

MetLife Global Bond Fund

2025 IMPACT REPORT

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Impact and Strategy Highlights

The MetLife Global Bond Fund aims to deliver mainstream risk-adjusted returns alongside supporting the Paris Agreement to limit global warming to 1.5°C and progress towards the UN Sustainable Development Goals.

144
issuers

3,470
projects

169
countries

91.5%
portfolio coverage¹

0.18%
annualised net return²

A\$161m
portfolio size³

¹ Coverage includes all labelled bonds with reported impact data, unlabelled bonds and aligned bonds. See methodology annexe for more details.

² Inception to 31 Dec 2024.

³ As at 31 Dec 2024.

⁴ Estimate based on average EV energy consumption of 190Wh/km and average UK mileage of 12,000km per year [Energy consumption of full electric vehicles cheatsheet – EV Database](#)

⁵ Average circumference of Earth as 40,075km.

⁶ Estimate using average size of soccer pitch 0.53ha.

⁷ Size of an Olympic pool as 2,500m³.

⁸ 41% of eligible projects are considered 1.5°C-Aligned.

⁹ 69% by count of issuers are 1.5°C-Aligned, 1.5°C-Aligning or Committed to Aligning.



35,096MWh

electric energy generated

Enough electricity to charge 15,400 EVs for a year⁴



258,170

passenger km added

Equivalent to travelling around the world 6.5 times⁵



6,333ha

land managed

The area of 11,950 soccer pitches⁶



1,240,535m³

water treated each year

Enough to fill 500 Olympic swimming pools⁷



489

jobs created/retained



258

students supported



764

children immunised



41%

Project Net Zero Alignment⁸



69%

Issuer Net Zero Alignment⁹



58.2tCO₂e/US\$m

aggregate scope 1 and 2 Weighted Average Carbon Intensity (WACI) of issuer holdings (see [pg.21](#))

● Environmental

● Social

● Climate performance

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Management Statement

We are delighted to release our seventh annual Impact Report for the MetLife Global Bond Fund. This report highlights the positive environmental and social impacts the fund supported through its investments in 2024 while continuing to deliver mainstream financial returns.

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

MIM's sustainable investing practices are supported across the organisation. The Sustainable Investment Council, a MIM management-level group, provides guidance, advice and recommendations to MIM's Management Committee. It is made up of internal MIM members and is supported by expert external sustainable investment consultants, Fiona Reynolds and Stephen Fitzgerald.

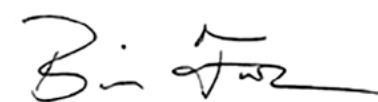
Sustainability capabilities continue to evolve across MIM. Most recently, with the establishment of the Sustainability Strategies Group (SSG), which supports governance, data and sustainable client strategies throughout the firm. The formation of the SSG enhances the existing dedicated asset-class sustainability research teams.

Building on a track record of over eight years, our award-winning SPECTRUM strategy delivers mainstream risk-adjusted returns alongside measurable positive environmental and social impacts by investing in green, social and sustainability bonds (GSS) and bonds from issuers that provide solutions to major global sustainability challenges. The MetLife Global Bond Fund launched in 2018. Since then, the issuance of labelled GSS bonds has grown over five-fold, expanding into new markets and sectors. Alongside this growth in the market, we have maintained a track record of innovation in the SPECTRUM research process, deepening our research expertise and expanding our impact reporting capabilities.

This year's Impact Report demonstrates our continued commitment to stewardship and transparency. Reflecting our focus on data quality, we continue to raise the bar in achieving high coverage within our impact reporting, achieving 91.5% for this year's MetLife Global Bond Fund portfolio. We have also introduced innovations within our Net Zero Assessment (NZA) methodology, collecting data on both issuers and specific projects funded by the bonds held in the portfolio, allowing us to report, in granular terms, how the portfolio is supporting the transition to a low-carbon economy.

Building on our long-running thematic engagement series and last year's engagement on biodiversity, this year we conducted a thematic engagement with bond issuers that are early adopters of the disclosure recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD). The objective of this engagement is to understand best practices and the core challenges issuers face in TNFD reporting, and to encourage the development of accounting and disclosure frameworks to enable business and finance to integrate nature into decision making.

Thank you for your ongoing support. Our SPECTRUM portfolios continue to deliver financial returns with impact and support the shift to a sustainable future.



Brian Funk
President, MetLife Investment Management

 **MetLife**
Investment
Management



'Impact asset manager of the year'
Awarded to AIM
at the Australian Impact Investment
Awards (2021)



Overview

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OVERVIEW

Impact Bond Verification

This portfolio is managed using the SPECTRUM verification process, a MIM proprietary research methodology. SPECTRUM was launched in 2014 and has been used since then to grow and maintain an impact investment universe, from which this portfolio invests. It is an evolving methodology that is reviewed regularly to ensure it remains appropriate for a sustainable finance market that is both expanding and maturing.

The SPECTRUM Methodology



SUSTAINABLE

Aligned with the strategy's aim of supporting the UN SDGs and Paris Agreement on climate change



POSITIVE EXTERNALITIES

Positive environmental and/or social externalities associated with the issuance



ETHICS AND ISSUER CONDUCT

Issuers must have appropriate governance, policies and operational conduct



CREDIT

Issuers must have a strong financial structure



TRANSPARENT

Issuers with clear and transparent reporting and disclosure



RESPONSIBLE ISSUER

Issuers with strong integrity and environmental and social standards, as well as a clear commitment to a sustainable model



USE OF PROCEEDS

Ability to determine use of proceeds to assure funded activities meet the SPECTRUM criteria



MATERIAL AND MEASURABLE

Issuers with reporting on material and measurable environmental and social impact

● Sustainability ● Credit

SPECTRUM uses three types of analysis – an impact assessment and issuer ESG review, both conducted by the sustainability research team, and a credit analysis, conducted by the credit research team. Include or exclude decisions are awarded on all three elements and to be included in the SPECTRUM investible universe of impact bonds, a bond must be awarded 'include' on all three assessments. This ensures all investments in the investible universe support impactful projects from responsible issuers that have robust credit fundamentals.

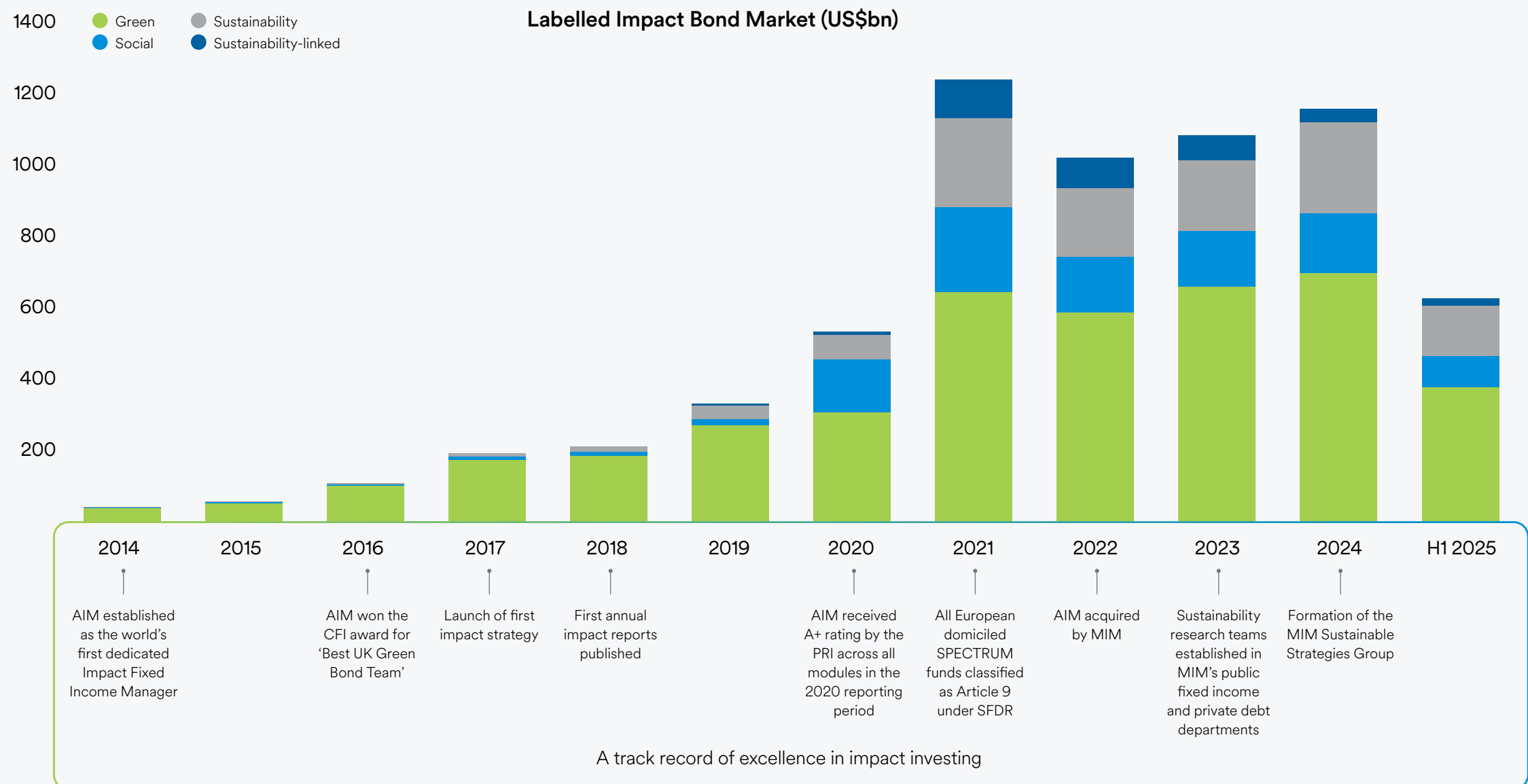
A Long Pedigree in Green Bonds

The SPECTRUM methodology was designed as an independent in-house verification process for impact bonds. By design, it is a positive selection methodology that prioritises positive environmental and social performance and which allows context to be considered. This demands detailed research by analysts with strong sustainability expertise. The SPECTRUM methodology was built by the founding Affirmative Investment

