



MetLife Investment Management Limited

2024 UK STEWARDSHIP CODE REPORT

April 2025

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Foreword

We are excited to be sharing with you our 2024 UK Stewardship Code report, created in support of the investment and stewardship activities conducted by MetLife Investment Management (“**MIM**”), including MetLife Investment Management Limited (“**MIML**”), our UK subsidiary.

Sustainability is embedded within our corporate culture. As the institutional asset manager of MetLife, Inc, (“**MetLife**”) which has a 157-year history of helping people around the world protect their finances and build for a more secure future, we are guided by a commitment to be a greater force for good in the world. Furthermore, as a top 25 institutional investment manager specialising in fixed income, private capital and real estate, with over £475 billion total assets under management, we are acutely aware of the impact we can have on our people, our communities and our clients by offering investment management products which allow clients to invest in a manner that are intended to lead to sustainable long-term benefits for the economy, the environment, and society.

At year-end 2024, MetLife successfully wrapped up our 5-year Next Horizon Strategy that aimed to guide our organisational purpose to focus, simplify, and differentiate. Next Horizon led us to deliver exceptional results, even through a global pandemic. On solid footing in 2025, we are now embarking on a new 5-year New Frontier Strategy that aims to build on our foundation to pursue bold aspirations for strong growth, attractive returns, and all-weather performance. It is our desire that our UK Stewardship Code report transparently demonstrates MIM’s commitment to offer client strategies that allow them to achieve their long-term return objectives, aligned with their risk budget and sustainability viewpoint, and how through stewardship, primarily in the form of engagement, we intend to contribute to a more sustainable future.

While our UK entity, MIML, is submitting to the Code, this annual stewardship report covers our wider MIM organisation’s stewardship activities.

The report was approved by the MIML Board of Directors on 25 April 2025.



Nigel Murdoch

MIML Board of Directors, Chair
MetLife Investment Management Limited
One Angel Lane, London, EC4R 3AB

Section 1: Purpose and Governance

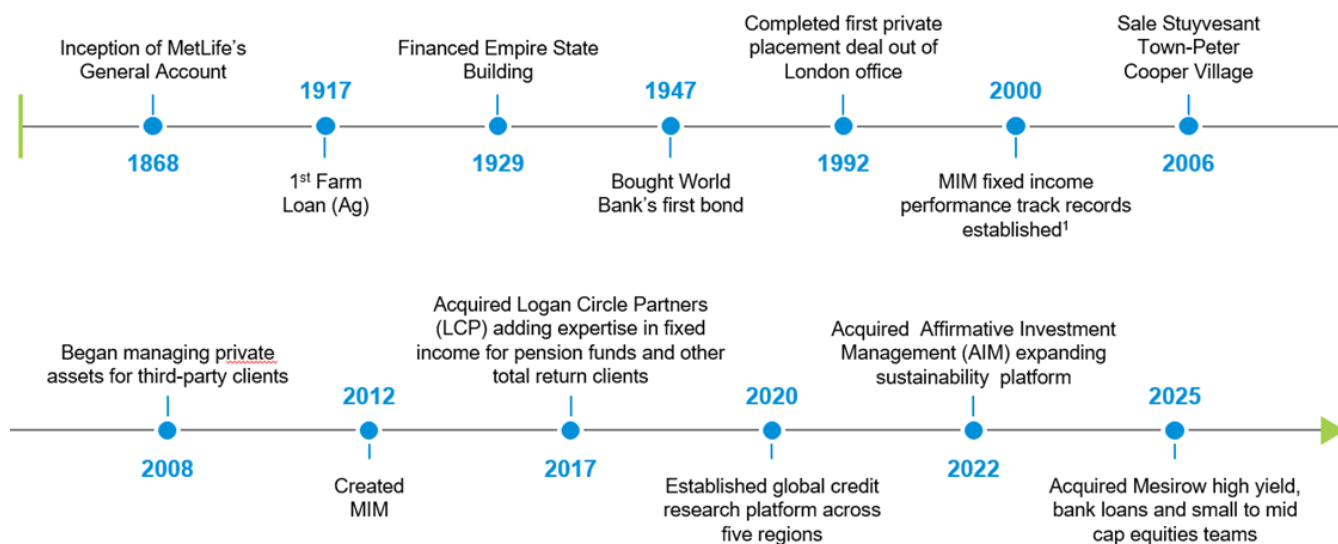
Principle 1: Purpose, Strategy, and Culture

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment, and society.

Company Overview

Building on MetLife's 157-year heritage of stability, scale, and robust risk management, MetLife Investment Management ("MIM"), MetLife's global institutional asset management business, offers extensive asset class expertise to institutional clients across the Americas, Europe, the Middle East, and Asia. Our global platform supports true connectivity that identifies relative value across asset classes, investor types, and regions.

Per the timeline of MetLife, including MIM's investment history as depicted below, our organisational decision making has been deliberate with a long-term view and long-term objectives. These decisions have been intentional to capture the evolution of the markets in which we operate.



1. Fixed income track records acquired as part of Logan Circle Partners acquisition in 2017.

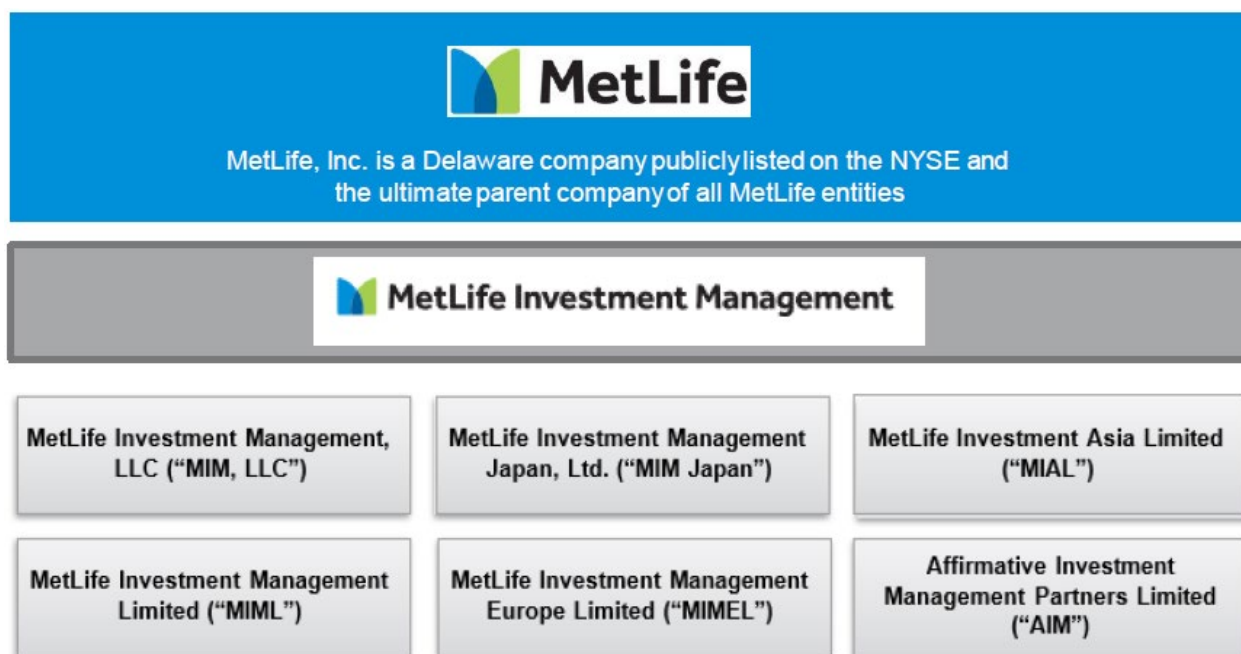
Our emphasis is on tailoring solutions to meet clients' long-term return objectives, aligned with their risk budget and sustainability viewpoint. We seek consistent growth over time, driven by a consistent philosophy, process and implementation with a well-resourced, diversified range of strategies.

At the heart of the MIM investment process is a focus on fundamental research and what we call approachable expertise – a commitment to being accessible, accountable, and collaborative – as we dedicate resources to develop long-term relationships with our clients.

- It's a culture of collaboration that encourages portfolio managers, research analysts, and traders on our fixed income team to share their insights in open debate that elicits the best ideas to optimise portfolio construction.
- It's specialised sector expertise and direct relationships that allow our private capital and real estate finance teams to give clients access to the broadest originations and structured deals.
- It's matching client sustainability criteria with best-in-class verification, risk assessment, impact reporting, and talent.
- It's having multiple sets of eyes on the risk profile of every position and portfolio, as well as proactive independent oversight.

At MIM, clients work hand in hand with long-tenured investment professionals who have skillfully navigated markets through multiple cycles and know how to seize opportunities for the future.

As at 31 December 2024, the subsidiaries of MetLife, Inc. that provide investment management services to MetLife's general account, separate accounts and/or third-party investors include MetLife Investment Management, LLC, MetLife Investment Management Limited, MetLife Investments Asia Limited, MetLife Latin America Asesorias e Inversiones Limitada, MetLife Investment Management Japan, Ltd., MetLife Investment Management Europe Limited, and Affirmative Investment Management Partners Limited.



MetLife Investment Management Limited ("**MIML**"), located in London, is licenced by the United Kingdom ("**UK**") Financial Conduct Authority ("**FCA**") as an investment adviser and investment manager. MIML provides investment management services to institutional investors located in the UK and globally.

Culture

As a purpose driven company, MetLife is focused on creating economic growth and opportunity for all our stakeholders, starting with our people. This requires:

- Leadership engagement and accountability throughout our global operations, with a commitment to create equity across our workforce.
- Upskilling each employee's ability to grow professionally and to build a career that matters regardless of their background or company role.
- Unique experiences, perspectives, and voices that collectively make us stronger and more inclusive.
- A culture where everyone feels heard, valued, and has a sense of belonging; where everyone brings their whole self to work and thrives as a result.

Our goal is to recruit, develop, and retain a diverse workforce with a culture focused on ensuring all employees are engaged and active members of the organisation. In doing so, we also strive for inclusiveness as we believe healthy debate of investment ideas requires fully engaged investment teams from diverse backgrounds.

We have more than 650 investment professionals located around the globe, giving us depth and breadth across many asset sectors and markets. We have approximately 160 fixed income, 140 private capital, and more than 350 real estate investment professionals that enable us to invest globally while serving our clients locally.



Investment Capabilities

As at 31 December 2024, at estimated fair value, MIM’s assets under management (“**AUM**”) totaled £477 billion (or \$597 billion), including £334 billion (or \$418 billion) of affiliated insurance company assets and £143 billion (or \$179 billion) of assets managed on behalf of unaffiliated clients. MIML’s AUM is £7.2 billion (or \$9.0 billion) at year end 2024. The assets managed by MIML include both affiliated and unaffiliated institutional client portfolios where MIML is either the contracting or sub-delegated entity and both public and private fixed income assets.

We manage a range of institutional investor strategies centered around our core asset sectors including fixed income, private capital, and real estate.

Fixed Income	Equities	Private Capital	Real Estate & Agriculture	Insurance Solutions
<ul style="list-style-type: none"> Stable Value Short Duration Investment Grade Corporate Core and Core Plus Long Duration and LDI Global Fixed Income High Yield and Bank Loans Emerging Market Debt Sustainable and Transition Finance 	<ul style="list-style-type: none"> Small Cap Value SMID Cap Value Small Cap Core 	<ul style="list-style-type: none"> Corporate Private Credit Infrastructure Debt Private Structured Credit Residential Whole Loans Single Family Rental Financing Middle Market Private Capital Private Equity Sustainable and Transition Finance 	<ul style="list-style-type: none"> Core Plus Debt and Equity Value-Add Opportunistic Debt and Equity Ag Mortgage Loans 	<ul style="list-style-type: none"> Strategic & Tactical Asset Allocation Portfolio Optimization Portfolio Construction Insurance Balance Sheet Expertise

Refer to Principle 6 for additional details supporting MIM’s AUM by geography, client type, asset type and strategy.

Sustainable Investment Philosophy

As a global investment manager, MIM’s commitment to clients is rooted in MetLife’s purpose: “*Always with you, building a more confident future.*” At MIM our investment approach seeks to deliver competitive risk adjusted market returns by incorporating financially material ESG assessments and stewardship into our investment process. Our approach leverages both our traditional investing and sustainability expertise.

We believe that stewardship activities, including engagement, support sustainable investing efforts. Ongoing dialogue with companies and issuers helps raise awareness of prudent business practices for the long-term and promotes data transparency and standardisation. We believe that capital markets benefit from more and improved information from which investment decisions can be made.

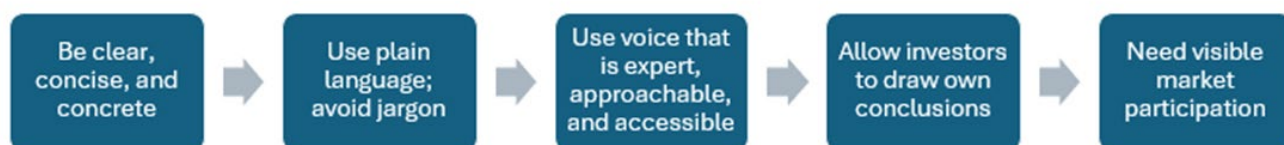
We are committed to working closely with clients to provide transparency and meet our clients’ guidelines and sustainability expectations. As sustainability standards and initiatives in the asset management industry evolve, MIM’s approach will continue to develop.

Client Satisfaction

Every day, clients entrust us to help fulfill their goals and promises. At MIM, our clients are at the centre of everything we do and how we operate. MIM works hard to earn clients' trust and confidence, and we are committed to building long-term relationships based on collaboration, accessibility and accountability. One of the ways we hold ourselves accountable is by measuring and tracking our clients' satisfaction. While we do receive client feedback throughout our normal working process, we also think it is extremely important to provide clients with a confidential way to share their perspective, rate our relationship, service and their experience with MIM. We use feedback from clients to help prioritise our improvement opportunities and bring an outside-in perspective into everything we do. We partner with independent third-party marketing research firms to administer these studies so that all feedback is confidential, and industry benchmarks are also provided.

To help guide our firm's value proposition and understand the unique nuances of our clients by institution type, jurisdiction and asset class investment, MIM engages in in-depth value proposition development research. In each key market, including the U.S., UK, and Germany, MIM engages in in-depth qualitative research to understand investor and consultant needs, opportunities and motivators, gauge asset owners' reaction to our proof point statements and how relevant it is to them, understand potential barriers or drivers of success for MIM with this audience, by asset class and institution type, and gauge the markets perception and experience with MIM. In partnership with third-party market research firms, such as Cerulli Associates and Coalition Greenwich, MIM commissions this research to interview investors and consultants in the market and better understand their needs, and how MIM can create a value proposition that is truly client-centric and relevant to each market.

For example, throughout our client value proposition research, we have learned there are certain "Rules of the Road" we need to follow to engage investors and signal partnership behaviors. What we've learned and incorporated into our approach:



In addition, deep dives of our client value proposition research help us understand the nuances by market and jurisdiction which MIM has used to infuse into our communication materials and marketing assets, including our website.

For example:



I want to make sure I'm not missing any asset management major players.

Threshold
• AUM
Value added
• PM team longevity
• Expertise/deal access
Core motivation
• Know major players
Core concern
• Fear of missing out



I want to have more expertise in this massively diverse market.

Threshold
• Asset class expertise
Value added
• Insights to local market
• Partnership approach
Core motivation
• Insights on complex market
Core concern
• Missing opportunities



I want to make sure I'm not wasting my time with managers who don't know my market.

Threshold
• German market expertise
Value added
• Shares values (ESG, etc.)
• Partnership approach
Core motivation
• Not wasting time
Core concern
• Inexperienced players

MIM engages in messaging optimisation quantitative research using a MaxDiff and TURF analysis methodology to optimise the asset-class specific proof points that are most important to investors. Partnering with firms such as Pensions & Investments and MMR Research, MIM engaged in conjoint studies surveying nearly 200 investors with insights helping to guide MIM on its proof points specific to the needs of investors by asset class.

MIM also regularly participates in syndicated research studies specific to understanding our target, including the Escalent Institutional Investor Brandscape Study, with sub-segment analysis by institution type. Additionally, we participate in syndicated studies by Coalition Greenwich around how to build brand familiarity and the nuances by investor type. Insights from these studies help MIM understand preference for communication methods and content, how it varies by the stage of the journey, and pathways to consideration analysis which helps us accelerate on what attributes to focus.

