third-party asset managers and funds. Selection

and monitoring typically includes performance evaluation (both an absolute and relative basis versus benchmarks and peer groups) along with qualitative factors (such as quality of investment process, overall strength of team and manager tenure). The teams have recently updated their fund selection and monitoring process to include assessments of sustainability factors.

The updated process utilizes current and historical ESG related data using third party vendor information. Analysts evaluate each strategy or fund's ESG data on both an absolute and relative basis (against peer groups) and, when necessary (for example, for those funds with the most negative impact scores over the period or those showing negative ESG trends), will engage with the asset managers to help understand their ESG processes and to improve subsequent scores.

In addition, several ESG questions have been added to MetLife's request for information, which are sent to asset managers and subsequent responses are considered as part of the holistic decision-making process.

The process does not exclude funds based on ESG scores, and recognises the challenges faced by smaller and less well-resourced asset managers with limited or no reported ESG factors. However, the Company encourages asset managers it has relationships with to make progress on ESG reporting over time on a best effort basis.

Information on remuneration policies

MetLife's compensation philosophy refers to the Company's risk management framework and processes of the Company including how MetLife's compensation program avoids providing executives with incentives to take excessive risks. The Company's risk management framework, governance, HR and procurement processes all include consideration of sustainability risks. As a result, the Company is satisfied that its remuneration policy is consistent with the integration of sustainability risks. The Company's remuneration policy has been updated to reflect this and the updated version of the policy will be effective from 1 January 2023.



MetLife Europe d.a.c. is a private company limited by shares, registered in Ireland under company number 415123 with a registered office at 20 on Hatch, Lower Hatch Street, Dublin 2, Ireland. MetLife Europe d.a.c. (trading as MetLife) is regulated by the Central Bank of Ireland.