Management (AIM) team, which included several individuals who were instrumental in the birth of the green bond market, both from the perspective of issuing green bonds and of managing dedicated green bond strategies. AIM's leadership in the field was key to its acquisition in 2022 by MIM, and maintaining the integrity and independence of the SPECTRUM methodology was a priority as both the approach and the AIM team were integrated into MIM.

Investible Universe

The MIM SPECTRUM investible universe is predominantly composed of labelled, use-of-proceeds green, social and sustainability bonds. It also includes some unlabelled pure-play bonds and some aligned issuers (see [pg.25](#)). The inaugural green bonds were issued in 2009, but the growth of the market really started around 2015/16. Over that time, the labelled impact-bond market has grown substantially to include many different sectors, currencies and countries, at all points across the main yield curves.



Source: BloombergNEF.

OVERVIEW

Portfolio Composition

This portfolio solely holds investments that have been through the rigorous SPECTRUM sustainability and credit research process. The portfolio predominantly holds labelled use of proceeds bonds, and mainly green bonds. MIM's sustainability view of the investments is based on issuer performance and the impact associated with the projects receiving allocations. This report, therefore, provides information at the issuer and funded-projects level.

The portfolio is managed against a mainstream benchmark and invests in issuers from a range of sectors. Financials is one of the largest sectors represented in the portfolios. Labelled bonds from financials often support projects across a wide range of sectors such as renewable energy, clean transport, green buildings, and waste management.

Impact is assessed primarily at the project level, but issuer performance is also reported in terms of Weighted Average Carbon Intensity (WACI), Net Zero Alignment (NZA) and Sustainable Finance Disclosure Regulation (SFDR) Principal Adverse Impacts (PAIs).

Investments in 144 issuers, through 252 bonds, resulted in funding for 3,470 impact projects. The majority of these projects focused on climate-change mitigation, reflecting the portfolio's overweight position in labelled green bonds.



Projects

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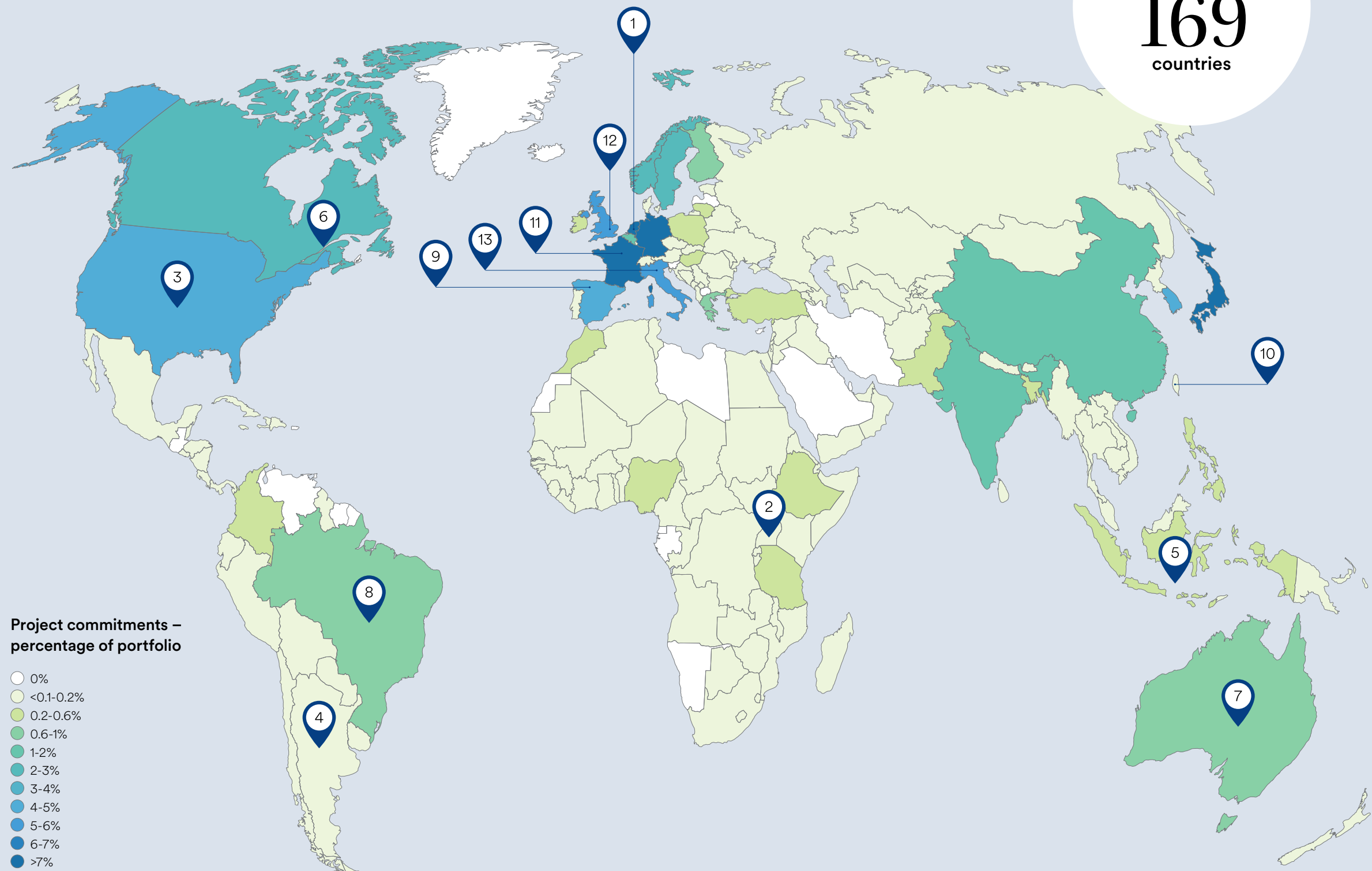


PROJECT IMPACT

Global Distribution of Project Commitments^{1,2}

Supporting projects in
169
countries

- 1 **Green Logistics Hub, Netherlands**
Prologis International (pg.11)
- 2 **Drinking Water, Uganda**
Agence Française de Développement (pg.12)
- 3 **Onshore Wind Farm, USA**
Rabobank (pg.14)
- 4 **Railway Electrification, Argentina**
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- 5 **Geothermal Power, Indonesia**
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- 6 **Electric Metro Transit System, Canada**
Ministère des Finances du Québec (pg.16)
- 7 **Wastewater Treatment, Australia**
TCorp (pg.16)
- 8 **Biodiversity and Forest Conservation, Brazil**
International Finance Corporation (pg.16)
- 9 **Rare-disease Treatment, Spain**
Comunidad de Madrid (pg.17)
- 10 **Green Fabrication Facility, Taiwan**
Micron Technology (pg.17)
- 11 **Transport Accessibility, France**
Île de France Mobilités (pg.17)
- 12 **Building Renewable Energy Capacity, UK and USA**
National Grid (pg.20)
- 13 **Electricity and Gas, Italy**
A2A S.p.A. (pg.20)



¹ Coverage ratio of 85% of 2024 portfolio holdings. See methodology annexe.

² This report map uses the Winkel-Tripel projection, which reduces distortions to the size and location of land masses.

Source: Issuer Impact Reports, PFI Sustainability Research team engagement.

PROJECT IMPACT

Project Sector Distribution

This portfolio supports projects with a range of environmental and social focuses. To be included in the SPECTRUM investible universe, a project must align with the SPECTRUM eligible sectors (see [pg.32](#)). Eligible sectors have been selected based on in-house sustainability expertise and consideration of external taxonomies, including the EU Taxonomy.