Client satisfaction studies help us identify areas for improvement and understand how MIM is perceived as a strategic partner. We measure progress over time and against competitors so that with this information, we can make better decisions about our marketing strategies and product development. We desire positive outcomes as a result of these efforts, like attracting new and retaining existing clients and building brand loyalty. It is an honour and privilege when these efforts, among others, translate to industry recognition and awards.

Recognition and Awards

MIM ranks among the Top 25 institutional managers¹, with top tier standing as a premier originator of private assets. MIM manages more private fixed income assets for third-party insurance general accounts than any other asset manager². We are the largest infrastructure debt investment manager based on worldwide assets³, the number one U.S. agricultural mortgage lender⁴, and a Top 5 real estate investment manager⁵.

MIM recently earned several notable investment awards:

- MIM was named a 2024 Best Places to Work in Money Management by Pensions & Investments. This marks MIM's fourth consecutive year on the list. Pensions & Investments partnered with Best Companies Group, an independent research firm specialising in identifying great places to work, to conduct a two-part survey of employers and their employees. Companies considered for inclusion on the list are evaluated based on a range of the company's policies, programmes, and practices that are designed to attract, retain and reward employees.
- MIM was awarded Environmental Finance's 2024 Sustainable Debt Award. The Environmental Finance Sustainable Debt Awards celebrate leading green, social, sustainable and sustainability-linked bond and loan deals and recognise market innovations.
- MetLife received the 2024 ENERGY STAR™ Partner of the Year Sustained Excellence Award from the U.S. Environmental Protection Agency ("EPA"). MetLife has been honoured as an ENERGY STAR™ Partner of the Year recipient for six consecutive years and continues to partner with ENERGY STAR™ on adopting energy-efficient practices and tracking data across all owned and managed properties. Many of these properties are managed by MIM.



Looking ahead: Of relevance to MIML, in the UK we intend to conduct a client satisfaction survey every two years. The first phase focuses on qualitative feedback and is expected to start in late 2025 / mid 2026. These efforts are complemented by a quantitative phase approximately six months later. This survey will cover topics such as client service, value of thought leadership and white papers, responsiveness to client information requests, quality of investment review meetings and reports. Our aim is to seek candid feedback on what we do well and where we can improve. For the survey, we intend to partner with a third-party specialist research firm, so all feedback remains confidential and anonymous, and we also receive industry benchmarks.

In addition, in March 2025, MIM acquired high yield and bank loan, strategic fixed income and small-cap equity teams and certain related investment products from Mesirrow, an independent, employee-owned financial services firm. The acquisition is consistent with MetLife's New Frontier strategy to accelerate growth in asset management and MIM's efforts to expand offerings and channels and adding higher yield capabilities.

1. Pensions & Investments Managers ranked by total worldwide Institutional assets under management as of 31 December 2023.

2. Clearwater Analytics Insurance Investment Outsourcing Report as of 31 December 2023.

3. IPE Research as of 31 December 2023.

4. Kansas State University Department of Agricultural Economics extension as of 20 November 2024.

5. Pension & Investments rankings as of 30 June 2024 factoring in that not all investment managers were included (Blackstone and Brookfield did not complete survey).

Principle 2: Governance, Resources, and Incentives

Signatories' governance, resources, and incentives support stewardship.

Governance

Board of Directors

As provided within Principle 1, MIML is a UK-based private limited company and is authorised by the FCA to carry out certain regulated investment activities. MIML is part of the MIM group of companies and a subsidiary of MetLife, Inc. ("**MetLife**"), a U.S.-based publicly traded company (NYSE: MET), headquartered in the state of New York. MetLife is a global provider of insurance, annuities, and employee benefit programmes and it is regulated by the United States Securities and Exchange Commission ("**SEC**").

The principal activity of MIML is provision of asset management services in the UK. These services focus on underwriting, trading, and managing public fixed income strategies, including core, credit, high yield, and emerging markets, infrastructure and corporate debt private placements, and real estate strategies for institutional investor clients. The Company also offers services in relation to these strategies to MetLife Affiliates. The Company only provides services to institutional clients and eligible counterparties and does not deal with retail clients, accept customer deposits, or hold clients' cash.

The board of directors of MIML (the "**MIML Board**") is ultimately responsible for governance and oversight of the activities of MIML and has written Terms of Reference which specify the matters for which the MIML Board is directly responsible, which includes but is not limited to Task Force on Climate-related Financial Disclosures ("**TCFD**") and Sustainability Disclosure Regulation ("**SDR**") reporting, UK Stewardship Code voluntary reporting, and new product development oversight. The MIML Board receives periodic updates from MIML management that includes, at least annually, content related to TCFD aligned metrics relevant to in-scope portfolios. In addition, MIML's Climate Risks and Opportunities Register, having been finalised in 2025, will be reviewed with the MIML Board at least annually. This tool will help ensure that climate related risks and opportunities are integrated into strategic decision making, along with other risks and opportunities relevant to MIML. To date, the MIML Board's review of climate risks and opportunities has been limited to dedicated sustainability-focused strategies. As part of the annual Risk Register review, the scope of climate risks and opportunities presented to the MIML Board for review will be broadened in alignment with the TCFD reporting framework.

The MIML Board has responsibility for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. Additionally, subject to the Act, it is responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company. The MIML Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The MIML Board is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

The MIML Board has delegated oversight of the portfolio management function to MIML's Chief Investment Officer ("**CIO**") whose investment teams, including research analysts and portfolio managers, have responsibility for managing climate risks and opportunities within portfolios. Investment activities are conducted in accordance

with client guidelines and/or fund specifications. While no GHG emissions reductions have been established in relation to MIML investment portfolios, MIML's own operations reduction targets are managed by our MetLife parent as part of a global operations-focused initiative.

Management roles and responsibilities

The MIML Board has adopted MIM's Sustainable Investment and Stewardship Policies. As provided within these policies and in support of all entities in the global MIM platform, robust governance and controls have been established to operationalise our purpose, values, and strategic priorities.

MIM's approach to investing begins with an assessment of financially material risks and opportunities as part of our bottom-up, disciplined due diligence and monitoring processes. Stewardship is an important part and natural extension of our sustainable investing efforts. As a predominately fixed income, private capital, and real estate investment manager, our primary means to conduct stewardship is via engagement. Because we deploy an integrated approach to sustainable investing, it is our asset teams' research analysts and asset originators, rather than a centralised team, who are tasked with conducting engagement as part of their risk management focused and client centric investment processes. We feel that this holistic, bottom-up, full-service approach and governance structure allows us to build tailored portfolio solutions for our clients that better serve their needs and objectives.

MIM believes that investment performance begins with preparation. We rely on our in-house proprietary research efforts coupled with nimble trading and asset origination capabilities to build relative value driven portfolios that aim to provide attractive risk-reward characteristics. We take a team approach to managing our clients' portfolios, with ideas generated by portfolio managers, research analysts, and asset originators alike, generating diversity of thought among teams, as well as within the many global geographies within which we operate. We believe that there is no substitute for experience, and our experience has been tested through various market environments.

As at 31 December 2024, we estimate that our average senior leadership tenure at MIM is 19.5 years. We take pride that many of our senior investment professionals have been with our organisation for nearly two decades, on average, navigating our business through multiple market cycles. It is through long-established relationships with issuers, borrowers, and other stakeholders that stewardship, through engagement, can be more effectively initiated. We believe that this depth of specialised expertise is an outlier in the financial services industry.

In 2022, dedicated sustainability research and analytical capability was added to our platform through the acquisition of Affirmative Investment Management ("**AIM**"), acknowledging the evolving sustainable investment landscape and need for in-house expertise to adequately address the needs of our global client base. In 2023 and beyond, AIM's employees and specialised investment capabilities have been integrated into our investment platform. It is through AIM's leadership and expertise in sustainability and impact focused fixed income solutions that we have begun to offer dedicated strategies to those clients who investment objectives include specific sustainability focused outcomes. These strategies are designed to focus on long-term performance and sustainability outcomes and deploy thematic engagement to achieve these objectives.

Resources

The following MIM councils and committees support the MIML Board and the portfolio management function in the oversight and management of investment risks and opportunities, including those associated with climate change.

Sustainable Investment Council (the “Council”): The Council is a MIM management level group created to provide guidance, advice, and recommendations to support MIM's sustainable investing practices, including MIML's. The Council is chaired by the Head of MIM's Sustainability Strategies Group (“SSG”) and includes external sustainability consultants who are experts in their field. The Council serves as an information sharing, escalation, and discussion forum for sustainable investing topics across MIM, including those associated with climate risks and opportunities. The Council makes sustainability-focused recommendations to MIM's Management Committee for consideration and implementation and the Head of SSG provides regular updates to the Management Committee.

MIM Management Committee (the “Management Committee”): The Management Committee is comprised of MIM senior executives and control partners. The Management Committee provides strategic direction and establishes MIM's annual and long-term strategy to attain business objectives and evaluates strategic implications and outcomes of initiatives pursued. The Management Committee provides strategic advice and direction to MIM's associates and business units, including MIML, addressing financially material operational and other issues, as warranted. As at the date of this report, MIM's Chief Operating Officer (“COO”) is both a MIML Board member and MIM Management Committee member. Should matters arise within MIML requiring decisions or actions, a direct escalation channel is therefore available. Additionally, MIM's Chief Risk Officer (“CRO”) serves as the CRO of the MIML Board, is a member of MIM's Management Committee, and Chairs MIM's Risk Committee, offering another means of escalation. These lines of communication ensure a robust flow of information from MIM to MIML and vice versa.

MIM Risk Committee (the “Risk Committee”): The Risk Committee is comprised of senior executives and is chaired by MIM's CRO. Sustainability risks and opportunities that could impact MIM, like those associated with greenwashing, may be brought to the Risk Committee for discussion and decisions. MIM employs the same “Three Lines of Defence” model as the MetLife enterprise, pursuant to which every employee is responsible for risk management. This framework helps to identify, measure, monitor, manage, and report on risk.

Investment and Verification Committees: MIM's private capital and real estate teams deploy an investment committee approach to vet investments for financially material risks and opportunities, including those associated with ESG factors. Additionally, MIM's fixed income and private credit dedicated sustainability strategies are subject to a dual investment and verification committee review process. The verification committee is responsible for assessing whether an issuer or security qualifies for inclusion within specified, dedicated sustainability strategies. Independently, the issuer or security must meet all other requirements and standards of the investment committee. Only if both committees' requirements are satisfied will the issuer or security be approved for inclusion in the designated dedicated sustainability strategy and/or mandate.

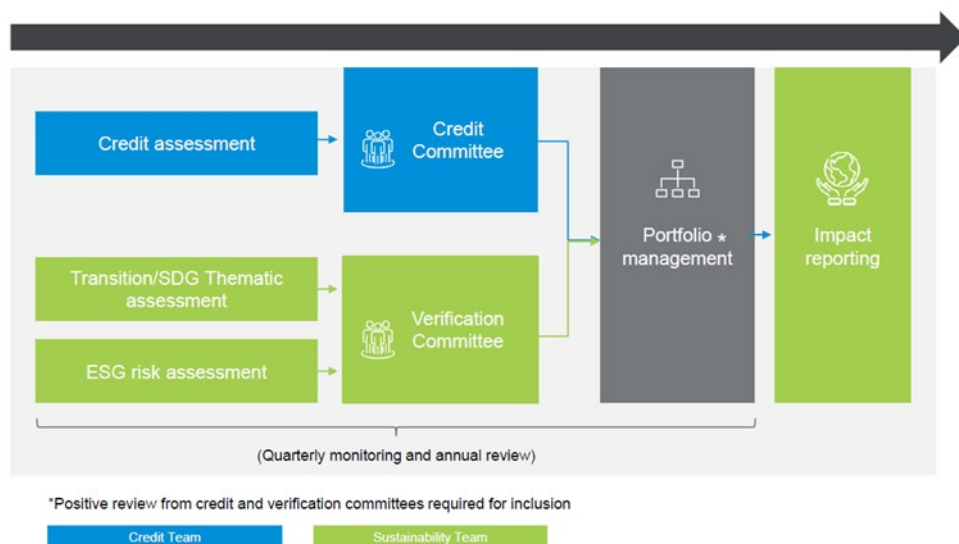


Illustration of MIM private credit investment and verification process.

MIM also has dedicated sustainability resources mobilised throughout our organisation.

Sustainability Strategies Group (“SSG”): SSG is a centralised team designed to uplift and coordinate MIM’s sustainable investment capabilities. SSG supports MIM’s objective to be a leader in sustainable investment solutions by building a strong foundation across sustainability governance, data, and client strategy. The SSG works closely with the sustainability research teams across fixed income, private capital, and real estate, along with legal, compliance and other distribution functions.

Sustainability Research Teams – Fixed Income and Private Credit: MIM’s sustainability research teams in fixed income and private credit include sustainability analysts who are primarily responsible for supporting dedicated sustainability strategies and mandates by conducting research, sustainability verification, related thematic engagement and sustainability reporting.

Real Estate and Agricultural Lending Research, Valuations & Analytics Team: Real estate and agricultural lending’s dedicated resources are responsible for conducting fundamental analysis that supports the real estate investment process, including research, strategy valuation and underwriting, ratings and valuation review, information and analysis, debt and equity analytics, insurance and event risk management, and sustainability strategy and oversight.

MIM’s sales, marketing, risk management, compliance, legal, client support, and data management teams support MIM’s sustainability initiatives.

Thought Leadership and Knowledge Sharing

In response to the many evolving externalities associated with sustainable investing, MIM is committed to staying educated and informed, and sharing our knowledge. These efforts include training our staff and sharing our expertise and insights externally with our clients, investee partners, and other stakeholders.

MIM's investment analysts, asset originators, and portfolio managers attend conferences, host onsite meetings and conduct asset sector specific staff training to stay informed of current and emerging trends in sustainability. All MetLife employees receive mandatory online training covering a variety of subjects including anti-money laundering and sanctions, privacy and data protection, fraud prevention, gifts and entertainment, sales practices, and ethical business conduct. Voluntary courses are also offered to employees, spanning a wide range of related topics.

MIM extends training to our investor and borrower clients on a variety of topics based on interest and need. In addition, leveraging the expertise of our seasoned investment teams, we publish thought leadership, research-focused papers on various sustainability-related topics and asset sectors. These thought pieces are created throughout the year and can be found on our website [here](#), with links to those created in 2024 provided below.

- [Driving Sustainable Outcomes: Infrastructure Debt and the Sustainable Development Goals](#)
- [Assessing Sovereign Sustainability](#)
- [Decarbonization Metrics for Real Estate Investment](#)
- [The Winds of Change: A Closer Look at European Renewable Energy Financing](#)
- [The Electric Vehicle Transition: Long-Term Outcomes and Short-Term Uncertainties](#)
- [The Role of Private Credit in the Transition to A Low Carbon Economy](#)
- [Pitfalls & Mitigants of Climate Assessment Software](#)
- [Thematic Engagement: 2024 Scope 3 Emissions](#)

Data and Service Providers

MIM is committed to providing quality data, measurement, and reporting to our clients and other stakeholders. We recognise that sustainability data, measurement, and reporting can be a key differentiator among global investment managers. At MIM, we seek to provide transparent, robust analytics to demonstrate and support our sustainable investment capabilities and outcomes. In terms of data governance, MIM leverages the resources of our MetLife parent's Global Third-Party Risk Management Programme to provide oversight that includes performance reviews and control review activities, contract compliance, on-going risk assessments, risk reporting, quality assurance and independent testing.

MIM licences various sustainability data and tools through third-party data providers to support our asset teams. These solutions include, but are not limited to, MSCI, S&P Trucost, Bloomberg, CDP, ISS, Auquan, and Munich Re Location Risk Intelligence tool. Additionally, our asset teams have access to third party prepared sustainability-focused research.

In certain situations where external data is not available to support our investment and reporting needs, we have developed proprietary data sets, leveraging the expertise of our investment analysts. Proprietary data sets are often created in conjunction with robust research and engagement activities. For example, to estimate data that is

not available, such as financed emissions, we develop our proprietary approach in alignment with industry standards, to the extent available.

We also conduct direct data collection efforts. MIM's private credit and real estate teams periodically collect data directly from our issuers, borrowers, and property managers in the form of a survey or questionnaire.

Governance of our data vendors and service providers, including leveraging the resources of our MetLife parent, is further explained in Principle 8.

Incentives

MetLife, including MIM, applies a competitive total compensation structure that consists of base salary, discretionary annual incentive awards and stock-based long-term incentive award opportunities for its employees. Individual performance assessments to determine annual discretionary incentive awards may be aligned with sustainability outcomes, depending on an individual's role and responsibilities. These terms are reflected in MIML's Remuneration Policy.

Looking ahead: MIML is subject to mandatory TCFD reporting, our first required obligation under the FCA Rules, due by 30 June 2025. The contents of Principle 2 align with the Governance section of MIML's TCFD report.

Principle 3: Conflicts of Interest

Signatories manage conflicts of interest to put the best interests of the clients and beneficiaries first.

MIM has a fiduciary duty to its clients and therefore is required to act in the best interest of its clients. MIM is obligated to identify, resolve or mitigate conflicts of interest or the potential for conflicts in connection with its investment management services. Accordingly, MIM's Conflicts of Interest Policy sets forth how MIM and its employees maintain procedures and controls to identify, manage, mitigate, and where applicable, disclose potential, actual, or perceived conflicts of interest.

The Conflicts of Interest Policy is owned by the Head of Investment Compliance and is reviewed at least every two years. Material changes must be approved by Investments Compliance, MIM Legal, and the MIM Risk Committee or its designee. The Policy is to be adhered to in all circumstances. A copy of our policy can be made available upon request.

MIML also maintains a Business Conflict of Interest register that is reviewed periodically and presented to the MIML Board on a quarterly basis.

Overview

In accordance with relevant regulatory requirements, MIM must take reasonable steps to identify and mitigate conflicts of interest which may arise in the course of MIM acting as an investment Manager. MIM Personnel and Functional Partners must also fulfil the applicable roles and responsibilities as detailed below.

Role	Responsibilities
MIM Personnel and Functional Partners	<ul style="list-style-type: none"> Immediately escalate potential, actual or perceived conflicts to Investments Compliance. Timely report on any outside business activities (including obtaining pre-approval when required) and any potential, actual or perceived personal conflicts of interest through the MetLife Conflicts of Interest Programme. Seek guidance from Investments Compliance on potential, actual or perceived conflicts as needed.
MISL Personnel	<ul style="list-style-type: none"> In addition to the requirements above, obtain pre-approval for outside business activities and any potential, actual or perceived personal conflicts of interest through the Programme.
Investments Compliance	<ul style="list-style-type: none"> Review potential, actual or perceived conflicts for possible referral to the MIM Conflicts Committee or external disclosure.
MIM Conflicts Committee	<ul style="list-style-type: none"> Oversee conflicts management and provides a forum for discussion, escalation, and resolution of MIM Conflicts.
MIM Risk Committee	<ul style="list-style-type: none"> Receive reported exceptions to the Policy.

Types of Conflicts

MIM as a fiduciary is obligated to act in the best interests of its clients and not place its own interests ahead of a client's interests. As a result of the nature of MIM's fiduciary obligations, conflicts of interest may arise in the course of MIM's activities as an investment manager. Conflicts that may arise include conflicts between MIM and a client, between MIM's affiliated and unaffiliated clients, among different clients of MIM, and among individual employees of MIM and clients.

A conflict of interest may arise where MIM, its employees, or its affiliate:

- Could potentially make a financial gain, or avoid a financial loss, at the expense of a client.
- Has an interest in the outcome of a service provided to a client, which is distinct from the client's interest in that outcome.
- Has a financial or other incentive to favour the interests of one client or group of clients over the interests of another client.
- Receives or will receive from a person other than the client an inducement (i.e., a fee or a gift or entertainment) in relation to a service provided to the client, in the form of monies, goods, or services, other than the standard fee for that service.

Employee Disclosure Requirements

MIM Personnel and Functional Partners are required to timely report any outside business activities (including obtaining pre-approval when required) and any potential, actual or perceived personal conflicts of interest through the Programme. Any disclosures require approval from the individual's manager, as well as Investments Compliance. Employees must also keep disclosures up to date, cooperate with inquiries or investigations initiated as the result of a disclosure, and comply with any conditions that they may be required to follow to mitigate any conflict.

External Reporting and Disclosures

Investments Compliance will review and determine whether any actual or perceived conflicts require external disclosure (e.g., through the Form ADV filing for MIM, LLC, in Private Fund documentation, or directly to clients).

Identification, Escalation, and Management Conflicts

MIM has the following policies and procedures in place to identify, address, and mitigate actual or perceived conflicts of interest ("**MIM Conflicts**").

Conflict	Policy / Procedure
Allocation	<ul style="list-style-type: none"> MIM Allocation Policies and Procedures (by asset class)
Best Execution	<ul style="list-style-type: none"> MIM Best Execution Policy
Gifts and Entertainment	<ul style="list-style-type: none"> MetLife Global Anti-Bribery and Corruption Policy MIM Gifts and Entertainment Supplement
Material Non-Public Information	<ul style="list-style-type: none"> MetLife Code of Business Ethics MIM Information Barrier Policy MetLife Affiliated Insurance Companies Confidential Transaction Information Process and Information Barrier Policy
Outside Business Activities	<ul style="list-style-type: none"> MetLife Code of Business Ethics MetLife Stakeholder Engagement Policy MISL Written Supervisory Procedures
Personal Trading	<ul style="list-style-type: none"> MetLife Investments Code of Ethics MetLife Global Insider Trading Policy
Political Contributions	<ul style="list-style-type: none"> MIM Political Contributions and Pay to Play Policy
Principal and Cross Trades	<ul style="list-style-type: none"> MIM Principal and Cross Trade Policy
Pricing and Valuation	<ul style="list-style-type: none"> MIM Pricing and Valuation Policy
Property Leases	<ul style="list-style-type: none"> Conflicts of Interest regarding Negotiating Property Leases

In addition, from time to time, MIM Conflicts may arise that involve new or novel facts or that may fall outside the scope of those potential MIM Conflicts as are provided above. If any MIM Personnel or Functional Partner identifies such potential, actual or perceived conflicts, they are required to escalate immediately to Investments Compliance which may refer them to the MIM Conflicts Committee.

The MIM Conflicts Committee is a deliberative and decision-making body and is chaired by the Head of Investments Compliance, or their designee, and comprised of senior-level representatives from legal, risk, and the MIM business teams, among others. The MIM Conflicts Committee provides a forum for discussion, escalation, and resolution of MIM Conflicts.

Stewardship

MetLife's reputation is built on the integrity of each of its employees. Modest gifts and appropriate entertainment can help strengthen our business relationships but must never be used to improperly influence any business decisions. As one example, when engaging with our clients, it is possible that inappropriate acceptance of gifts and entertainment could inappropriately influence our decision making. To mitigate these types of conflicts of interest and associated risks, Investments Compliance requires that all gifts and entertainment are registered in our Gifts and Entertainment Tracker. Significant gifts and entertainment must receive pre-approval from both the employee's manager and Compliance. Compliance will consider any relevant conflicts arising from the gifts and entertainment, which may include whether there is any link to the assets we manage on behalf of our clients and the stewardship of those assets.

As part of our broader MetLife Code of Business Ethics programme, our employees receive mandatory training annually on a variety of topics including anti-money laundering and sanctions, privacy and data protection, fraud prevention, gifts and entertainment, sales practices, and ethical business conduct. In 2024, MetLife offered 26 mandatory courses, including 8 global and 18 targeted, on average per employee.

Proxy voting is limited for MIM as primarily a fixed income, private capital, and real estate asset manager. However, as required, MIM votes proxies on behalf of its clients in accordance with implemented policies and procedures (the "**Proxy Policies**"). The Proxy Policies have been designed to ensure that client securities are voted in the best interests of clients in accordance with applicable rules. The Proxy Policies are based on the guiding principle of maximisation of economic value of client holdings. MIM does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle. The Proxy Policies are designed to ensure that material conflicts of interest on the part of MIM or its affiliates do not affect voting decisions on behalf of clients.

During 2024, all identified conflicts of interest were deemed to be appropriately managed through formal processes.

Looking ahead: Compliance with MetLife and MIM policies and procedures remains a priority for MIM to ensure that we are acting in the best interest of our clients.

Principle 4: Promoting Well-Functioning Markets

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

MIM seeks to deliver client solutions that manage risk, and strong risk adjusted investment returns. MIM, including MIML, believes that financially material ESG factors, including climate risk, can have an impact on investment performance and are important considerations to effectively manage risk and achieve client investment objectives. This section focuses on MIML's approach to risk management, including risk identification, assessment and management processes.

Risk Management Framework

MIM recognises the importance of effective risk management structures and processes. The aim of MIM's risk management process is to assess and manage fiduciary, non-financial and financial risk on behalf of its asset management clients. Climate-related risks have the potential to impact MIM, the markets in which MIM operates and portfolios managed for clients.

MIM operates within the risk management framework of MetLife, Inc., which ensures the independence of those monitoring risk from those performing activities that generate such risks, by utilising the "Three Lines of Defence" model which can be summarised as follows:

- **First Line of Defence:** The investment teams are the first and primary line of defence, responsible for the day-to-day management of risk, including climate-related risks. The first line is accountable for performing control activities to effectively identify and manage risks to acceptable levels.
- **Second Line of Defence:** MetLife's Global Risk Management ("**GRM**") acts as the second line of defence, setting guardrails, providing risk advisory and independent challenge. Within GRM, Risk and Investments Compliance functions dedicated to MIM, including the Chief Compliance Officer and CRO of MIML, provide independent monitoring and oversight of Client Accounts and the first line's processes and controls to validate whether they are properly designed and operating as intended, and in compliance with applicable laws, regulations, and internal policies.
- **Third Line of Defence:** Internal Audit serves as the third line of defence, providing independent assurance of the risk and control environment as well as adequacy of such policies.

Own Operations

A risk for MIM in the context of its own operations, is the risk from evolving climate policies, regulatory requirements, and compliance costs. MIM keeps informed of upcoming regulatory changes applicable to the asset management sector through its legal and accounting teams. MIM also receives regulatory updates from industry bodies and external counsel. The emerging regulatory requirements are tracked on a horizon scanning log, which is maintained by Investments Compliance. Where MIM is in scope for an emerging regulatory requirement, a project team consisting of relevant stakeholders is formed to ensure the regulatory requirement is met.

Integration of Sustainability

As described in Principle 2, MIM's approach to investing begins with an assessment of financially material risks and opportunities as part of its fundamental, disciplined due diligence and monitoring processes. ESG factors and insights, along with traditional investment risk and opportunity assessments, are incorporated in a manner consistent with our investment strategies, as are deemed relevant and applicable. MIM's asset teams may take into account the IFRS Sustainability Alliance's SASB sector-specific materiality matrix to help identify potentially financially material ESG-related considerations, including those that are climate-related.

MIM's fixed income and private credit teams' investment methodology is based on bottom-up research driven, security selection process. The teams take a holistic view in their assessments, such that financially material ESG considerations are evaluated alongside other financially material risks and opportunities to determine fair value at the issuer and security level. MIM believes that stewardship activities, including engagement, are a core part of the investments due diligence process and support sustainable investing efforts.

In 2022, dedicated sustainability research and analytical capability was added to MIM's platform through the acquisition of AIM, a leader in sustainability and impact focused fixed income solutions. MIML has sustainability research teams in fixed income and private credit, which provide support to credit teams along the investment process as part of due diligence, monitoring, and engagements.

The sustainability research teams are responsible for supporting dedicated sustainability strategies, as well as conducting the associated research, sustainability verification, and related thematic engagement in support of these strategies.

Management & Oversight

As set out above, MIM's investment teams, including research analysts and portfolio managers, are the primary owners of portfolio risk. As risks may be identified or change at various stages of the investment life cycle, the investments teams perform initial underwriting, as well as ongoing monitoring and assessment. All investments are reviewed at least annually by MIM's investment teams.

MIM's Risk team provides robust risk coverage across all MIM investment portfolios. For private credit, MIM Risk regularly attends investment committee meetings to review new transactions and conducts quarterly review sessions to discuss risk matters with portfolio managers. Moreover, MIM Risk holds ad hoc discussions with the sustainability research team to stay informed of salient risks and themes, which may include climate risks. This provides a second line assessment of the risks and opportunities presented by underlying investments, including relevant ESG risks.

The investment teams, as primary risk owners, and the MIML CRO, as the second line of defence, report at least quarterly to the MIML Board, ensuring MIML's senior management are aware of the financially material risks within the MIML portfolios.

MIML invests consistently within client and fund guidelines, which may include sustainability considerations where sufficient information is available. As at year end 2024, sustainability reporting is provided to the MIML Board for a

limited number of labelled portfolios managed by MIML. However, MIML plans to expand such reporting to cover more portfolios under MIML's management.

Climate risks and opportunities, for both MIML's portfolios and own operations, will be reported to the MIML Board on at least an annual basis, or more frequently if necessary. Given the evolving nature of climate risk, encompassing emerging regulations, data availability, modelling advancements etc. MIML commits to ongoing review of its approach to climate risk management and the processes by which it reports to the MIML Board. This review helps to ensure that MIML remains adaptive to new developments and evolving best practices.

Market and Systemic Risks

MetLife's risk management framework is designed to address all financially material risks to the business, including market risks. Both financial and non-financial risks, including environmental, social and governance issues, are identified and managed through framework processes and tools. Employees, at all levels, and in all departments, are encouraged to speak up and escalate risks related to our policies, laws and current regulations.

One market risk being evaluated by MetLife within our climate risk assessments is lower valuations for certain investments classes that may become less desirable with the transition to a lower-carbon economy. Technological changes may affect our business model and how we interact with existing or prospective customers, and evolving consumer preferences may require a redesign of our products and investment composition. For example, changes in energy technology and increasing consumer preferences for e-commerce may harm the profitability of some businesses. We may fail to adjust our investments accordingly or suffer stranded assets. If we are unable to update our business model to match evolving consumer preferences and purchasing behavior, our business, results of operations and financial condition may be adversely affected. Furthermore, catastrophic events may also reduce economic activity in affected areas, which could harm our existing business or prospects for new business, or the value of our investments.

In addition, within Principles 7, 9, 10, 11, and 12, examples are provided where through MIM's engagement efforts, market risks were identified and discussed with issuers and borrowers. As one example, the case study provided within Principle 9 entitled "Real estate company", describes an engagement initiated by the borrower to discuss with MIM how best to understand what investors expect to see in terms of sustainability disclosure and associated risk management practices. In summary, MIM's Private Credit Sustainability Research team provided their feedback with the goal of supporting enhancements to sustainability disclosures in the private market, as well as in support of the borrower's annual sustainability reporting efforts.

Another relevant example is provided within Principle 10 entitled "City of London Transition Consultation" where MIM participated in a public consultation hosted by the City of London on the topic of transition finance. The objective of MIM's participation in this consultation process was aimed at proactively encouraging further development of the transition finance market.

At MIM, we believe well-functioning financial markets are essential for long-term economic growth and financial stability. We have a dedicated team, Global Economics and Market Strategy ("**GEMS**"), responsible for creating a globally consistent economic view which is leveraged to create an unconstrained asset allocation based on relative value. GEMS provides estimates for long-term fair value for foreign exchange and interest rates. Their work also informs the quarterly asset allocation for MetLife's general account investment portfolio, as well as our risk and regulatory reporting structures. GEMS regularly publishes insight pieces detailing their views on

economics, geopolitical issues, and asset allocation. Further, GEMS engages with MIM's unaffiliated clients on these topics via the previously mentioned publications, through conferences and surveys, and one-on-one meetings. GEMS publications are available on our website.

Further, both MetLife and MIM participate in a variety of industry groups that encourage continuous improvement and stakeholder alignment to promote well-functioning financial markets. As one example, MetLife and MIM are affiliated with The Securities Industry and Financial Markets Association ("**SIFMA**"), the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. SIFMA serves as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency, as well as providing a forum for industry policy and professional development. Similarly, MetLife and MIM are affiliated with The Global Association of Risk Professionals ("**GARP**"), a globally recognised membership-based organisation for risk management professionals offering certifications and continuing education. MetLife's GRM team participates in The GARP Annual Survey, conducted by the GARP Risk Institute, providing insights into climate risk management and other environmental risks at financial firms, as well as the GARP Buyside Forum's Operational Risk Survey. Additionally, MIM's CRO is a member of GARP's Buyside Forum. Finally, MIM supports the professional development of all our employees, encouraging participation and affiliation in market leading investments-specific certifications, like the Chartered Financial Analyst ("**CFA**") Institutes designation programme and claims compliance with the CFA Institute Asset Manager Code.