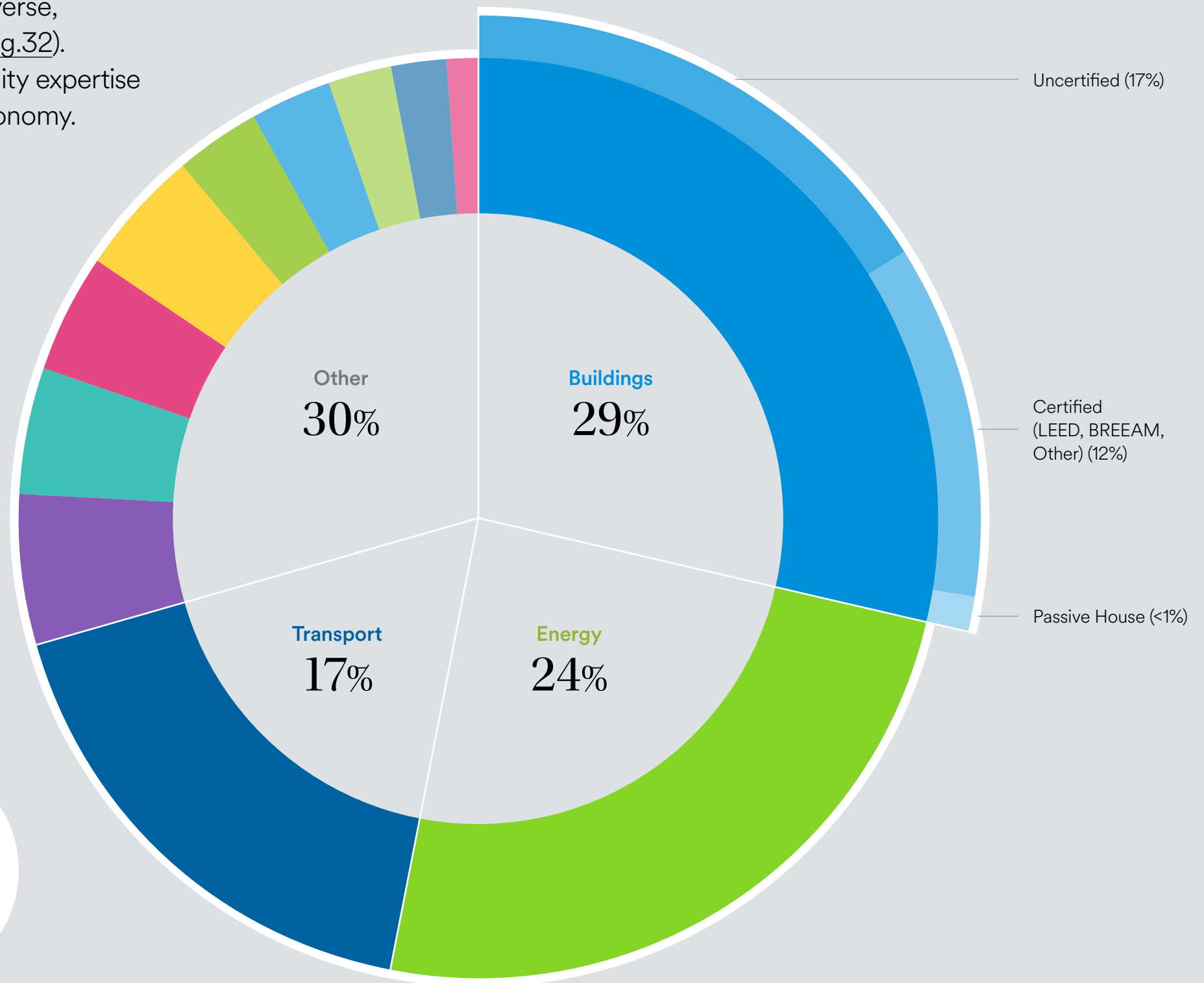
In 2024, the top three sectors to which impact-bond proceeds were allocated were all environmentally focused.

Contribution to SPECTRUM Eligible Sectors¹

- Buildings (29%) (see [pg.11](#))
- Energy (24%)
- Transport (17%)
- Global Health (5%)
- Financial Inclusion and Sustainable Enterprise (4%)
- Social Housing (4%)
- Water and Wastewater Management (4%)
- Resilience (3%)
- Information and Communication (3%)
- Empowerment of Women and Vulnerable Groups (2%)
- Land Management and Marine Environment (2%)
- Resource Efficiency (1%)
- Education, Training and Employment (<1%)
- Food Security (<1%)

8/8
environmental
sectors
supported

6/6
social
sectors
supported



¹ Coverage ratio of 85% of 2024 portfolio holdings. See methodology annexe. Figures may not total 100% due to rounding.

PROJECT IMPACT

Sector Deep Dive – Buildings

Buildings projects received the largest proportion of portfolio allocations at 29% and are the focus of this deep dive. The construction, operation and associated value chain of 'buildings', account for 37% of global carbon emissions and over 25% of all energy-related emissions.^{1,2} On top of this, the resource use and construction of buildings has material impacts on nature, as discussed on [pg.30](#).

Impact:

Over 2024, the portfolio's investments in buildings were primarily in mixed-use commercial (39%) and residential property projects (32%). The impact supported by these projects typically derives from the buildings either being awarded a recognised certification, being built or renovated to high energy-efficiency standards, or having onsite renewable capacity, or a combination of these attributes.

Key Performance Metrics:



18,715m²

of certified green building area



863MWh

of energy savings

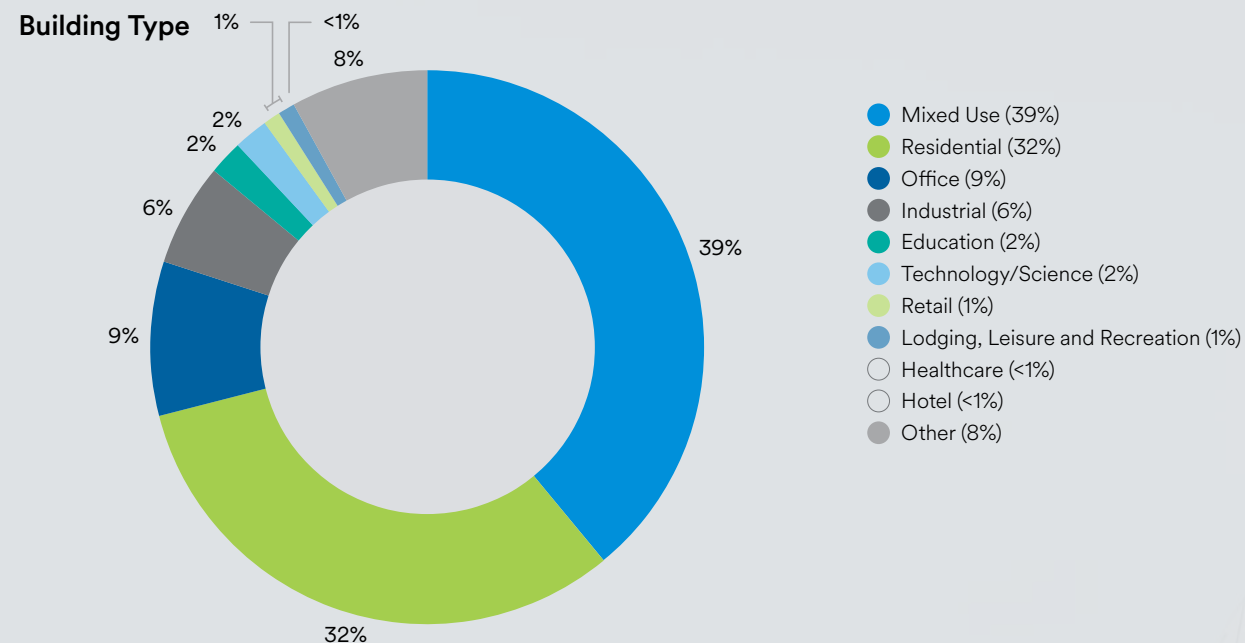


1.1MW

of renewable-energy capacity added

While the primary impact of buildings projects is usually climate-change mitigation, there are often additional social co-benefits. For example, a substantial proportion of the residential building projects supported by the portfolio focus on low-income and other targeted social housing. A further 2% of buildings projects are in the education and healthcare space.

Investments in buildings projects typically support three SDGs.



Buildings and Nature

Real estate has been selected as a target sector for this year's nature engagement due to both the significant direct impacts to nature that result from land use change and the indirect impacts from resources required for construction. There are also impacts on nature during operation, such as air and soil pollution. This variation between construction and operation requires different approaches in strategy (see [pg.30](#)).



Green Logistics Hub – Netherlands

Prologis International Funding II – Green bond³

Prologis is a leading global logistics-real-estate company. It has allocated green bond proceeds towards the construction of green building projects with on-site renewable energy generation such as its Eindhoven DC3 building in the North Brabant region of the Netherlands.