In 2023, conversations were initiated that led to the 2024 creation of MIM's SSG team, as is further described within Principle 2. SSG has been created as a shared resource to drive our sustainability aspirations by expanding capabilities across MIM, including enhancing our brand in the marketplace, leading sustainability governance and strengthening our sustainability data and client strategy and other capabilities.

Looking ahead: As mentioned above in Principle 2, MIML is subject to mandatory TCFD reporting, our first required obligation under FCA Rules, due by 30 June 2025. The contents of Principle 4 align with the Risk Management section of MIML's TCFD report. In addition, as mentioned above, we anticipate that MIML Board reporting will expand to cover more portfolios under MIML's management for appropriate awareness and oversight of associated climate related risks and opportunities.

Principle 5: Review and Assurance

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

MIM has robust governance controls in place to identify and mitigate risks. As described within Principle 4, MIM operates within the risk management framework of MetLife, which ensures the independence of those monitoring risk from those performing activities that generate such risks, by utilising the “Three Lines of Defence” model.

Review and Approval Process

Sustainable Investment and Stewardship Policies

The contents of our UK Stewardship Code report is anchored on the information that is provided within MIM's Sustainable Investment and Stewardship Policies, as well as case studies and additional context provided within our asset class sustainability brochures, directly by our asset sector sustainability leads, marketing, and other functional partners. MIM commits to reviewing our policies at least annually. These policies intend to convey our sustainable investment and stewardship processes, capabilities, and governance controls.

Our policy reviews begin with suggested updates initially provided by MIM's SSG team, as described in Principle 2, in partnership with MIM's asset sector sustainability leads and marketing. Once these updates have been incorporated, the policies are reviewed by MIM's Sustainable Investment Council for feedback, also described in Principle 2.

Dependent upon the materiality and context of edits made, updates are recommended by MIM's Sustainable Investment Council, assessed via senior leader and committee reviews, and approved pursuant to MIM's policy governance framework prior to public release. Compliance provides final approval prior to public release.

It is important to note that MIM deploys an integrated approach to sustainable investing and stewardship, such that our research analysts, asset originators, and portfolio managers are responsible for the implementation of our Sustainable Investment and Stewardship Policies and associated practices.

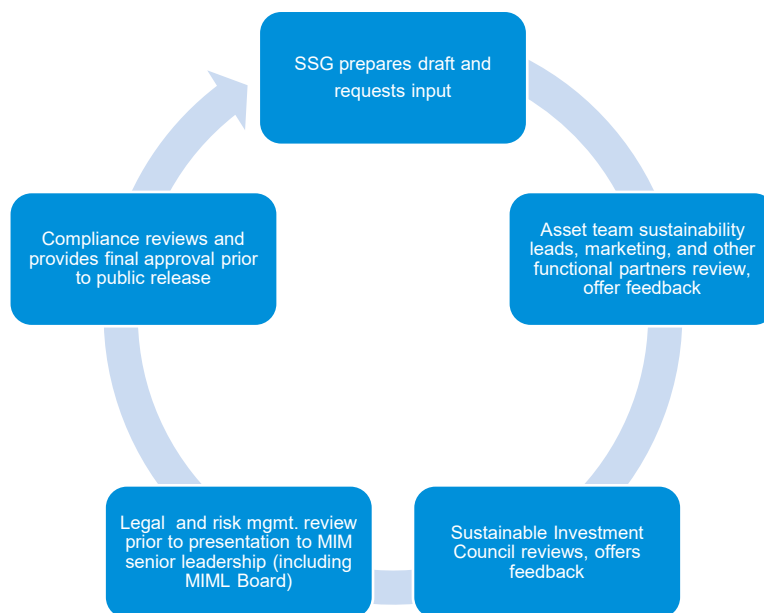
MIM's risk management and compliance teams serve as a second line of defence, providing risk-based coverage for sustainability activities, which may include risk assessments and ongoing testing and monitoring of policies. MIM's Policy Working Group (“**PWG**”) serves as the governing body comprising of leadership across MIM's business and support functions that reasonably represents the scope of MIM's global policies audience. The PWG has delegated authority by the MIM Risk Committee and is responsible for reviewing and approving new or revised policies within its scope.

Internal audit serves as our third line of defence, providing independent assurance of the adequacy of our sustainability activities, including our policies, as deemed appropriate.

UK Stewardship Code Reporting Assurance Cycle

Why this approach?

The multi-level, multi-functional, risk management focused internal assurance process is well suited to our organisational structure and provides comprehensive oversight that is appropriate for a firm of our size and complexity. As mentioned in Principle 1, MIM's investment process incorporates having multiple sets of eyes on the risk profile of every position and portfolio, as well as proactive independent oversight. This type of assurance process holds true for reporting, like the UK Stewardship Code, intended to ensure fairness, balance, and understandability.



MIML's UK Stewardship Code annual report is presented to the MIML Board of Directors for sign off prior to public release in alignment with the MIML Board's oversight responsibilities.

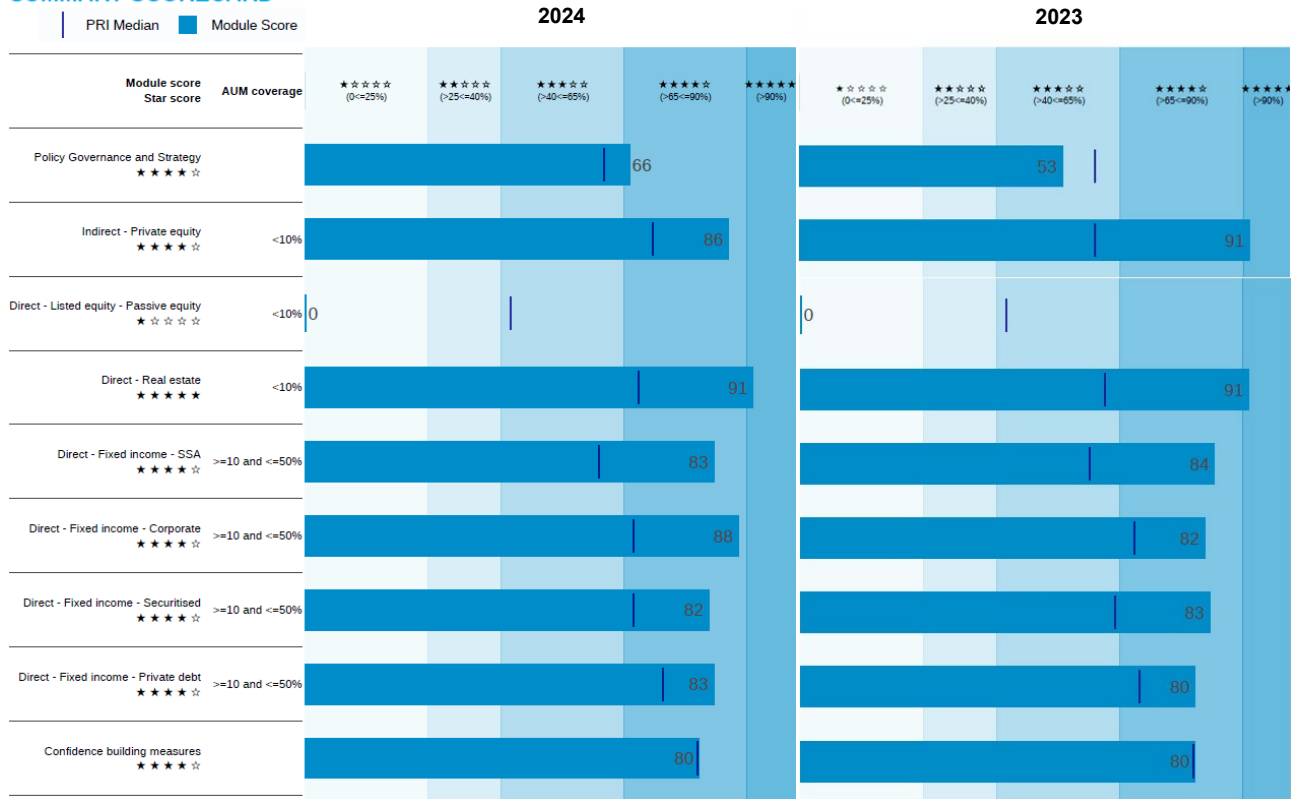
PRI Assessment

As a Principles for Responsible Investment ("PRI") signatory, MIM is required to publicly report on our sustainable investment activity, including stewardship, annually through the UN PRI Framework. MIM's most recent PRI transparency and assessment reports are provided [here](#).

We value the annual assessment feedback PRI provides to us as a signatory in response to our annual transparency reporting submission. We leverage the assessment scoring each year as a means to understand where we have opportunities to improve our sustainability-focused policies, governance, and strategies, as well as the incorporation of ESG factors and sustainability considerations into our investment decision making processes and services we provide to our global clients.

As one example, MIM's SSG led the 2024 evaluation of our 2023 PRI assessment scoring as an opportunity to enhance the content provided within MIM's Sustainable Investment and Stewardship Policies. After thorough review of our PRI Policy, Governance and Strategy ("PGS") module content and score, we recognised that we had gaps in our policies, having insufficient information describing certain capabilities. Specific to stewardship, we realised that not enough information was included about the types of engagement conducted – like thematic initiatives and engagement conducted with policy makers – as was expected by PRI. During the annual review of our Stewardship Policy, we added additional information about the types of engagement we conduct. These changes, among others, were reflected in our 2024 PRI annual reporting, and as a result of these efforts, MIM's PGS score improved by 13 points, from 53 to 66, and now is above the median peer assessment score.

SUMMARY SCORECARD



Looking ahead: MIM is committed to working closely with clients to provide transparency and meet our clients' guidelines and sustainability expectations. As sustainability standards and initiatives in the asset management industry evolve, MIM's approach will continue to develop.

Section 2: Investment Approach

Principle 6: Client and Beneficiary Needs

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

As a global investment manager, MIM's commitment to clients is rooted in MetLife's purpose: *"Always with you, building a more confident future."* At MIM our investment approach seeks to deliver competitive risk adjusted market returns by incorporating financially material ESG assessments and stewardship into our investment process. Our approach leverages both our traditional investing and sustainability expertise.

We believe that stewardship activities, including engagement, support sustainable investing efforts. Ongoing dialogue with companies and issuers helps raise awareness of prudent business practices for the long-term and promotes data transparency and standardisation. We believe that capital markets benefit from more and improved information from which investment decisions can be made.

We are committed to working closely with clients to provide transparency and meet our clients' guidelines and sustainability expectations. As sustainability standards and initiatives in the asset management industry evolve, MIM's approach will continue to develop.

Climate Change and Human Rights

Aligned to MetLife's corporate New Frontier strategy, sustainability at MetLife means managing business responsibly and driving long-term value. As a financial services provider, MetLife recognises that environmental challenges can affect the well-being and financial future of our customers, our colleagues and our communities. By addressing environmental challenges, MetLife seeks to drive sustainable growth and resilience for MetLife's business and stakeholders. MetLife believes protecting human health and preserving natural resources are integral to strong risk mitigation strategies and fostering a resilient supply chain. As a United Nations Global Compact ("**UNGC**") signatory and participant, MetLife encourages respect for equality and human rights and prioritises compliance with policies and regulations designed to prevent abuses of human rights such as human trafficking and modern slavery.

For MIM, we believe that climate change can pose business risk, as well as investment risk and may offer opportunities across the investments managed on behalf of clients. As one example, transition finance is an opportunity to support companies and infrastructure that are likely to emerge as leaders in the transition to a less carbon-dependent economy.

Our Approach to Sustainable Investment

MIM's, and therefore MIML's fixed income and private credit teams' investment methodology is based on a disciplined, bottom-up research driven security selection process. The teams take a holistic view in their assessments, such that financially material ESG considerations are evaluated alongside other financially material risks and opportunities to determine fair value at the issuer and security level. Additionally, we believe that engagement provides MIM's research analysts with an opportunity to better understand financially material, relevant risk factors, and improve data transparency.

For those clients whose investment objectives include specific sustainability focused outcomes, an array of strategies is offered. This includes the MIM Transition Strategy in fixed income and private credit, which is designed to invest in infrastructure, companies, technologies, and industries that are critical to the low carbon transition; MIM's award-winning SPECTRUM bond strategy in fixed income, focusing on investments in labelled green, social and sustainable bonds and bonds from pure-play or aligned issuers; and MIM's Thematic Infrastructure strategy, which invests in infrastructure debt opportunities in targeted sectors in support of the United Nations Sustainable Development Goals ("SDGs") under three key themes: low carbon transition, utility security, and connecting and protecting communities.

In addition, client-directed guidelines can be incorporated into MIM's investment process. MIM works with clients to establish guidelines based on their needs, which may include GHG emissions targets, minimum third-party ESG risk scores, controversy screening on human rights and other types of violations, and other specified criteria. We can also work with clients to find solutions to address asset owner net zero pathways.

For more information, please see our Sustainable Investment Policy [here](#).

Stewardship and engagement

Stewardship is an important part of MIM's sustainable investing efforts. As a predominately fixed income, private capital and real estate investment manager, our primary means to conduct stewardship is via engagement.

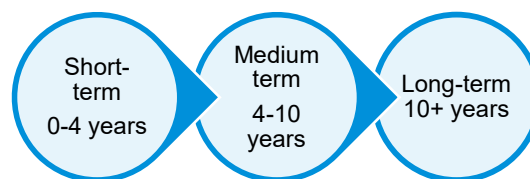
MIM's stewardship efforts seek to raise awareness and improve data transparency and reporting. MIM engages with issuers, intermediaries, market participants, and policy makers. Engagement is conducted in a variety of ways, from individual engagements on specific issues, to participating in and hosting thematic engagements on specialist sustainability topics.

Engagement provides MIM's investment analysts with an opportunity to better understand financially material, relevant risk factors and improve data transparency. MIM's investment analysts regularly interact and engage in discussions with a company's senior management or other relevant stakeholders throughout the initial due diligence process and as part of the portfolio monitoring process. At times, relationships with industry intermediaries and industry groups to communicate and resolve potential concerns more effectively may also be leveraged. Ongoing dialogue with companies and issuers helps to raise awareness of prudent business practices.

For more information, please see our Stewardship Policy [here](#).

Risks and opportunities

MIM's approach to investing begins with an assessment of financially material risks and opportunities as part of our fundamental, disciplined due diligence and monitoring processes. ESG and climate-related factors and insights, along with traditional investment risk and opportunity assessments, are incorporated in a manner consistent with our investment strategies, as are deemed relevant and applicable.



For the purposes of TCFD aligned reporting, MIML defines short-term, medium-term, and long-term time horizons as follows. The time horizons selected align with the firm's approach to performance and risk assessment, facilitating effective integration of climate consideration into portfolio-relevant decision-making processes.

MIML believes that climate change can pose business risk as well as investment risk and may offer opportunities across the investments managed on behalf of clients. MIML has conducted an analysis of climate-related risks and opportunities, which could have an impact from an operational and investment perspective. MIML managed AUM may be exposed to the transition to a low carbon economy to varying degrees based on sector, geography, and other factors. The following table provides a summary of key climate-related risks and opportunities as they may relate to MIML.