Impact

- Circular design and construction for easy material reuse and minimal waste
- On-site renewable energy generation to reduce reliance on the electricity grid

KPIs

- 87% of waste produced in construction diverted from landfill
- 6,023 tonnes of CO₂ emissions reduced annually
- 33.5% improvement over baseline
- 3.22MWp of on-site solar installed capacity

Eindhoven DC3 is BREEAM 'Excellent' certified and has been designed and built with circularity in mind, ensuring that 87% of waste produced during construction was diverted from landfill. BREEAM certification demonstrates commitment to resource efficiency, carbon reduction, energy efficiency and occupant well-being.⁴

The site also has integrated energy-efficient systems and an installed capacity of 3.22MWp solar energy. All this has contributed to a 133.5% improvement over baseline emissions, with potential CO₂ savings of 6,023tCO₂e/year. Improved energy-efficiency and increased renewable-energy use are key considerations for use-of-proceeds assessments of buildings.

The 27,000m² facility is strategically located near four major motorways giving access to other nearby logistics centres, reducing transport-related emissions through efficient distribution routes.

³ 2021 Green Bond Report

⁴ The Impact of Green Building Certifications on GRESB Ratings for in-use Buildings

¹ <https://www.weforum.org/stories/2024/06/building-sector-climate-change-construction-materials/>

² <https://www.iea.org/energy-system/buildings>

PROJECT IMPACT

Sustainable Development Goals Alignment

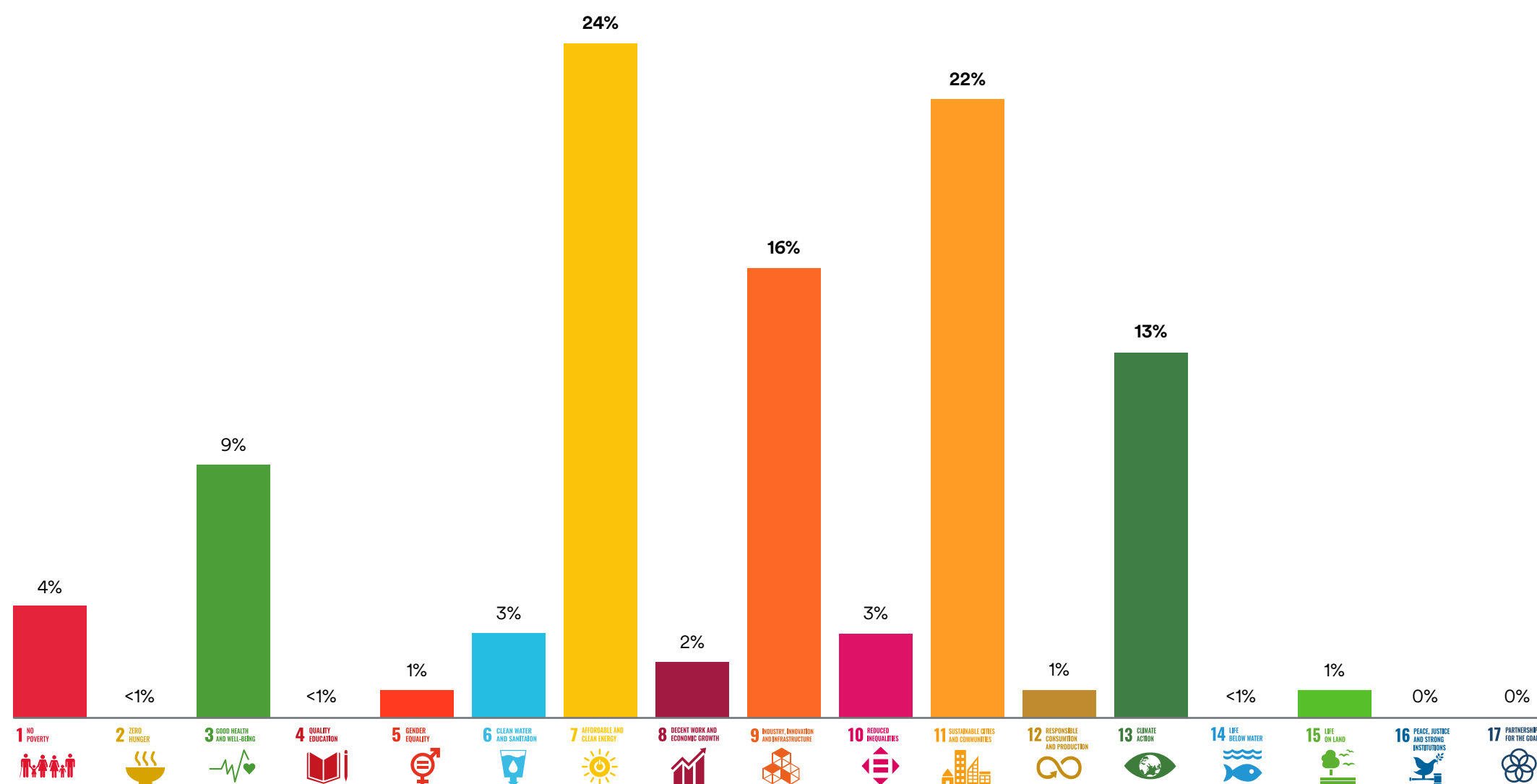
The UN's Sustainable Development Goals (SDGs), formally adopted in 2015, set out a blueprint for peace and prosperity for people and the planet by 2030.¹



Projects financed by this portfolio support SDGs 1-15. SPECTRUM's mission is also aligned to SDG 17, which includes private-sector engagement in sustainable development. Since the largest share of holdings is in climate-related green bonds, the SDG alignment is most concentrated in the climate-related SDGs 7, 11, 9 and 13.

To assess portfolio alignment to the SDGs, each project is tagged in-house to the SDGs it supports. The approach identifies both the primary and additional SDGs supported by the projects and weights them by order of relevance. This allows for a consistent assessment of which SDGs are supported by each project or activity and ensures that the issuer's tagging to SDGs has been critically reviewed.

The UN's 2024 SDG progress report shows that the world is falling well short of the 2030 goals.² While there is moderate or on-track progress on 35% of the 135 targets, particularly across areas such as poverty reduction, child mortality, electricity access and the battle against certain diseases, there are significant gaps elsewhere. Progress against almost half (48%) of the targets shows moderate to severe deviation from the required trajectory, and a further 17% have fallen below the baseline levels set in 2015. The results highlight the urgent need for critical actions and investments to deliver progress at speed and scale between now and 2030.



¹ UN, Department of Economic and Social Affairs: Sustainable Development – the 17 Goals <https://sdgs.un.org/goals>

² SG-SDG-Progress-Report-2024-advanced-unedited-version.pdf



Drinking Water – Uganda

Agence Française de Développement (AFD)
– Green Bond³

AFD's sustainable issuance programme has continued to support the SDGs through its growth since AFD released its first climate bond in 2014. Proceeds from the bonds have been used to support water and sanitation in Greater Kampala, Uganda.

Impact

- Increase drinking-water-production capacity
- Contribute to the improvement of living conditions, and help those in informal settlements
- Strengthen NWSC's capacity and continue the actions launched in the first phase

KPIs

- 1,110,000 people benefit from a safe-drinking-water service and 450,000 benefit from a basic drinking-water service
- 110,000m³/per day drinking-water production capacity
- 6,400,000m³/per year in drinking water saved

Kampala is experiencing a shortage of drinking water as the National Water and Sewerage Corporation (NWSC) cannot keep up with demand, leading to regular water cuts.

The AFD is partnering with the NWSC to finance the second phase of the 'Lac Victoria WatSan' project, which aims to increase drinking-water-production capacity, improving the living conditions and health of the people of Kampala. An estimated 1,110,000 will benefit from a safe-drinking-water service and 450,000 from a basic drinking-water service. Given the nature of this project, it has been designated to support SDGs 3, 12 and 6.

³ 2023 Sustainable Development Goal bond reporting | AFD – Agence Française de Développement

PROJECT IMPACT

EU Taxonomy Alignment and Eligibility

The results presented here show the EU Taxonomy alignment of the projects and activities that received allocations from the labelled bonds held in the portfolio.

This information is obtained from issuer reporting. Full taxonomy alignment requires an issuer to confirm alignment with three elements: (i) substantial contribution to one of six environmental objectives, (ii) do no significant harm (DNSH) to the remaining five objectives, and (iii) minimum social safeguards. In some cases, issuers report on their alignment with the substantial contribution criteria without confirming their alignment with the DNSH and minimum social safeguards resulting in a higher alignment with substantial contribution.