RISKS

Category	Description	Time-horizon
Transition - Investments	Performance of investments may be affected by investments in companies failing to adequately respond to market, policy, legal and technology risks stemming from the transition to a low carbon economy.	Short-term to Medium-term
Transition - Own operations	Changes in policy and regulatory environment as well as in investor perceptions and demands related to climate and sustainability may create new costs and/or impact revenues.	Short-term to Medium-term
Physical - Investments	Performance of investments may be adversely affected by acute and/or chronic physical climate risks, which can cause business interruption, increased capital costs and chronic challenges where resilience and adaptations measures are inadequate.	Short-term to Long-term
Physical – Own operations	MIML's operations may face disruptions and increased costs from acute and/or chronic physical climate risks.	Short-term to Long-term

OPPORTUNITIES

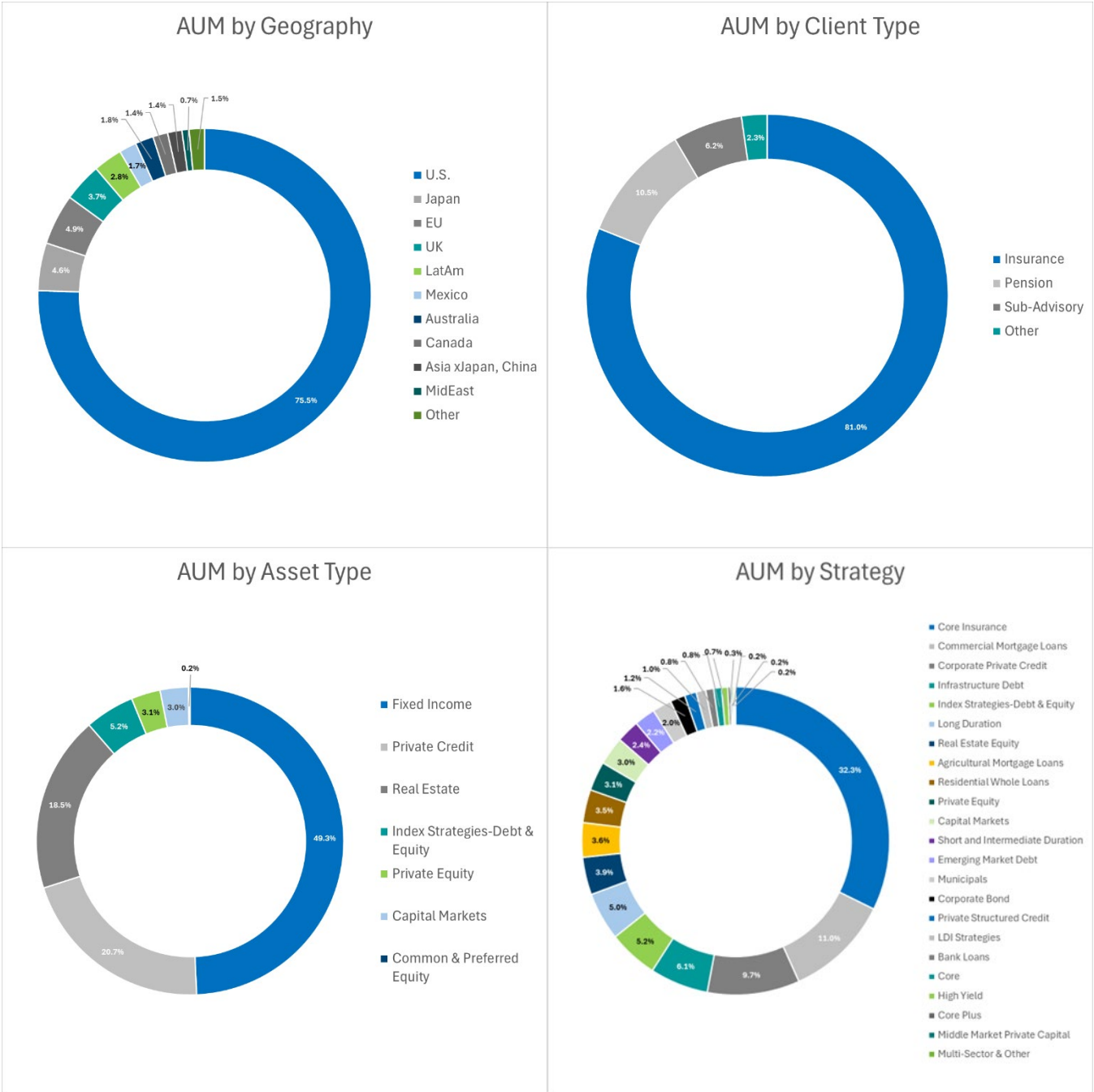
Category	Description	Time-horizon
Transition - Investments	Performance of investments may be positively affected by investments in companies positioned to benefit from the transition to a low carbon economy.	Short-term to Medium-term
Transition – Own operations	MIML may benefit from new revenue opportunities through new investment strategies that seek to meet client demand for mitigating climate change and transitioning to a low-carbon economy, while adding portfolio diversification.	Short-term
Physical – Investments	Performance of investments may be positively affected by investments in companies that are focused on supporting climate adaptation.	Short-term to Medium-term

MIML seeks to incorporate new and emerging data and technology into our assessment and management of climate-related risks and opportunities. Our ability to effectively measure and track GHG emissions associated with our investments and to collect and analyse the transition and climate risk management plans of issuers allows us to assess and manage potential climate-related risks. As data coverage and quality improves, we will continue to monitor and assess the applicability of new tools, including scenario analysis, to effectively manage potential climate-related investment risks.

Assets Under Management

As referenced within Principle 1, MIM is MetLife's institutional investment management business that serves institutional investors globally by combining a client-centric approach with long-established asset class expertise. Neither MIM, nor MIML, serves retail clients. Just as our client base is diverse, so is our AUM from both an asset class and geographic location perspective. Investment time horizons vary based on our clients' investment objectives, risk appetite, defined constraints, and regulatory requirements.

As at 31 December 2024, at estimated fair value, MIM's AUM totaled £477 billion (or \$597 billion), including £334 billion (or \$418 billion) of affiliated insurance company assets and £143 billion (or \$179 billion) of assets managed on behalf of unaffiliated clients. The following charts are reflective of MIM's total AUM.



Affiliated AUM

As provided within Principle 1, MetLife Inc. is MIM’s largest institutional client. MetLife is a leading provider of insurance, annuities, and employee benefit programmes. Through its subsidiaries and affiliates, MetLife holds leading market positions within the U.S., Japan, Latin America, Asia, Europe, the Middle East, and Africa.

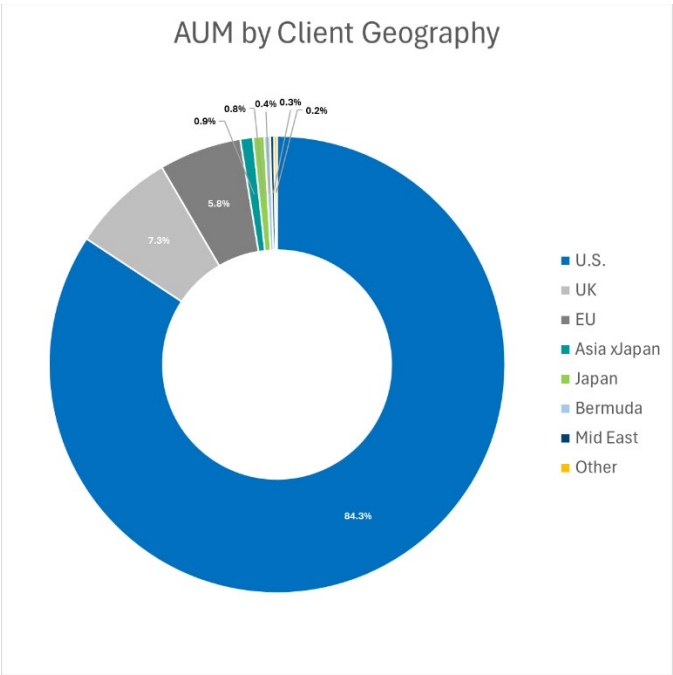
With £334 billion (or \$418 billion) of general account global insurance company AUM, the portfolio allocations reflect the mix of liabilities in MetLife’s global businesses. The portfolio is repositioned based on relative value and our view of the economy and financial markets. The appropriate levels of diversification and quality are

maintained, enabling the MetLife enterprise to deliver on promises made to millions of customers by MetLife companies around the world.

As a global insurance company, MetLife’s assets are subject to asset-liability management (“**ALM**”), a prescribed means by which to manage the complex and varying financial risks that arise from the mismatch between the assets and liabilities of an insurance company. ALM involves balancing the cash flows, returns, and risk of the assets and liabilities, as well as complying with the regulatory and capital requirements in many regions around the world.

Institutional Client AUM

Also provided within Principle 1, MIM manages 448 mandates globally across several types of institutions (no retail clients), totalling £143 billion (or \$179 billion). The chart below is reflective of where our institutional, unaffiliated clients are geographically located, weighted by their respective AUM as at 31 December 2024.



MIML AUM

Included within the references above, MIML’s AUM is £7.2 billion (or \$9.0 billion) at year end 2024. MIML provides investment management services to institutional investors located in the UK and globally. The assets managed by MIML include both affiliated and unaffiliated institutional client portfolios where MIML is either the contracting or sub-delegated entity. MIML AUM is limited to public and private fixed income assets.

Tailored Solutions to Meet Client Needs

MIM aims to deliver strong, risk-adjusted returns by building tailored portfolio solutions for clients across our core investment teams including fixed income, private capital, and real estate. As a result, our investment analysts, asset originators, and portfolio managers are tasked with building and managing resilient portfolios. These responsibilities can include incorporating financially material ESG assessments into risk management focused investment processes, as well as offering strategies for, and knowledge sharing with, those clients who have defined sustainability objectives.

We work with clients to establish guidelines based on their needs, which may include GHG emissions targets, minimum third-party ESG risk scores, controversy screening on human rights and other types of violations, and other specified criteria. We can also work with clients to find solutions to address asset owner net zero pathways. Client feedback is often sought during portfolio update meetings to discuss performance and any material changes. During those meetings, engagement data can be provided to demonstrate our outreach efforts on their behalf and signal our commitment to these efforts.

Client satisfaction survey efforts conducted by MIM's marketing teams are further described in Principle 1.

Case Study	Client engagement questionnaire
Engagement Date	May 2024
Background	MIM's fixed income and private credit sustainability research teams completed an annual client engagement questionnaire.
Objective	Each year, MIM is asked to provide one of our clients with a breakdown of the engagements we held with borrowers within their portfolio, as well as across the broader MIM platform, over the previous calendar year to evidence our stewardship efforts and support our client's reporting efforts.
Type	Private direct engagement via email between MIM and our client.
Outcome	MIM's fixed income and private credit sustainability research teams collaborated to complete the client engagement questionnaire with 2023 data. These efforts entailed breaking down the number of engagements by environmental, social and governance themes, engagement activity types, escalation actions and outcomes. We also provided several case studies to illustrate different types of engagements (e.g. clear outcome, collaboration, escalation).
Next Steps	MIM will continue to provide our client with the required engagement information to evidence our stewardship activities and support our client's own reporting commitments, in addition to other clients who request this type of reporting.

For those clients whose investment objectives include specific sustainability focused outcomes, MIM offers an array of sustainability strategies. These strategies are designed to focus on long-term performance and sustainability outcomes. Direct and thematic engagements with issuers are a critical part of our investment process. These strategies are described in further detail within Principle 7.

Case Study	Client engagement
Engagement Date	July 2024
Background	An institutional client with a sustainability-focused portfolio requested additional data for disclosure in their own public sustainability reporting for the beneficiaries of the fund.
Objective	Provide details of the impact achieved through investing in the portfolio and the types of projects funded.
Type	Email
Outcome	MIM's fixed income sustainability research team provided a breakdown of the sustainable sectors funded and detailed project case studies. The portfolio invested in bonds supporting sustainable activities in 166 countries. In 2023, the top 3 sectors to which bond proceeds were allocated were environmentally focused: buildings (26%), energy (20%), and transport (20%). Example case studies included a project to support neurodevelopment disorders in southern Italy through an Italian bank's sustainability bond. The project outcomes included helping 5,000 vulnerable people, assisting 2,200 migrants and engaging 50 children in daily therapy. The reporting provided to the client was then used in the client's 2024 Sustainable Investment Report.

Case Study	Client engagement
Engagement Date	September 2024
Background	SPECTRUM portfolios invest in use of proceeds green, social and sustainable bonds. Annual impact reporting is prepared to communicate the outcomes achieved across the year from the investments in the portfolio. As part of communicating the outcomes and research themes from 2023's impact report, MIM's fixed income sustainability research team took part in a webinar for clients invested in the fund.
Objective	Update clients on the key environmental and social impacts achieved by the fund in 2023, as detailed in the impact report, and provide insight into methodology updates and research findings.
Type	Webinar
Outcome	MIM's fixed income sustainability research team presented the key findings of the impact report, findings from a biodiversity engagement series, and changes in weighted average carbon intensity due to increased reporting on scope 3 from financials following the launch of PCAF guidance.

Looking ahead: As mentioned above in Principles 2 and 4, MIML is subject to mandatory TCFD reporting, our first required obligation under the FCA Rules, due by 30 June 2025. The contents of Principle 6 will align with the Strategy section of MIML's TCFD report. In addition, we continuously look for opportunities to engage with our clients to ensure their investment objectives are being met and to communicate the activities and outcomes of our stewardship and investment efforts to them.

Principle 7: Stewardship, Investment, and ESG Integration

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Integration of Financially Material ESG Considerations

MIM’s approach to investing begins with an assessment of financially material risks and opportunities as part of our fundamental, disciplined due diligence and monitoring processes. MIM’s asset teams may take into account the IFRS Sustainability Alliance’s SASB sector-specific materiality matrix to help identify potential financially material ESG-related considerations, as are deemed relevant and applicable. Relevance and applicability vary and can be based on our clients’ investment objectives, risk appetite, defined constraints, regulatory requirements and market conditions.

Fixed Income and Private Credit

MIM’s fixed income and private credit teams’ investment methodology is based on a disciplined, bottom-up research driven, security selection process. The teams take a holistic view in their assessments, such that financially material ESG considerations are evaluated alongside other financially material risks and opportunities to determine fair value at the issuer and security level. Additionally, we believe that engagement provides MIM’s research analysts with an opportunity to better understand financially material, relevant risk factors, and improve data transparency.

Case Study Real estate company

Engagement Date	November 2024
Background	MIM fixed income credit analyst met with an issuer at a conference to discuss recent performance on health and safety, as the most recent Sustainability Report showed an unusually high number of fatalities from contractors on its building’s sites.
Objective	Understand the reason behind the increased incidents and what actions the issuer has taken to improve health and safety in contractors on building sites in mainland China and Indonesia.
Type	Investor roadshow
Outcome	The issuer explained the incidents could have been avoided if more work safety training was offered. Counties of operation, such as China, are challenging to maintain health and safety standards, as safety records monitoring is very difficult due to lack of accessibility. Most of the fatalities that occurred, as were reported, were in China and the issuer has since made changes to incentivise contractors to report these incidents. In addition, enhanced oversight on site by direct employees of the issuer has been introduced to monitor standards.

Case Study	Technology company
Engagement Date	February 2024
Background	MIM fixed income analyst met with a Japanese technology company to discuss business model resilience.
Objective	Ask the company about its efforts to raise employee engagement and retain skilled workers.
Type	Private direct engagement phone call
Outcome	The issuer offered that they have been strengthening areas where the company is found to be weaker relative to competitors by measuring employee engagement score with 'qualtrics' that is widely used by global major companies. The issuer stated the competitors are global market leading companies including SAP, Microsoft, etc. The issuer raised wages by an average of 7% in 2022 to retain skilled workers, which led to growth of skilled consultants and engineers amid intensified talent competition in Japan. Nonetheless, the issuer alluded that its employee turnover ratio is expected to gradually rise from current low levels (2.44% in 2020, 2.94% in 2021, and 2.60% in 2022), given its intention to retain only highly skilled and motivated workers for improvement of operational efficiency.

Case Study	Electric utility company
Engagement Date	January 2024
Background	Private Nordic electric utility provided an update to MIM's private credit team related to its renewable energy target.
Objective	Understand the reasons behind the borrower missing their 2023 renewable energy target, which is an ESG covenant for one of the borrower's deals.
Type	Private direct engagement via phone call
Outcome	During the update call with the credit analysts, the borrower explained that lower renewable energy generation performance was due to good weather, as well as due to delays in the start of the operation of a battery storage station. The borrower expects its renewable energy generation to return in compliance with targets in 2024. Finalised borrower computations for 2023 renewable energy generation that were released later in 2024 confirmed that the borrower missed its renewable energy KPI and would pay a sustainability fee to compensate as a result of breaking the covenant.
Next Steps	MIM's private credit team will continue monitoring the borrower's growth in renewable energy generating assets, as well as performance against targets and communicating closely with the borrower. The borrower has thus far been very proactive and transparent in engaging with our credit analysts and providing the required details to support our monitoring processes.