This year, the portfolio's supported projects show an increase in alignment with all three elements. This was driven by a combination of enhanced reporting from issuers and changes in the portfolio's holdings. While mitigation was by far the most common environmental objective supported by the projects, other objectives such as climate-change adaptation also contributed to the alignment figure. Issuers still have some way to go on comprehensively reporting EU Taxonomy alignment, so it is likely that the true alignment of the portfolio is higher than reported here. The SPECTRUM portfolios would be unlikely to reach complete alignment with the EU Taxonomy in their current state for two primary reasons. First, the taxonomy remains underdeveloped on the social side and the portfolios support socially focused projects and activities to contribute towards the SDGs. Second, the portfolios hold issuers outside of the EU, and complying with the criteria of the EU Taxonomy is challenging for non-EU-domiciled issuers.

Supported projects and activities have been categorised into five groups:

EU Taxonomy-Aligned – Reported

The issuer has confirmed the alignment of this project or activity with the criteria on substantial contribution to one of the EU Taxonomy's environmental objectives in its labelled bond materials.

Eligible – Likely Aligned – Not Reported

There is guidance for these types of projects in the EU Taxonomy and they likely already meet the EU Taxonomy's substantial contribution thresholds. However, EU Taxonomy alignment is not referenced in project reporting. For example, solar projects have been categorised in this group as it is likely they will meet the gCO₂e/kWh threshold set in the EU Taxonomy.

Eligible – Potentially Aligned – Not Reported

There is guidance for these types of projects in the EU Taxonomy, but a full alignment analysis would need to be completed to determine whether substantial contribution criteria are met. For example, waste management-related projects have been categorised in this way.

No EU Taxonomy Guidance

These types of projects do not have guidance under the EU Taxonomy yet. For example, healthcare projects have been categorised in this way.

Unlikely Aligned

There is guidance for these types of projects in the EU Taxonomy, but these projects are considered unlikely to satisfy the EU Taxonomy's threshold. These are largely rail projects that do not have a clear indication as to whether electrification is planned.

Aligned with
Substantial Contribution

No EU Taxonomy Guidance

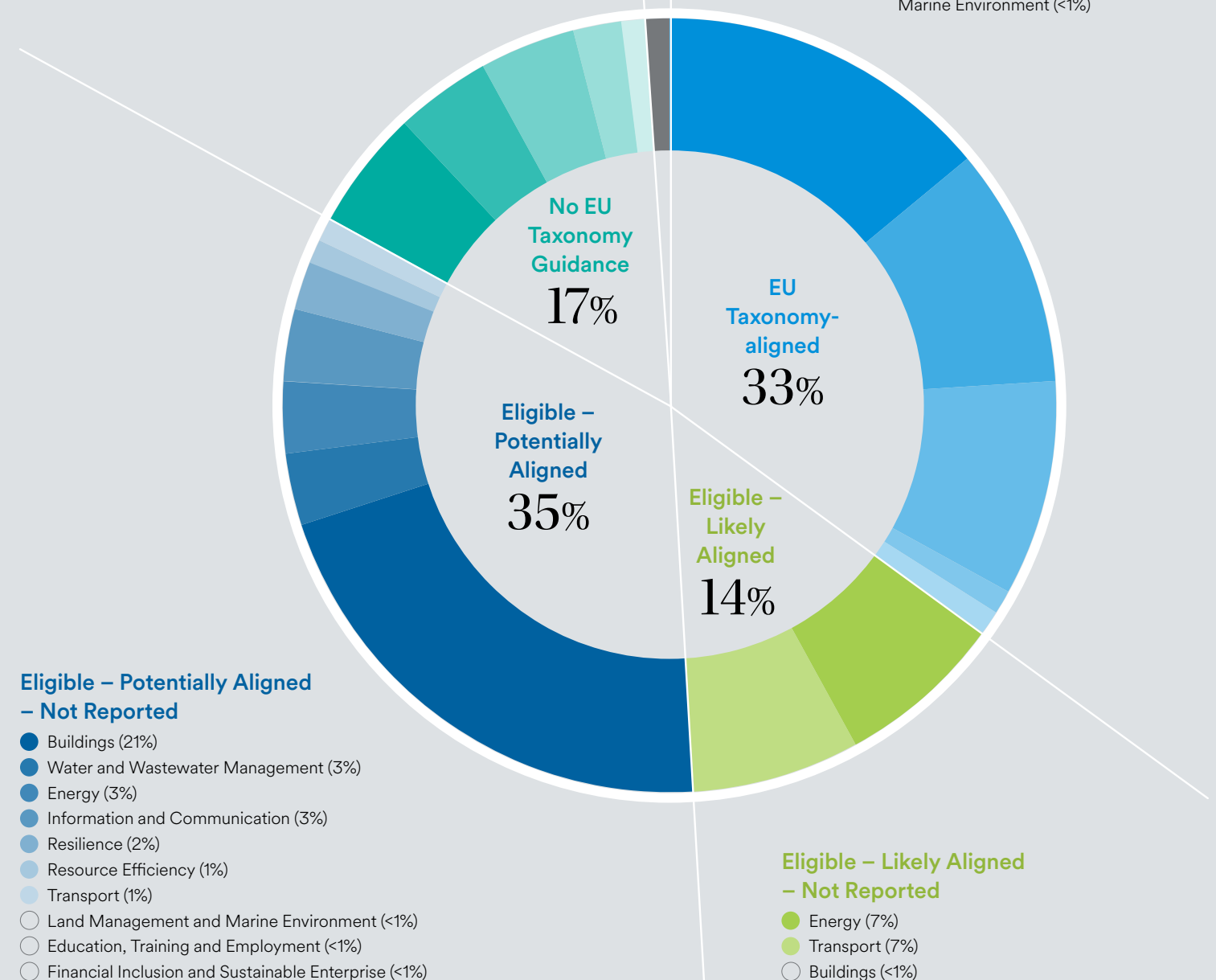
- Global Health (5%)
- Financial Inclusion and Sustainable Enterprise (4%)
- Social Housing (4%)
- Empowerment of Women and Vulnerable Groups (2%)
- Land Management and Marine Environment (1%)
- Transport (<1%)
- Education, Training and Employment (<1%)
- Food Security (<1%)

Unlikely Aligned

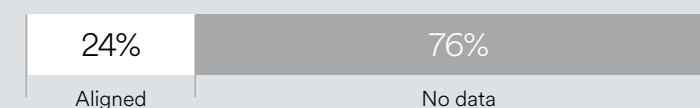
- Transport (1%)

EU Taxonomy-aligned – Reported

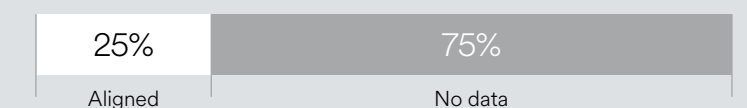
- Energy (13%)
- Transport (9%)
- Buildings (8%)
- Water and Wastewater Management (1%)
- Resilience (1%)
- Resource Efficiency (<1%)
- Information and Communication (<1%)
- Land Management and Marine Environment (<1%)



Aligned with
Do No Significant Harm



Aligned with
Minimum Social Safeguards



PROJECT CLIMATE PERFORMANCE

Project-level Net Zero Alignment



The climate performance of projects has been evaluated through a project-level net zero assessment.

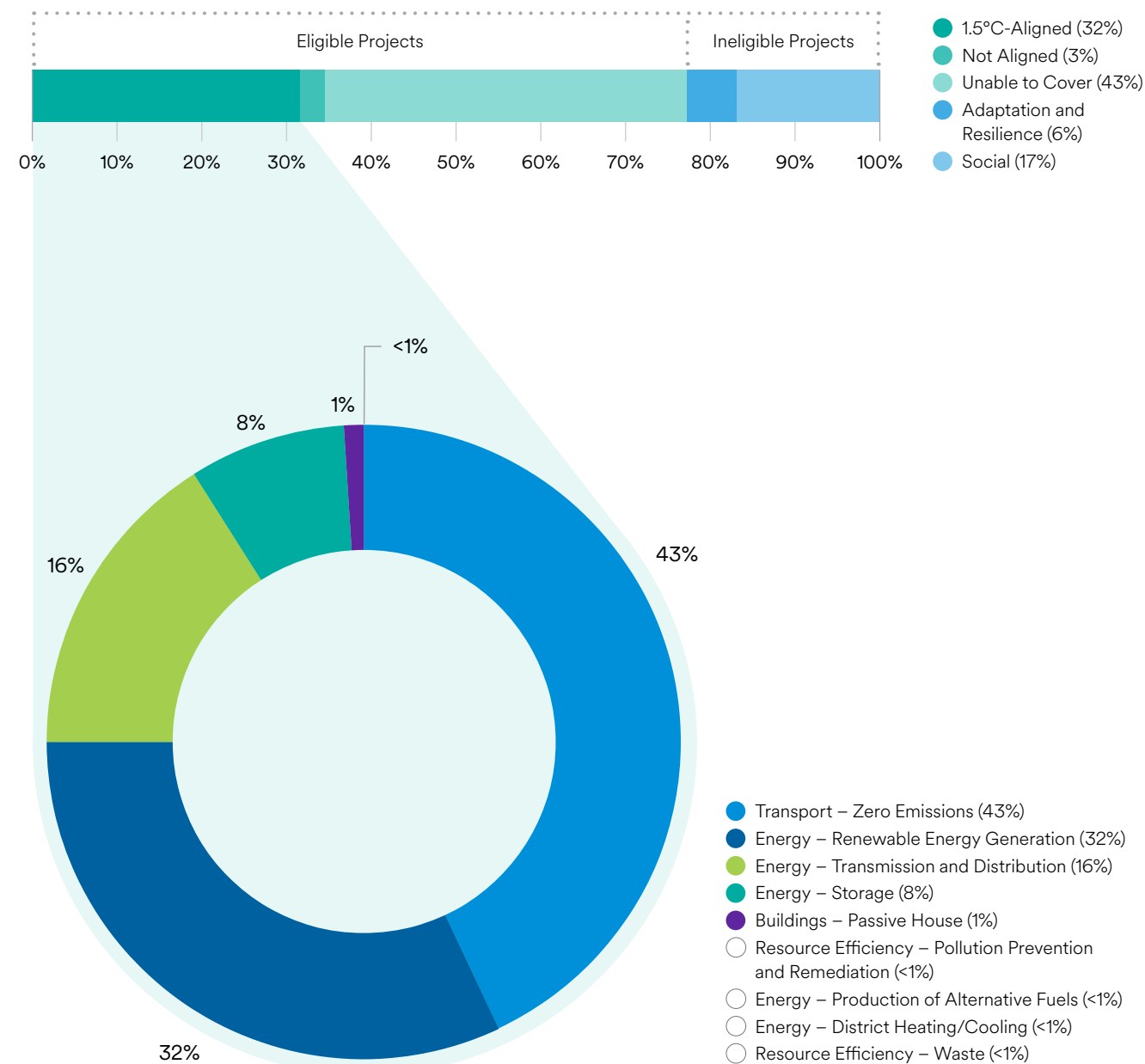
This analysis provides insights into how financed projects align with a Net Zero-by-2050 future, which is required to achieve the Paris Agreement objective of limiting global warming to 1.5°C this century. Investing in line with the Paris Agreement is a critical part of SPECTRUM's mission.

Not all funded projects are suitable for this analysis. Social projects do not have a climate goal and are, therefore, ineligible for this analysis. MIM's NZA analysis focuses on the three sectors that make up most of the funded projects: energy, transport and buildings.

NZA is determined internally based on the project's performance meeting or exceeding the current year's expectation on a Net Zero-by-2050 trajectory. These alignment judgements are then cross-checked and validated against rigorous sources, such as the EU Taxonomy's substantial contribution to climate change mitigation criteria, and credible net zero scenarios from the IEA and the Transition Pathway Initiative (TPI). There are, however, still some data gaps in the underlying methodology, which limits the coverage of the NZA assessment. These can be due to insufficient data from issuers or the result of a lack of references for assessment with, for example, nature-based or water-related projects.

This year, data was collected on all projects. The largest proportion of these (43%), have insufficient data on which to make a net zero judgement due to data gaps. A further 17% are social projects and so do not have NZA status. This leaves 32% of projects aligned with a Net Zero-by-2050 future, or to put it another way, 41% of all eligible projects, and 92% of those with sufficient data are aligned. The largest share of projects that are considered aligned are transport projects.

Net Zero Alignment of Projects



Figures may not total 100% due to rounding.



Onshore Wind Farm – USA

Rabobank – Green Bond¹

Rabobank is an international cooperative bank, originating in the Netherlands. It is one of the world's largest financiers of wind farms, having begun funding wind turbines for farmers in 1995. In 2016, Rabobank released its first Green Bond framework and has since utilised sustainable finance for projects around the world. An example being the Maverick Wind Project located in Oklahoma, USA.²

Impact

- Increasing wind capacity and reducing fossil-fuel reliance
- Grid stability

KPIs

- Installed capacity of 287MW
- Powers approximately 85,000 homes

This project is an onshore wind plant, consisting of 103 turbines with a combined capacity of 287MW. Each of the turbines is designed to operate in all weathers, with integral heaters that keep critical components warm and functioning in temperatures as low as -22°C. The plant is connected directly to the transmission grid and is expected to generate enough energy to power approximately 85,000 homes in eastern and southwestern Oklahoma. The project capitalises on Oklahoma's rich wind resources and helps to maintain Oklahoma's position as the third-highest wind-capacity state in the USA, with wind turbines accounting for 38% of the state's electric generating capacity.

As a renewable energy source that supports the global energy transition, Maverick has been categorised as being 1.5°C-Aligned.

¹ Banking the Energy Transition

² Maverick Wind Project, USA

Project Case Studies

The MetLife Global Bond Fund supports SDG-aligned projects with measurable impact around the world.



Railway Electrification – Argentina

IBRD – Green bond¹

Since 2008, the World Bank has issued over US\$20bn in green bonds to finance projects that support the transition to a low-carbon future in member countries. One of its supported programmes is the Belgrano Sur Line project in Buenos Aires, part of a railway electrification initiative.

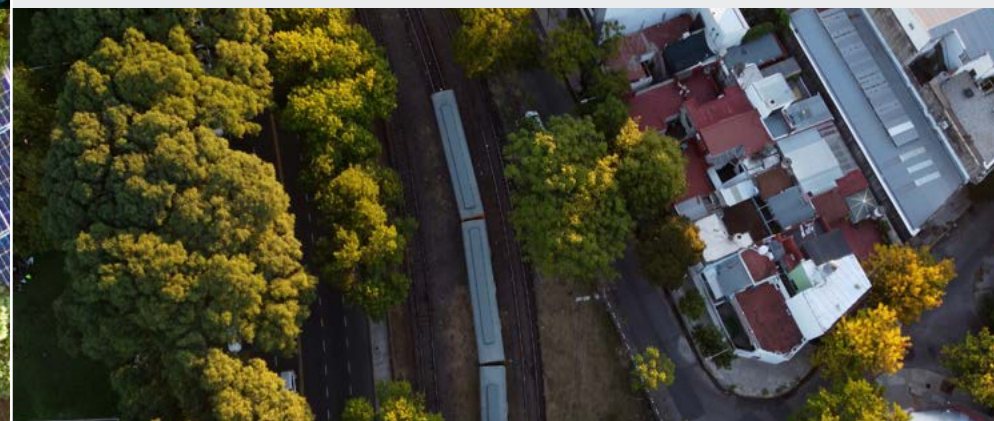
Impact

- Emissions reduction through railway electrification
- Improved public transport accessibility for low-income communities
- Supporting institutional strengthening in transport governance

KPIs

- 18,945tCO₂e emissions reduced annually
- Used by 83,557 passengers per day
- 25,067 social-fare passengers benefit from improved access

The project replaces diesel-fuelled trains with electric trains with the aim of reducing carbon emissions and improving transport efficiency. This electrification shift is expected to reduce emissions by 18,945tCO₂e per year. Further renovations include improvements to the tracks and rail yards, ensuring safety alongside improved rail network efficiency. In addition to encouraging a modal shift to cleaner transport options, the project has a strong social impact through the increased accessibility of public transport for low-income communities in Buenos Aires. The project will increase passenger demand, and improve mobility and safety, while contributing to emissions reduction commitments.



¹ The World Bank: Impact Report Sustainable Development Bonds & Green Bonds



Geothermal Power Generation – Indonesia

Asian Development Bank – Green Bond²

The Asian Development Bank (ADB) launched its green bond programme in 2015, using the proceeds to support environmentally sustainable growth across Asia. An example of the projects it supports is the Sarulla Geothermal Power Generation Project in northern Sumatra, Indonesia.

Impact

- Increased renewable energy generation in Indonesia
- More private sector investment in the geothermal sector
- Increased electrification rate in Indonesia

KPIs

- 320MW of energy
- Generate electricity to power approximately 2.1m Indonesian homes
- Offset approximately 1.3mtCO₂ per year

The Government of Indonesia has made the development of geothermal power projects a priority, taking advantage of the rich geothermal resources across the country. The allocated funds have supported the construction, operation and maintenance of three geothermal power-generation units, harnessing a total capacity of approximately 320MW. The project became fully operational in May 2018 and has significantly advanced Indonesia's renewable energy targets of achieving 4.6GW from geothermal energy by 2028, while encouraging private-sector awareness in clean-energy infrastructure.³



² Asian Development Bank: Sarulla Geothermal Power Generation Project

³ Indonesia: National Electricity Supply Business Plan (RUPTL) 2019-2028



Electric Metro Transit System – Canada

Ministère des Finances du Québec – Green bond¹

The Ministère des Finances du Québec's green bond programme has financed a range of climate mitigation and adaptation projects across the province.