Case Study	Facilities management services provider
Engagement Date	September 2024
Background	MIM's private credit and sustainability research analysts uncovered potential concerns around poor living conditions at one of the borrower's operated facilities as part of the due diligence process.
Objective	Understand the borrower's attitude towards the identified concerns and remediation plans it had put in place. The primary aim of the engagement was to ensure that the borrower was addressing issues robustly with effective remediation actions and with the intent to prevent similar issues in the future.
Type	Private direct engagement via email
Outcome	The borrower was responsive and outlined its commitment to implementing a comprehensive remediation plan consisting of 81 actions to enhance accommodation conditions across the managed facility in question. Key initiatives being deployed included the enhancement of existing safety strategies, refurbishment of facilities, launch of a recruitment programme, and the implementation of regular audits. MIM acknowledged the borrower's proactive steps in addressing priority concerns and was encouraged by the initial progress made.
Next Steps	MIM will continue to closely monitor the borrower's developments and the execution of their remediation efforts.

Real Estate and Agricultural Lending

MIM takes a holistic approach to sustainable real estate lending and investing. Driven by the objectives of each client, MIM incorporates deep knowledge and understanding of the asset, market, and green building industry to integrate financially material ESG considerations into asset and portfolio management strategies. At acquisition and origination, sustainability attributes and risk factors such as energy efficiency performance, green building certifications, physical climate risk and regulatory transition risk are analyzed to identify factors that may impact financial performance. During the hold of an asset, energy, water, waste, and emissions data quality is fundamental and informs property-level and portfolio-level strategies to manage risk and provide strong returns while investing in the long-term impact of our buildings on the environment and for our communities.

MIM's agricultural finance group provides intermediate and long-term financing to farmers, ranchers, agribusinesses, and timberland owners in the U.S. and in select non-U.S. markets. Our loan origination process involves assessing financially material risks, including sustainability factors, when evaluating investment opportunities.

Private Equity

MIM assesses financially material ESG factors throughout the investment lifecycle of our externally managed private equity funds on behalf of our limited partner (“LP”) clients. During the fund selection process, we request that general partners (“GPs”) provide responses to the PRI’s ESG Due Diligence Questionnaire. These responses are then graded according to the Institutional Limited Partners Association’s (“ILPA”) ESG Assessment Framework and feedback may be given to GPs regarding potential areas for improvement. Subsequently, during the subscription phase, we may request a side letter agreement based on any applicable client defined needs or concerns, and may request improvements in the GP’s ESG policy, if necessary. Finally, we aim to monitor material ESG policy changes or incidents post investment via disclosure requirements.

Listed Equity

MIM is predominately a global fixed income, private capital, and real estate investment manager, with approximately 5% of our overall AUM held in equity and fixed income index funds and other limited equity investments.

The public equity investments MIM manages for MetLife’s affiliated general account portfolio are almost exclusively comprised of index strategies that are passively managed, and index matched. The indices to which our index strategies are benchmarked are selected in accordance with our mandates’ investment guidelines. At this time, and in adherence to the defined guidelines, these indices are not sustainability focused.

The public equity investments MIM manages for unaffiliated clients are primarily U.S. exchange-traded domestic common equity securities. The investment objective of the strategies we offer is to achieve total return (i.e., long-term growth of capital and high current income) by investing in common stocks which appear to be undervalued relative to the stock market. The objective seeks superior market cycle total returns, with an emphasis on relative performance in difficult market environments. Consideration of financially material ESG factors is made within the fundamental assessment of macro, sector, and company specific trends. We believe certain ESG factors have the potential to reduce the cost of capital, reduce operating costs or increase the profitability of a company, which can, in turn, lead to higher investment returns.

Sustainability Strategies

For those clients whose investment objectives include specific sustainability focused outcomes, MIM offers an array of sustainability strategies. These strategies are designed to focus on long-term performance and sustainability outcomes.

Fixed Income

MIM offers two fixed income investment strategies, SPECTRUM and Transition, which are designed in support of SDGs. The strategies invest in issuers that MIM believes contribute to a lower carbon and sustainable future, limiting global warming to well below 2°C, and support the SDGs. For each of these strategies, issuer ESG risk assessments are conducted and, where required, an assessment of the issuance is undertaken, in accordance with our verification criteria. We are able to provide robust measurement of the data and reporting in quarterly

sustainability and annual impact reports. Direct and thematic engagements with issuers are a critical part of our investment process for SPECTRUM and Transition strategies.

The SPECTRUM strategy focuses on investments in labelled and pureplay public corporate bonds, sovereigns and government agencies based on the use of proceeds of the issue. The Transition strategy focuses on investment in issuers of general public corporate bonds. In the EU market, we work with clients to achieve their Sustainable Financial Disclosures Regulation (“**SFDR**”) classification needs.

Case Study Financial company

Engagement Date	November 2024
Background	MIM’s fixed income sustainability research team engaged with a green bond issuer for potential inclusion in the SPECTRUM universe and strategies. The issuer had no publicly disclosed exclusions for high emitting sectors. At the time, it was likely that exclusions would be disclosed with the sectoral targets that were due to be published; it was expected that 35% of disbursements in the energy sector were to be focused on renewables.
Objective	Understand the company’s ESG target setting, specifically ambitions to introduce limits on future fossil fuel investments.
Type	Investor call
Outcome	The issuer provided further details on their exposure to fossil fuels, and that they are setting sectoral targets for the majority of their highest emitting sectors, which made us more confident in the issuer alignment with the SPECTRUM criteria. The security was subsequently purchased for inclusion in the SPECTRUM universe and strategies.

Private Credit

MIM private credit offers two investment strategies, Thematic Infrastructure and Transition, for clients who seek to invest in a way that aims to contribute to a more sustainable future. The Thematic Infrastructure strategy focuses on investments in infrastructure debt in support of the SDGs. The Transition strategy invests across corporate private placement, infrastructure debt, and private structured credit in issuers that MIM believes supports the transition to a net zero economy by 2050.

Both strategies incorporate comprehensive ESG risk analysis performed by our independent private credit sustainability research team. Direct and thematic engagements with issuers form an important component of the investment process. Both strategies offer robust measurement of data and reporting in quarterly sustainability and annual impact reports. In the EU market, MIM works with clients to achieve their SFDR classification needs.

Other Fixed Income Sustainability Strategies

Additionally, both fixed income and private credit teams offer customisable sustainability focused strategic options based on, and defined by, client needs and specifications. In the EU market, we work with clients to meet their needs under SFDR, and currently manage a range of article 6, 8, and 9 funds.

Real Estate

To manage risk, maximise performance and promote strong returns across MetLife's real estate equity, MIM offers energy reduction and efficiency strategies, procurement of on-site and off-site renewables and ongoing dialogue with stakeholders. For assets financed by MetLife, our energy and sustainability strategy is aligned with the U.S. Environmental Protection Agency's ("**EPA**") ENERGY STAR™ programme and the U.S. Department of Energy's ("**DOE**") Better Buildings and Better Climate Challenge. The specific strategic objectives for these programmes include: 1) increase efficiency and sustainability; 2) decrease net emissions; 3) improve operational and financial performance; 4) increase value by aligning our sustainability goals with those of our occupants and prospects; and 5) embed energy and sustainability optimisation considerations in our real estate decision making processes.

Additional Considerations

As described above, our approach to sustainable investing and stewardship differs by asset type and defined strategic initiatives, as applicable. At MIM, we listen to our clients and strategise with them to build the investment solution that most appropriately seeks to deliver competitive risk adjusted market returns alongside their specific investment objectives. Our approach is predicated on incorporating financially material ESG assessments into our risk management focused investment processes and conducting stewardship seeking to raise awareness and improve data transparency and reporting.

Our sustainable investment and stewardship approach is guided by the terms directed to MIM by our clients (for individual mandates) or as defined within our fund documentation. Geographical differences and investment time horizon decisions vary and can be influenced by our clients' investment objectives, risk appetite, defined constraints, and regulatory requirements.

Looking ahead: MIM is committed to working closely with clients to integrate stewardship and sustainable investment considerations to meet their expectations. As sustainability standards and stewardship initiatives in the asset management industry evolve, MIM's approach will continue to develop.

Principle 8: Monitoring Managers and Service Providers

Signatories monitor and hold to account managers and/or service providers.

Data Governance

MIM leverages the resources of our MetLife parent's Global Third-Party Risk Management Programme that includes processes established to provide oversight for each engagement to include performance reviews and control review activities, contract compliance, on-going risk assessments, risk reporting, quality assurance and independent testing.

Oversight of vendors is coordinated by MetLife's Corporate Third-Party Risk Management which solicits input from the hiring / business contacts and MetLife's Global Technology and Operations ("**GTO**"). Risk assessment teams provide central subject matter expertise and partners with the lines of business ("**LOB**") to execute pre-contract and on-going risk assessments at the appropriate level of depth, quality and consistency (e.g., Information Technology; Privacy; Anti-bribery and Corruption / Anti money laundering).

Product / Service Managers manage day-to-day dealings with LOB's third parties with respect to performance and risk management activities including support, services, quality and monitoring the performance of service level agreements ("**SLAs**"). The supplier manager acts as MetLife's point of contact for a third party and is responsible for managing the operational aspects for third parties when multiple products/services are being procured from that third party.

Select outsourced service providers complete monthly scorecards of SLA metrics. SLA results and other relationship items are reviewed during monthly relationship management discussions. Senior relationship review meetings are conducted at least annually.

In terms of escalation, service credits for poor performance could be requested upon contract renewal, with contract termination being the last and final option. To date, we have not had to cancel a service mid-contract because of poor performance. However, we have had instances when a service provider's contract came time for renewal, other similar providers were evaluated resulting in efforts to either negotiate changes in contract terms and/or pricing, or to renew with a different vendor.

As one example of how we hold our service providers accountable, MIM challenges our pricing vendors if there is a daily variance that swings beyond our prescribed limits. Any pricing outliers are sent to the vendor for investigation. Either the vendor responds with a pricing adjustment, if warranted, or they provide justification for why the price provided is accurate.

In addition, MIM's fixed income, private credit, and real estate teams interact directly with sustainability data vendors to understand their underpinnings of data sources, methodologies and assumptions, and data discrepancies given the evolving nature of this information and sustainability reporting requirements.

Case Study	Third party data vendor
Engagement Date	September 2024
Background	MIM's private credit sustainability research team conducted several engagements with one of our ESG data vendors aimed at better understanding their emissions data and methodologies.
Objective	Understand the vendor's emission estimation model and how this information feeds into the calculation for sector average emission intensity factors.
Type	Private direct engagement via email
Outcome	Through these conversations, additional insights were gained about how the vendor's emissions methodology and modelling were constructed, and how these assumptions impact MIM's emissions estimations and relative accuracy. The vendor also communicated several expected modelling enhancements to be offered within the next few months, of which we were not previously aware, that may improve the quality of our emissions estimation calculations in the near future.
Next Steps	MIM will continue to engage with the data vendor to ensure we continue to stay abreast of the development of their methodologies, as well as flag potential data errors and trouble shoot these types of concerns.

Proxy Voting

As provided within Principles 6 and 7, as at year-end 2024, approximately 5% of our overall AUM is held in equity and fixed income index funds and other limited equity investments. In this limited capacity, proxy voting is conducted in the best interests of our clients in accordance with applicable rules. MIM's proxy voting guiding principle is to maximise the economic value of client holdings. MIM does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

MIM utilises Institutional Shareholder Services' ("ISS") to vote and monitor proxies. MIM offers clients three separate sets of ISS guidelines to select from, (1) standard U.S. guidelines, (2) specialised guidelines for Taft-Hartley and other union related accounts, and (3) specialised guidelines for public entity clients.

Global Procurement Platform

MIM is covered under MetLife's Global Procurement processes that aim to secure the best value and manage the risk associated with our suppliers. MetLife manages products and services in more than 23 countries, within four major regions: Asia, EMEA, LatAm, and the United States.

Sourcing categories include Business and Corporate Services, Global Labour and Consulting, and IT Goods and Services. Procurement Operations supports our organisation through Procurement Systems which oversees our Global Procurement Platform, our integrated and automated solution of the full spend process from plan to pay, the Contract Management Group, Metrics & Reporting, our Third-Party Risk Management programme and our award-winning Supplier Inclusion and Development programme.

As a worldwide organisation, MetLife is committed to reducing and ultimately eliminating processing deficiencies and to providing better controls to support all of MetLife's Global Procurement policies and procedures. The MetLife Global Procurement Platform provides an integrated and automated solution for spend visibility, strategic sourcing and procurement to ensure effective management of the full spend process from plan to pay. The cloud-based solution allows our regional teams to consolidate their spend into a single reporting system, providing a truly global view into their expenses, and a consistent and auditable trail for procurement transactions among many other strategic advantages.

Contract Management Group

The Contract Management Group ("CMG") supports MetLife's Global Procurement team by engaging in negotiations with suppliers to contractually facilitate the needs of our business. CMG is staffed with contract negotiation professionals offering expert contract guidance and negotiation assistance in collaboration with MetLife Legal Affairs. CMG also acts as a facilitator to leverage agreements internationally, confirming corporate standards are met and the right enterprise stakeholders are engaged.

Supplier Inclusion and Development

MetLife's award-winning Supplier Inclusion and Development programme strives to introduce partnerships and promote the inclusion of qualified diverse suppliers in the strategic sourcing process. MetLife's commitment to working with diverse business enterprises is fueled by the realisation that we can benefit from the innovation and creativity of diverse business partners in many of the same ways that we benefit from the diversity of our own workforce.

Third-Party Risk Management

Through MetLife's Third-Party Risk Management programme, third parties are risk-rated, evaluated and managed. This ensures all sensitive MetLife and customer information is protected, and the value of each contract is realised. Third parties are encouraged to actively participate and expect prompt responses to requests to help drive these MetLife processes, facilitating building and growing the relationship between MetLife and our third-party vendors.

Supplier Onboarding

Checklists for supplier onboarding are provided by region in accordance with applicable laws and regulations.

Supplier Code of Ethics

MetLife adopted a Supplier Code of Ethics that expects all those who work with MetLife, including our suppliers, to act in a way consistent with our principles and to adhere to our ethical standards. Included within this documentation, our suppliers are asked to comply with the following sections focused on human rights and fair labour practices, as well as environmental protection.

MetLife Architecture Governance

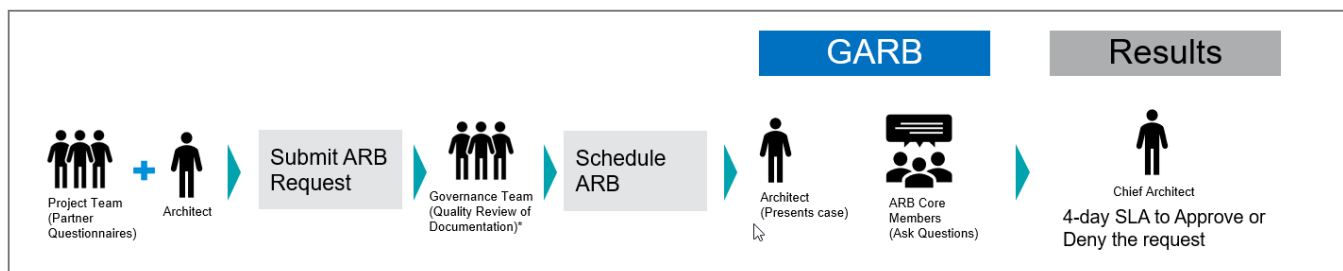
MIM leverages MetLife Global Architecture Review Board (“**GARB**”) and Artificial Intelligence Architecture Review Board (AI ARB) processes to govern our IT Risk & Security, Third Party Risk Management, Legal Reviews, Architecture Reviews, and Responsible Use of AI reviews, where applicable.

Architecture Review Boards (“**ARBs**”) are needed to:

- **Align to objectives and standards:** validate technology and architectural decisions align with our objectives and guardrails. And, to avoid risk and/or elevate decision when accepting risk.
- **Roadmap alignment:** verify solutions are moving us to the “target” state and to validate alignment with MetLife enterprise strategies.
- **Community visibility:** become aware of solutions and approaches across portfolios and allows for partners and teams to provide valuable feedback and direction.
- **Duplication avoidance:** reduce duplication of capabilities and simplify our technology stack.
- **Partner engagement for cross functional purposes:** engineering team requires ARB approval for new IT infrastructure and multiple dependent / concurrent approval processes are required (including privacy, legal, TPRM, InfoSec, Procurement, Open Source, Social Tooling, DnA)
- **Auditable process:** means by which to document approvals and maintain the artifacts needed to track IT decisions.