Impact

- Increase in public transit use and reduction in private car dependency
- Lowering of GHG emissions
- Improved accessibility and connectivity in the Greater Montréal area

KPIs

- Reduction of 2.5m tonnes of GHG emissions over 25 years
- 34,000+ jobs created during construction
- 1,000 permanent jobs supported once operational

One of these projects is the Réseau express Métropolitain (REM), a fully automated, 100% electric metro transit system comprising 67km of railway lines in Greater Montréal. The first five stations on the network opened in July 2023 with a further 18 stations set to have opened by October of 2025. Once completed the REM will feature four branches and 26 stations, increasing connectivity between Montréal, the North Shore, the West Island, and the airport.



Wastewater Treatment – Australia

TCorp – Sustainability Bond²

The New South Wales (NSW) Sustainability Bond Programme enables the state Treasury to issue green, social and sustainable bonds to support a broad range of NSW Government environmental and social policies.

Impact

- Improved water recycling and wastewater treatment efficiency
- Increased biogas production for energy efficiency
- Significant GHG emissions reductions

KPIs

- 100% of biosolids (approx. 6,178 tonnes) recovered and beneficially reused
- 42% estimated reduction in GHG emissions during construction and across its 50-year operation

Sydney Water has used funding from the sustainability bond programme to implement cutting-edge technology and infrastructure upgrades in West Sydney, while also protecting its waterways. The project, the Lower South Creek Treatment Programme, involves upgrading the existing St Marys and Quakers Hill water recycling plants to enhance wastewater treatment processes. This results in higher-quality biosolids and greater biogas production through cogeneration, which further increases energy efficiency and the ability to self-supply a significant portion of Sydney Water's electricity needs.



Biodiversity and Forest Conservation – Brazil

International Finance Corporation (IFC) – Green bond³

IFC launched its Green Bond Programme in 2010, initially with a focus on supporting renewable energy and clean transport projects.

Impact

- Protecting and restoring natural forests
- Jobs and expansion of economic opportunities in rural areas

KPIs

- 213,000tCO₂e expected annual reduction in GHG emissions
- 135,000ha of forest protected or restored

IFC's Green Bond Framework has since expanded to include additional climate-mitigation and adaptation projects such as this biodiversity and forest conservation project in the Cerrado region of Brazil.

IFC has committed US\$50m to help with the Timberland Investment Group's reforestation strategy in Latin America. The project in the Cerrado savannah aims to protect and restore 135,000 hectares of natural forests through the planting of millions of trees in sustainably managed commercial tree farms. The project supports biodiversity conservation, climate mitigation and rural economic development, while aligning with Brazil's national target of zero deforestation by 2030.



¹ Ministère des Finances du Québec | Green bond projects

² TCorp: NSW Sustainability Bond Programme Annual Report 2024

³ IFC: Green and Social Bond Impact Report Fiscal Year 2024



Rare-disease Treatment – Spain

Comunidad de Madrid – Sustainability bond¹

Comunidad de Madrid was the first Spanish public administration to raise financing from the bond market to support a number of social projects. It has committed to integrate sustainable development and social responsibility to meet the needs of its citizens.

Impact

- Improved healthcare access and treatment for rare diseases
- Reduced transmission of infectious diseases among vulnerable populations

KPIs

- 65,000 patients were treated for rare and chronic diseases
- 30,576 immune mediated inflammatory disease patients treated
- 24,346 HIV patients receiving care
- 8,252 multiple sclerosis patients treated
- 872 patients in receipt of treatments costing more than €100,000 annually

Spain provides universal healthcare coverage to all Spanish nationals, but each region has autonomy over its healthcare budget and management. Comunidad de Madrid's overall objective is to maintain a high-quality healthcare system with efficient resource allocation.

A key initiative under the healthcare programme is the 'Plan to Improve Healthcare for People with Rare Diseases', which has been financed by the sustainability bond. Under this plan, €978m was allocated to treating over 65,000 patients with rare diseases including multiple sclerosis, Hepatitis and HIV across Madrid, providing access to specialised and lifesaving treatments.



Climate-positive Fabrication Facility – Taiwan

Micron Technology – Green Bond²

Micron Technology is a leader in innovative memory and storage solutions, enabling advances in 5G applications and AI.

Impact

- Improved energy efficiency throughout the facility, reducing CO₂ emissions
- Improved water conservation and recycling through harvesting rainwater, landscaping, and water-saving technologies

KPIs

- 75% of water recycled, estimated to save more than 16 million m³ of water per year
- Power efficient design saves approximately 90m kWh of energy, annually. Equivalent to power for 18,500 households
- 46,000tCO₂e reduced annually

The company issued its first green bond in 2021, allocating the net proceeds towards LEED Gold construction, renewable-energy use, water management, and pollution control. These green bonds are allocated across facilities located in the USA and Asia, including Taiwan.

Micron's A3 fabrication facility in Taiwan has achieved LEED Gold certification through infrastructure improvements, including advanced water and air-handling systems and energy efficiency upgrades. The facility features rainwater-harvesting rooftops, 30% outdoor green space, and high-efficiency water-reuse technologies that recycle 75% of its water consumption. These designs are expected to save 16 million m³ of water per year, while the power-efficient design is expected to save approximately 90m kWh of energy annually, reducing emissions by almost 46,000tCO₂e.



Transport Accessibility – France

Île de France Mobilités – Green Bond³

Île-de-France Mobilités is the governmental authority responsible for organising and developing the public passenger-transport service in the region of Île-de-France. Proceeds from the Île de France Mobilités green bond have been used to finance the Master Plan for Accessibility.

Impact

- Improved accessibility for people with disabilities and reduced mobility
- Support equal access to transportation, improving quality of life and economic opportunities for marginalised groups
- Lower emissions and congestion through greater use of public transport

KPIs

- Improvement to 268 stations, covering 95% of passenger traffic
- 908 priority bus routes to be made accessible

This project's objective is to upgrade existing rail stations and bus stops to make them more accessible to people with disabilities and reduced mobility. The project is structured around the rail accessibility plan and the road accessibility plan. The rail accessibility plan targets improvements to 268 stations, covering 95% of passenger traffic. The road accessibility plan aims to make 908 priority bus routes accessible, with approximately 340 in the inner suburbs and 560 in the outer suburbs. In addition to the social benefits, ensuring accessibility for people with disabilities and mobility issues can encourage greater public transport use. This reduces reliance on more carbon-intensive private vehicles, contributing to lower emissions.



¹ Comunidad de Madrid: Sustainable Finance 2024

² Micron Green Bond Report 2023

³ IDFM: Green Financing Report 2024

Issuers

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ISSUER CLIMATE PERFORMANCE

Issuer-level Net Zero Alignment

This year, the issuer-level net zero assessment has been expanded. This is provided in addition to a project-level net zero scenario analysis (see [pg.14](#)).

The SPECTRUM methodology includes assessing the issuer's current environmental performance and future decarbonisation targets. This issuer-level net zero assessment demonstrates the effectiveness of that part of our research.

For an issuer, NZA is a metric that assesses the alignment of an issuer's emissions-reduction pathway with Net Zero -by-2050. This is based on the quality and ambition of related commitments, targets and progress.