GARB Process and Core Members

New technology solutions are evaluated via a robust system of checks and balances by experienced MetLife IT staff. These reviews apply to implementation of new technology, as well as modifications to the use of existing technology and social tooling implementations.



Core Members

- | | |
|-----------------------------|-----------------------|
| Enterprise Architecture | Security Technology |
| Global Enterprise Platforms | Platform Technology |
| Function and Regional CIOs | Global Infrastructure |
| Data & Analytics | Information Security |
| Data Infrastructure | Privacy |
| End User Technology | |



Highlights

- Global team comprised of all business and function CIOs, CTOs, InfoSec leaders.
- Global decision authority for global architecture decisions or new technologies.
- Designed for awareness and alignment globally.

Looking ahead: MIM will continue to hold our external managers and service providers to the terms of their contracts first through direct engagement. If engagement is not successful, escalation can be leveraged as needed and appropriate.

Section 3: Engagement

Principle 9: Engagement

Signatories engage with issuers to maintain or enhance the value of assets.

Stewardship is an important part of MIM's sustainable investing efforts. As a predominately fixed income, private credit, and real estate investment manager, our primary means to conduct stewardship is via engagement.

Our stewardship efforts seek to raise awareness and improve data transparency and reporting. MIM engages with issuers, intermediaries, market participants, and policy makers. We engage in a variety of ways, from individual engagements on specific issues, to participating in and hosting thematic engagements on specialist sustainability topics.

As provided within Principle 7, MIM aims to deliver strong, risk-adjusted returns by building tailored portfolio solutions for our clients across our core asset teams including fixed income, private capital, and real estate. As a result, our investment analysts, asset originators, and portfolio managers are tasked with building and managing resilient investment portfolios. These responsibilities can include incorporating financially material ESG assessments into our risk management focused investment processes, as well as offering strategies for, and knowledge sharing with, those clients who have defined sustainability objectives.

Types of Engagement

Engagement provides MIM's investment analysts with an opportunity to better understand financially material, relevant risk factors and improve data transparency. Our investment analysts regularly interact and engage in discussions with a company's senior management or other relevant stakeholders throughout the initial due diligence process and as part of the portfolio monitoring process. At times, we may also leverage our relationships with industry intermediaries and industry groups to communicate and resolve concerns more effectively. Ongoing dialogue with companies and issuers helps to raise awareness of sustainable business practices.

Direct Engagement

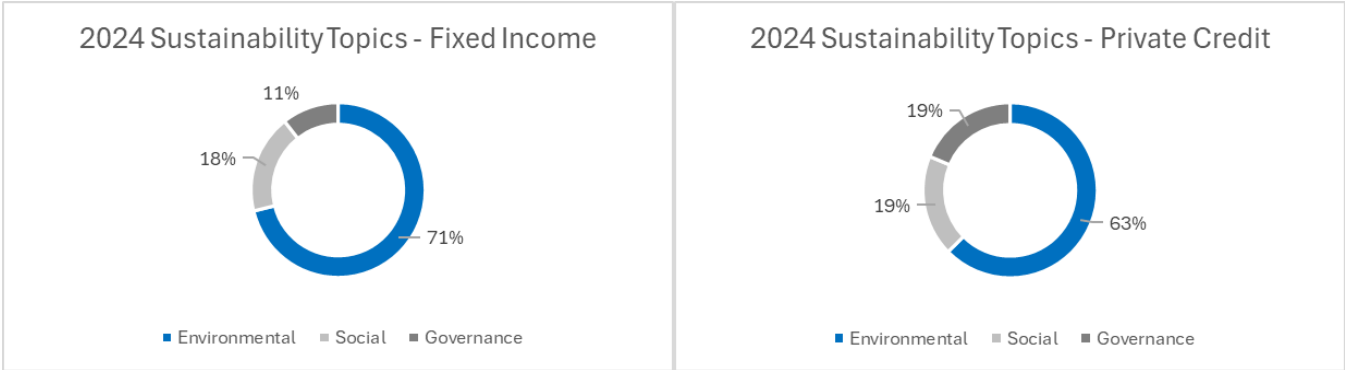
Fixed Income and Private Credit

Direct engagement with an issuer or company's senior leadership is a fundamental part of our research process. Our engagement activity often includes conversations about business model resilience and responsiveness to financially material ESG factors. Along with other factors, our conversations may take into account the IFRS Sustainability Alliance's SASB sector-specific materiality matrix, which helps identify potential financially material ESG-related risks and opportunities. MIM's fixed income and private credit teams have developed proprietary databases that are integrated into their research processes, where credit analysts log their engagement conversations. Additionally, each database includes transactions that have been rejected due to a negative evaluation of these factors. We can provide annual reporting to our clients on our engagement activity, which includes number and type of engagement, as well as case studies.

The following chart illustrates our 2024 aggregated engagement efforts conducted by our public fixed income and private credit teams, excluding internal committee review discussions. Throughout the year, we initiated more than 125 unique issuer engagement conversations covering more than 200 sustainability topics.

Environmental		Social		Governance	
Green House Gas Emissions	39.3%	Employee Engagement and D&I	2.8%	Business Model Resilience	4.7%
Energy Management	8.1%	Employee Health & Safety	1.9%	Mgmt of Legal & Reg Environment	3.8%
Ecological Impacts	2.4%	Human Rights & Community Relations	3.3%	Systemic Risk Management	0.9%
Physical Impacts of Climate Change	1.9%	Access & Affordability	1.4%	Product Design & Lifecycle Management	2.4%
Materials Sourcing & Efficiency	0.9%	Product Quality & Safety	2.4%	Business Ethics	1.9%
Air Quality	1.9%	Customer Welfare	0.5%	Labor Practices	2.8%
Water & Wastewater Management	2.4%	Data Security	0.5%	Competitive Behavior	0.5%
Supply Chain Management	2.4%	Customer Privacy	0.5%	Selling Practices & Product Labeling	0.5%
Waste & Haz Materials Management	0.5%	Business Model Resilience	1.4%	Critical Incident Risk Management	0.9%
Business Model Resilience	7.1%				

Of the more than 200 sustainability topics discussed with our issuers during 2024, between 63-71% of MIM’s fixed income and private credits teams’ engagement conversations were focused on environmental topics, with the focus on social and governance topics ranging between 18-19% and 11-19%, respectively.



Case Study Latin American utility company

Engagement Date	March 2024
Background	The Colombian President warned of the potential risk of a landslide stemming from the Cauca River due to the Ituango Hydroelectric dam, which currently has 4 out of 8 units in operation. He demanded that the director of UNGRD, the country's national agency for disaster risk management, ensure that the issuer have risk mitigation plans in place. Fitch maintained the issuer's BB+ rating on watch / negative due to uncertainty over the closure of the right deviation tunnel at Ituango. Major flooding downstream from the dam could occur until the tunnel is closed.
Objective	Request an update on the progress on the tunnel closure and the potential financial risk from an incident until it is closed.
Type	Private direct engagement via email
Outcome	The tunnel was finally closed in Q4 2024 after several delays. The issuer noted there is no risk of overflow at the dam as current reservoir levels are low due to El Niño. In a worst case scenario, the company has an All-Risk Property Insurance policy for USD \$250 million with La Previsora.

Case Study Mail room equipment provider

Engagement Date	December 2024
Background	MIM's private credit team negotiated with the borrower, as part of a new deal process, the inclusion of sustainability-related information covenants within the deal documents.
Objective	Notify the borrower of a requirement to complete MIM's sustainability questionnaire on an annual basis to support enhanced transparency and disclosures. MIM's sustainability questionnaire covers several ESG factors and performance data requests, such as climate commitments and progress, GHG emissions, social policies, health and safety, management and governance structures, as well as considerations that align with notable regimes such as the EU's SFDR and TCFD.
Type	Private direct engagement via email
Outcome	The credit team successfully negotiated an agreement with the borrower to include targeted sustainability covenants, which will help ensure transparency and disclosure of key sustainability performance metrics on an ongoing basis and support monitoring processes.
Next Steps	MIM will monitor covenant compliance and annual completion of MIM's sustainability questionnaire.

Case Study	Real estate company
Engagement Date	September 2024
Background	A borrower reached out to MIM to gather insights and feedback on their ESG materiality assessment.
Objective	Understand what investors expect to see in terms of sustainability disclosure and ESG risk management.
Type	Private direct engagement via email
Outcome	The borrower shared the ESG materiality assessment framework that they were working on, and ESG factors they saw as material from a sustainability perspective. MIM's private credit sustainability research team provided feedback with the goal of supporting enhancements to sustainability disclosures in the private market. The team agreed with the borrower's overall framework, selection of selected relevant ESG factors, and flagged that it would be positive to see the borrower also include biodiversity as a relevant factor.
Next Steps	The borrower appreciated MIM's feedback and support in the development of their sustainability risk management and disclosure framework, leaving the door open for future dialogue on this topic or other sustainability-focused disclosure inquiries.

Case Study	Airport owner and operator
Engagement Date	September 2024
Background	MIM conducts thematic engagements each year as part of our stewardship activity. For these engagements, we select a pertinent sustainability topic and engage with a range of borrowers in different sectors and regions. Through our thematic engagements, we gain insights into the approaches being taken by issuers across the market and advocate for best practices. Within private credit, thematic engagements are led by the MIM's private credit sustainability research team. The flagship theme for 2024 was focused on Scope 3 emissions and this engagement was part of our 2024 thematic engagement series.
Objective	Obtain insights into how the borrower is addressing scope 3 emissions calculations and disclosures related to data availability, reporting, target setting and reductions.
Type	Private direct engagement via virtual meeting
Outcome	A one-hour call was held with the borrower to discuss scope 3 specific questions, including current calculation methodologies and plans for future enhancements, activities being taken to support emission reductions within the value chain and progress against set targets. The discussion helped us gain a better understanding of the types of challenges that borrowers within the airport sector may face in relation to scope 3 emissions and examples of ways in which these can be addressed.
Next Steps	After having completed all 2024 thematic scope 3 engagements, MIM's public fixed income and private credit sustainability research teams collated high level findings of their scope 3 engagements, including this one, into a joint insight piece, which was published in January 2025.

Real Estate

Direct engagement with property managers, building engineers, investment partners, and borrowers is ingrained into the long-term management of MIM's real estate investments. We engage stakeholders on a variety of sustainability-related topics including energy, water and waste management, data transparency and reporting, emissions reductions, renewable energy, certifications, physical and regulatory transition risk, and occupant health and wellbeing. Property-specific engagement efforts are then focused to achieve portfolio-level sustainability objectives in line with each clients' needs.

Case Study Sustainability questionnaire and scorecard commentary

Engagement Date	Ongoing
Background	<p>MIM's real estate commercial lending team is developing questionnaires for borrowers to complete as part of our upfront due diligence process with question sets adapted to address three different loan transaction profiles comprising:</p> <ol style="list-style-type: none"> 1. Investment loans secured on stabilised property upon which limited capex is included in borrower's business plans (other than ongoing and planned preventative maintenance). 2. Investment loans secured upon transitional property upon which material capex is budgeted for in borrower's business plans to reposition and upgrade the asset. 3. Construction /development funding loans secured on properties / sites where ground-up construction and/or extensive structural refurbishment is planned.
Objective	<p>The questionnaires include up to 50 questions and seek responses from borrowers on their environmental and social plans in relation to the asset(s) to be funded, enterprise ESG policies and governance plans, request supporting documents where applicable, and are tailored to address the factors applicable to the particular countries we lend in in Europe and the UK. A scorecard for each loan is compiled by scoring the borrower's actual responses to each of the questions in the questionnaire and applying a prescribed weighting. Additionally, the scorecard incorporates other transaction specific diligence outputs such as those from a climate assessment model which measures the property's potential risk to climate change arising from a number of factors (sea level rise, river flood, heat stress, precipitation stress, drought, tropical cyclone and fire weather stress). A final overall total score is attributed to each of the property and borrower, and a combined score overall.</p>
Type	Private direct engagement via questionnaire
Outcome	The combined score and / or building accreditation (LEED /BREEAM) will be used to determine whether the transaction may be classified as a sustainable loan.

Thematic Engagement

MIM identifies thematic engagement priorities each year. Thematic engagement activity is conducted for the benefit of both our defined sustainability strategies and broader investment efforts. One recent thematic engagement topic is Scope 3 emissions. Our thematic engagements aim to better understand how different issuers and borrowers are addressing Scope 3 reporting and data challenges. Our efforts centre on information gathering and transparent public disclosures. MIM believes that engagement with intermediaries and market participants benefits the investment community through a more efficient means to build knowledge and encourage standardisation of data and reporting.¹ We believe capital markets benefit from more and improved information from which investment decisions can be made.

Our approach to these types of engagement efforts will be further described within Principle 10.

Engaging with Policy Makers

MIM engages with global policy makers through MetLife's Government Relations team. This team engages policy makers and relevant stakeholders at international, regional and individual market levels to support our business, customers and employees. MetLife's CEO and our executive leadership team may meet with policy makers on behalf of MetLife, including MIM, on legislation and regulatory matters.

Examples of these efforts are provided within Principle 4.

Looking ahead: MIM is committed conducting stewardship, primarily in the form of engagement, to meet our clients' expectations. As stewardship initiatives in the asset management industry evolve, MIM's approach will continue to develop.

¹ Engagement with intermediaries and market participants does not imply agreement with all positions taken by such groups.

Principle 10: Collaboration

Signatories, where necessary, participate in collaborative engagement to influence issuers.

As provided within Principle 9, MIM believes that intermediary and market participant engagement efforts benefit the investment community through a more efficient means to build knowledge and encourage standardisation of data and reporting. We believe capital markets benefit from more and improved information from which investment decisions can be made. Our engagement involvement has generally been conducted to improve sustainability-related data and disclosures.

Historically, MIM's primary means to interact with companies and issuers has been through private direct engagement. However, we recognise the shift in perception and practice within the global investment management industry. We acknowledge the importance of public demonstration and support of engagement efforts that provide a greater reach to industry-wide knowledge sharing about sustainable investment practices and encourage standardisation of sustainability related data and associated disclosures.

In 2024, MIM's intermediary and market participant engagement activity remained limited, but served to provide us with a foundation for how to best evaluate participation in like-minded initiatives, as well as to understand the associated resource allocation required to make a meaningful contribution as a participant in these types of efforts going forward.

Case Study	City of London transition consultation
Engagement Date	April 2024
Background	MIM participated in a public consultation hosted by the City of London on Transition Finance.
Objective	Encourage further development of the transition finance market through participation in the consultation process.
Type	Direct, through consultation submission process
Outcome	MIM's private credit team offered our view of transition finance and efforts to scale this market. Our recommendations were asset-class agnostic and supported a science-based, all-sector approach to transition finance. We encouraged the recognition of nuances of transition related to different sectors and geographies, as well as the integration of other ESG risks as part of a transition framework. We also highlighted current challenges we saw for the sector, including lack of clarity or consistency of forward-looking regulation and policies supporting sectoral transitions, as well as the need for further development of sector decarbonisation pathways to support companies in developing their transition plans. We also highlighted the potential for the UK government to play a more proactive role in stimulating transition finance in sectors where the economics of transition can be more challenging.
Next Steps	As a result of submitting a response, MIM has been invited to participate in City of London events and working groups on growing a transition finance market showcasing leadership in this area.

Case Study	CDP Non-Disclosure Campaign
Engagement Date	June-July 2024
Background	MetLife, as an asset owner, has participated in CDP's annual climate change survey for a decade. Additionally, MIM is a CDP investor signatory, which means we subscribe to CDP's ESG and sustainability-related data that is collected annually from companies who participate in CDP's surveys focused on climate change, water and forestry. Our CDP subscription infers that we are committed to obtaining data solutions that improve our ESG and sustainability-related analytic and reporting capabilities. Through their annual Non-Disclosure Campaign, CDP urges members to sign up to advocate for better disclosures that encourage systemic sustainability data standardisation and transparency. Specifically, CDP's Non-Disclosure Campaign offers investors the opportunity to engage with companies that have received a CDP disclosure request but have not yet provided a response.
Objective	Boost transparency and increase rates of corporate sustainability-related disclosures.
Outcome	From the 2024 list, MIM selected two companies, with whom we have existing investment related relationships, to engage and encourage participation in CDP's annual survey process. As a result of our public fixed income and private credit analysts' efforts, unfortunately neither of the companies with whom we engaged completed their first annual survey submission to CDP.
Next Steps	MIM intends to participate in CDP's 2025 Non-Disclosure Campaign to advocate for disclosures that encourage sustainability data standardisation and transparency.

Case Study	Advance
Engagement Date	Since 2023, ongoing
Background	Advance is a PRI led collaborative stewardship initiative on human rights and social issues. The initiative was launched in December 2022 with the objective to advance human rights and positive outcomes for people through investor stewardship. In May 2023, AIM, a MIM subsidiary, became a member.
Objective	Seek to make progress through a range of stewardship tools and activities, including dialogue with companies and other stakeholders. At a high-level, investors set three key expectations for companies engaged through the initiative 1) Full implementation of the UNGPs – the guardrail of corporate conduct on human rights; 2) Alignment of their political engagement with their responsibility to respect human rights; and 3) Deepening of progress on the most severe human rights issues in their operations and across their value chains. For MIM, participation in PRI Advance supports our dedicated sustainability strategies, specifically those that support the UN SDGs.
Outcome	MIM's participation in PRI Advance continues to be in early stages, with future contributions and outcomes anticipated in 2025 going forward.

Looking ahead: MIM will continue to look for engagement opportunities that make sense for MIM and our clients. Our approach will remain focused on participating in opportunities that provide a greater reach to industry-wide knowledge sharing about sustainable investment practices and encourage standardisation of sustainability related data and associated disclosures.

Principle 11: Escalation

Signatories, where necessary, escalate stewardship activities to influence issuers.

While the majority of our investment related concerns with our issuers, borrowers, and investee companies are addressed and resolved via direct engagement with companies' senior leadership teams, we have the ability to leverage other means by which to escalate our concerns. These means could include not investing, reducing exposure, adjusting the investment case, or, in an extreme instance, divesting from the investee entity.

Each escalation instance is evaluated on a case-by-case basis and applied consistently across asset classes, geographies, and funds as are deemed applicable. Specific to funds, escalation efforts can materialise into divestment situations if the investment does not meet the prescribed criteria of the fund.

Factors that are considered can include the severity of the financial impact of the concern, market perceptions, as well as issues and controversies that may negatively reflect on MetLife, MIM, or clients.

Case Study Midstream company

Engagement Date	August 2024
Background	A Canadian-domiciled Midstream issuer held a roadshow for its upcoming bond issue. The company owns or partially owns six crude oil pipelines. The company has a history of weak operational performance on leaks and spills, with a major spill in 2022 resulting in approximately 13,000 barrels of crude oil.
Objective	Establish if there is a strategy to diversify the business, as it is highly reliant on one crude oil line, and if there have been updates which may result in an improvement in operational performance.
Type	Virtual roadshow / group call
Outcome	There remains a risk of a future crude oil leak or spill incident that may impact the EBITDA and cash-flow. The company has no plans to diversify its single commodity focus. The credit analyst recommended portfolio managers pass on the deal. The weak governance and performance in incidence management were factors in this recommendation.

Case Study	Bioethanol plant operator
Engagement Date	September 2024
Background	MIM's private credit and sustainability research teams were involved the review of a potential new deal from a bioethanol plant operator.
Objective	Understand the borrower's biomass sourcing practices and determine if this deal will likely produce some environmental benefits relative to the base case, even if expected to be limited. The benefits could be generated as a result of the plants utilising food crops as biomass inputs, rather than second generation biomass, which is the recommended type of long-term sustainable option.
Type	Due diligence through emails with deal banker and documentation review by the private credit team
Outcome	MIM ultimately passed on the deal for credit reasons (merchant risk), with the lack of sound environmental credentials also contributing to the decision. The private credit team provided feedback to the borrower on the reasons why we passed on the deal.

For our dedicated sustainability strategies like SPECTRUM, as provided above and described below, escalation efforts materialise into divestment situations if the investment does not meet the prescribed criteria of the fund.

Case Study	Financial institution
Engagement Date	February 2024
Background	SPECTRUM portfolios invest in use of proceeds green, social and sustainable bonds from issuers with strong ESG performance. In January 2024, a large American bank whose green bond was held in SPECTRUM portfolios updated its environmental and social risk policy. The new policy removed several exclusions on the bank's financing that had previously been in place, such as project financing for new coal mines, new coal-fired power plants, and for exploration and production of oil and gas in the Arctic Circle. This change in the bank's environmental policy represents a material weakening in its climate ambition and enables the bank to provide direct financing for the development of new assets that are highly misaligned with the transition to a low-carbon economy. The other five banks in the 'big six' in the U.S. have exclusions on project financing for new coal mines and coal-fired power plants. As such, this bank now stands out as the only issuer in its peer group that will provide capital for these assets.
Outcome	MIM's fixed income sustainability analyst removed the bank bond from the SPECTRUM eligible universe and escalated this change to the portfolio management team for SPECTRUM. The bond was sold from all relevant SPECTRUM portfolios by 23-February-2024.

Looking ahead: Escalation will remain a tool for MIM to leverage as needed and on a case-by-case basis.

Section 4: Exercising Rights and Responsibilities

Principle 12: Exercising Rights and Responsibilities

Signatories actively exercise their rights and responsibilities.

As a global fixed income investor, we take our associated rights and responsibilities seriously. MIM's commitment to these efforts is demonstrated throughout our investment lifecycle.

For example, an investment's structure is of critical importance in the assessment of new private fixed income transactions, ensuring that the appropriate financial covenants and other controls are in place to protect our clients' investments and ensure that MIM is in a position to negotiate should the issuer's financial performance deteriorate. These covenants and controls are specifically designed to protect against investment losses.

For directly sourced deals, MIM often has long established relationships with issuers' management teams and will discuss a potential investment's structural requirements in advance of an actual active transaction negotiation. As a large and influential participant in the investment grade private fixed income market, we also seek to liaise early with agent banks and advisors to influence a potential private fixed income investment's structure. As part of our governance processes, transaction documentation is subject to review by both internal and external counsel, and we will pass on a transaction if both the deal team and credit committee are ultimately not satisfied with the final investment structure.

Case Study	Energy commodities trader
Engagement Date	October 2024
Background	MIM received a private placement investment opportunity from a global physical commodity trader of energy products.
Objective	Assess the borrower and deal in the context of a potential investment for 3 to 12 years.
Type	Due diligence through management meetings and documentation review by the credit team.
Outcome	MIM has historically been conservative in its approach to commodities traders recognising the inherent complexity of their business models, subordination to working capital facilities and it is a sector subject to governance risk (particularly in energy). Our initial review showed that the borrower has not been immune to bribery and corruption cases in the space but that it has taken strong steps to strengthen compliance. Whilst we were cognisant of trapped operations in Russia, it came to light from our diligence that one of its Russian operations had a sanctioned minority shareholder; a position it is actively trying to unwind. The company was transparent on this, and it could have been possible to include some documentation improvements to protect contagion risk for investors. However, in a sensitive sector where assessing governance / reputational risk is always front of mind and a delicate balance, we viewed this as a tipping point towards passing on the opportunity.

Additionally, we closely monitor and maintain active relationships with our private issuers' management teams, often providing us with early insight and indications of upcoming amendment requests. Amendment requests can be opportunistic, or event driven. MIM's focus aims to protect our clients' investments and ensure appropriate compensation for additional risk assumed. Our close relationships with issuers often allow us to work with management teams to clearly understand the issues and negotiate for the best outcome for our clients and other investors.

MIM has a dedicated workout team headed by an experienced restructuring specialist. This team is available to assist analysts with requests for amendments, particularly those that are performance related. Underperforming investments are regularly reviewed by the workout team, and we have procedures in place to formally transfer investments to the work-out unit dependent upon the severity of issues identified. To ensure relationship continuity, the original transaction analysts partner with the workout team and often may take the lead role in monitoring progress during the workout cycle.

Our primary goal for workout investments is to maximise the return for our clients. We've observed that continuing to manage the investment throughout the workout process and participating in steering group efforts are often our best means by which to help maximise return, although a sale in the secondary market can be an option

While there weren't any relevant examples to provide that occurred during the 2024 12-month period, below is an example from late 2023 offering some insight into how our investment decision making process works in the context of these types of requests.

Case Study Addressing requests for amendments

Engagement Date	December 2023
Background	Received an amendment request from a European aerospace and defence supplier seeking to loosen several permitted debt / security baskets following a recent acquisition. The request was received in the context of elevated debt levels following the acquisition, further exacerbated by weak trading.
Objective	Understand the commercial need for each of the requested changes and ensure they did not worsen the investors' position. MIM was provided information in advance of the potential request at an investor diligence day and engaged directly with issuer management during the formal amendment request process.
Outcome	Upon review, only one of the amendment requests was commercially necessary as a result of the acquisition, as it did not materially impact the investment. We consented to this change. The remaining requested changes were to align with a recent bank document. While the amendment requests were relatively immaterial, in the context of recent underperformance, we determined that it was not appropriate to consent to unnecessary requests at this time.

Looking ahead: Exercising of our rights will remain a tool for MIM to leverage as needed and on a case-by-case basis.

Appendix

Glossary of Terms

ENERGY STAR™: U.S. Environmental Protection Agency (“EPA”) backed programme established to reduce emissions and other pollutants caused by the inefficient use of energy through cost-saving energy efficiency solutions that protect the climate, improve air quality, and protect public health.

Engagement: Two-way exchange with issuers and other market participants on ESG issues. Engagement provides MIM’s analysts with an opportunity to better understand financially material, relevant risk factors and improve data transparency.

ESG Integration: Incorporation of environmental, social, and governance (“ESG”) factors into an investment process, based on the belief that financially material ESG factors can affect the risk and return of investments.

IFRS Sustainability Alliance SASB Materiality Matrix: The Sustainable Accounting Standards Board (“SASB”) materiality matrix, now part of the International Financial Reporting Standards (“IFRS”) Sustainability Alliance, identifies the sustainability-related risks and opportunities that are most relevant to investor decision making, including those that are most likely to affect cash flows, access to finance, and cost of capital, by industry.

Pureplay: A publicly traded company that focuses its efforts and resources on only one line of business or industry.

Sustainable Finance Disclosure Regulation (“SFDR”): Transparency framework established in the EU defining how financial market participants must disclose sustainability information. It aims to help those investors who seek to put their money into companies and projects supporting sustainability objectives to make informed choices. The SFDR is also designed to allow investors to properly assess how sustainability risks are integrated in the investment decision process.

SPECTRUM: Proprietary investment framework that provides MIM’s credit and sustainability teams with an active, forward-looking approach based on positive selection for dedicated sustainability strategies to identify and screen both issues and securities for a meaningful and measurable impact.

Stewardship: The approach taken by MIM to engage with companies and other entities. Our stewardship efforts seek to raise awareness and improve data transparency and reporting.

Sustainable Investing: The broad investment approach taken by MIM that seeks to deliver competitive risk adjusted market returns by incorporating financially material ESG assessments and stewardship into our investment process. Our approach leverages both our traditional investing and sustainability expertise.

Transition Finance: Investments in companies and entities across the economy which have aligned their operations and business models with the decarbonisation pathways established by the scientific community to achieve the targets set out in the Paris Agreement (an international treaty adopted by 196 parties at the 2016 United Nations Climate Change Conference).

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.

U.S. Department of Energy (“DOE”) Better Buildings and Better Climate Challenge: Partnering organisations commit to reducing portfolio-wide emissions (scopes 1 and 2) by at least 50% within 10 years, demonstrating leadership in local communities while generating savings through operational efficiency and other replicable pathways to decarbonisation.

Memberships and Affiliations

	<p>MIM is proud to be a signatory to the Principles for Responsible Investment (“PRI”) since 2019. PRI’s mission states that they believe that “an economically efficient, sustainable global financial system is a necessity for long-term value creation, which will reward long-term, responsible investment and benefit the environment and society as a whole”. As an investment manager, MIM is committed to the adoption and implementation of PRI’s six principles, which are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice.</p>
	<p>MIM is a member of the Global Impact Investing Network (“GIIN”). GIIN is the leading nonprofit dedicated to increasing the scale and effectiveness of impact investing. Impact investments are made into companies, organisations, and funds with the intention to generate social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market to market rate, depending upon the circumstances. Our membership signifies a commitment to deepening our engagement in the impact investing industry.</p>
	<p>MIM is proud to be a signatory to the Institutional Limited Partners Association’s (“ILPA”) Diversity in Action (“DIA”) Initiative that aims to support the private equity industry community to advance diversity, equity and inclusion efforts. All ILPA DIA signatories commit to specific actions that advance DEI over time. Such examples include tracking internal hiring and promotion statistics by gender and race/ethnicity or having in place diverse employee resource groups.</p>
	<p>MIM is a proud member of GRESB – as a participant member since 2014 and an investor member since 2022. We have participated in the annual real estate benchmark assessment for several funds since 2014. GRESB assessments are guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments.</p>
	<p>The ENERGY STAR™ Partner of the Year Award recognises MetLife’s efforts to benchmark and certify both corporate office properties and investment properties using EPA’s ENERGY STAR Portfolio Manager. It also recognises the company’s work to promote energy efficiency practices and ENERGY STAR resources to all its stakeholders. MetLife has achieved ENERGY STAR certifications for 24.5 million square feet of real estate, contributing to reduced energy use and emissions across its portfolio. MetLife has been recognised as an ENERGY STAR Partner of the Year for six consecutive years with distinction as Sustained Excellence for the past four years.</p>

	<p>Recognising the impact of buildings on people and the environment, MIM works towards healthy, productive, efficient, and prosperous real estate. As a Better Buildings Challenge Partner, we have committed to a 50% reduction in GHG emissions by 2030 and we are committed to meeting an energy reduction target of at least 20% by 2026 over our 45 million-square-foot portfolio.</p>
	<p>MIM believes in the USGBC mission of transforming buildings in order to provide everyone with a better, more sustainable life. We actively use USGBC's LEED rating system to improve the sustainability of our new and existing assets. LEED is the world's most widely used green building system. It provides a framework for healthy, efficient, carbon and cost-saving green buildings. A LEED certification is a globally recognised symbol of sustainability.</p>
	<p>As a IFRS Sustainability Alliance member, MIM shares the belief with other member organisations that today's capital markets need standardised sustainability disclosure and effective ESG integration into investment practices – for the benefit of both companies and investors. The IFRS Sustainability Alliance focuses on the SASB Standards, one of the three principal resources to communicate the creation, preservation, and erosion of value offered by the Value Reporting Foundation.</p>
	<p>MIM is a CDP investor signatory, signaling our commitment to obtaining data solutions that improve our ESG and sustainability-related analytic and reporting capabilities. CDP's global disclosure system equips investors with the data needed to engage with portfolio companies on their environmental impact and financial institutions with reliable, comparable data. As a result, capital market participants are better able to mitigate risks associated with increasing climatic uncertainty, including physical, reputational and regulatory risks and companies are better positioned to respond, building resilience throughout their own business and value chains.</p>
	<p>MIM has publicly declared support for The Task Force on Climate-Related Financial Disclosures ("TCFD") and its recommendations. As a TCFD supporter, we believe the TCFD recommendations provide a useful framework to increase transparency on climate-related risks and opportunities within financial markets.</p>

	<p>As a Fitwel Champion, MIM is committed to leading the movement to increase the health and wellness of the built environment. We are committed to applying Fitwel at scale and take a portfolio-wide approach to health and wellbeing.</p>
	<p>Green Lease Leaders was developed by the Institute for Market Transformation (“IMT”) with support from the U.S. Department of Energy's Better Buildings Alliance. As a Green Lease Leader, MIM recognises green leasing as a tool to advance energy, sustainability, health, resilience and equity in buildings globally.</p>
	<p>MIM has been aligned to ULI Greenprint's net zero carbon operations goal since 2022. This is a commitment to reduce the carbon emissions on the real estate portfolio under MIM's operational control to net zero by the year 2050.</p>
	<p>MIM is a member of the ESG Data Convergence Initiative (“EDCI”). The EDCI is a key initiative in the private equity industry and aims to streamline the private investment industry's historically fragmented approach to collecting ESG data. The EDCI aims to align on a core, standardised set of metrics to better allow comparative reporting, generate progress toward ESG improvements and enable greater transparency.</p>

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Disclosures

This document has been prepared by MetLife Investment Management Limited (“**MIML**”), authorised, and regulated by the UK Financial Conduct Authority (FCA reference number 623761), registered address One Angel Lane 8th Floor London EC4R 3AB United Kingdom.