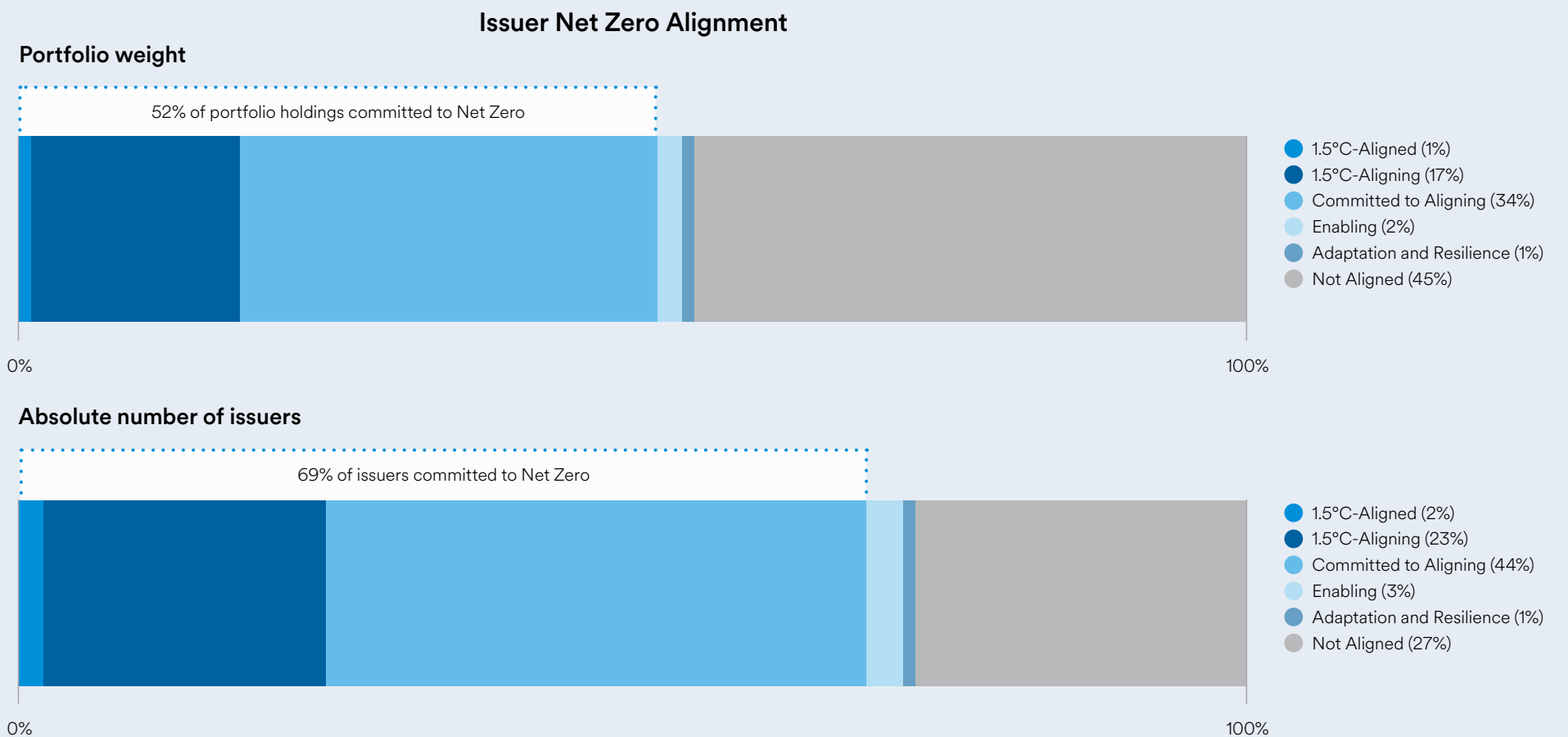
Where other metrics provide a snapshot of an issuer's climate performance, NZA compares the issuer's forward-looking GHG emissions pathway with the science-based pathways that would result in net zero emissions by 2050. This metric is often the most demanding in terms of data, and to be considered 1.5°C-Aligned, issuers must have excellent present performance and credible, ambitious targets. 1.5°C-Aligning and Committed to Aligning still indicates relatively good performance as issuers must have verified 2030 decarbonisation targets in place or a Net Zero-by-2050 commitment.



Results

As evidenced by their progress and targets, **52% of the portfolio has robust commitments to achieving Net Zero-by-2050**. Thus, these issuers are categorised as either 1.5°C-Aligned, 1.5°C-Aligning or Committed to Aligning. Utilities stand out here owing to their relatively more-advanced net zero strategies, including ambitious targets and strong performance: 71% of utility issuers have net zero commitments. Financials are also well represented in the aligning bracket due to their tendency to have well-defined targets: 70% of financial issuers also have net zero commitments. **When looking at the absolute number of issuers held, the portfolio's NZA is 69%.** This variation from the portfolio's overall NZA is the result of large holdings in non-aligned issuers, the majority of which are sub-sovereigns that support national net zero targets and multilateral development banks that have specific development mandates.

Others that are not aligned include banks which have sector-level net zero targets but may not have overarching net zero targets. There are also social-focused issuers that have strong sustainability missions with no significant emissions footprint and so do not have any specific targets. An example of this type of issuer is the International Finance Facility for Immunisation which provides funding for Gavi's vaccine programme. A small proportion of this portfolio is held in issuers that are enabling the net zero transition or are focused on adaptation and resilience. The enabling issuers are supporting low-carbon transport infrastructure or transmission and distribution. Adaptation and resilience includes issuers in water management.





National Grid – UK and USA



1.5°C-Aligned

National Grid is a transmission and distribution company for electricity and gas, operating in the UK and the USA. The issuer has Science Based Targets initiative (SBTi) verified near-term net zero targets aligned to the 1.5°C scenario. Commitments and progress under this target include:

Net Zero Commitments¹

- Reduce absolute scope 1 and 2 emissions by 60% by 2030 from a 2018 baseline
- Reduce scope 1 emissions from power generation by 90% per MWh by 2030, and 92% per MWh by 2033 from a 2018 baseline
- Reduce absolute scope 3 emissions by 37.5% by 2033 from a 2018 baseline

KPIs

- 22.2GW of low-carbon energy capacity connected
- 40.2% of generation connected to the network is low carbon

National Grid has also been assessed under the TPI Carbon Performance Assessment 2027 to be aligned to 1.5°C. As a result of both its TPI and SBTi assessments, it is considered to be 1.5°C-Aligned. Alongside this, as a grid operator – National Grid has an important enabling role in adding renewable capacity to the grid as projects come online.



¹ National Grid – Our Net Zero commitments



A2A S.p.A. – Italy



Committed to Aligning

A2A is an Italian multi-utility company. Similar to National Grid, the majority of its revenue is derived from electricity and gas distribution. A2A has SBTi-verified near-term targets, aligned to the 2°C warming scenario. Commitments and progress under this target include:

Net Zero Commitments²

- Reduce scope 1 emissions by 46% per kWh by 2030 from a 2017 base year
- Reduce absolute scope 2 emissions by 100% by 2024, from a 2017 base year
- Reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products 20% by 2030 from a 2017 base year

KPIs

- 2.58GW installed capacity of renewable sources
- 1,141m tonnes of waste treated

A2A is less ambitious in its net zero targets by comparison to National Grid and does not have a TPI assessment. As a result, A2A has been categorised as 'Committed to Aligning' to net zero.

The issuer has a clear commitment through detailed energy-transition and circular-economy targets in its Strategic Plan 2021-2030. Its renewable energy targets, which exceed those of the EU are supported by financing from the issuer's green bond framework.



² A2A – Sustainability

Definitions

Net Zero

Issuers with a carbon performance that is currently at or lower than the required performance in 2050 today.

1.5°C-Aligned

Issuers with verified near-term (2030) science-based targets aligned with a 1.5°C scenario, or issuers that are assessed as 1.5°C-Aligned by the TPI Carbon Performance Assessment in 2035. In addition, the issuer must meet one of the following criteria related to current carbon performance:

- the issuer's annual emission reductions are in line with the linear annual reduction rates required to meet their near-term target; or
- the issuer's carbon intensity is below an independently modeled pathway carbon intensity for the issuer, or its sector, in the most recent year for which data is available (independent external providers include TPI)
- the issuer's carbon intensity is below the sector average carbon intensity for the most recent year for which data is available.

1.5°C-Aligning

Issuers with verified near-term (2030) science-based targets aligned with a 1.5°C scenario, or issuers that are assessed as 1.5°C-Aligned by the TPI Carbon Performance Assessment in 2035. These issuers are either not meeting the current carbon performance requirements, or carbon data is unavailable.

Committed to Aligning

Issuers with verified near-term (2030) science-based targets aligned with a 2D or WB2D scenario, issuers that are assessed as WB2D aligned by the TPI Carbon Performance Assessment in 2035 and/or issuers with a long-term commitment to achieve net zero emissions by 2050.

Enabling

Issuers providing products and services that enable decarbonisation in other companies and organisations, and that do not satisfy the criteria for '1.5°C-Aligned', '1.5°C-Aligning' or 'Committed to Aligning'.

Adaptation and Resilience

Issuers whose activities support adaptation and resilience to the effects of climate change, and that do not satisfy the criteria for '1.5°C-Aligned', '1.5°C-Aligning' or 'Committed to Aligning'.

Not Aligned

Issuers that do not fall into the above categories.

ISSUER CLIMATE PERFORMANCE

Weighted Average Carbon Intensity (WACI)

SPECTRUM portfolios' GHG-emissions metrics are calculated in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for asset managers, which is now part of the International Sustainability Standards Board (ISSB). These metrics include the Weighted Average Carbon Intensity (WACI).

WACI provides a weighted average figure for the carbon intensity – the amount of carbon dioxide or equivalent emitted per unit of value – for each issuer held within the portfolio. The WACI figure is expressed as tCO₂e emitted per US\$1m of revenue (for corporates) and tCO₂e per US\$1m Purchasing Power Parity-adjusted GDP (for sovereign-related issuers) using the equation below. Rather than capturing issuers' emission-reduction commitments or their decarbonisation trajectories, it provides a snapshot of a portfolio's carbon intensity that is directly comparable across issuers and portfolios.

Calculating WACI

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current portfolio value}} \times \frac{\text{issuer's scope 1 and 2 GHG emissions}_i}{\text{issuer's US\$m revenue}_i} \right)$$

Alongside portfolio WACI, separate WACI figures for corporate and agency issuers, and for sovereigns and regulators have also been calculated. These two categories of issuers pose different methodological and data availability challenges: the methodologies and data behind corporate WACI are more advanced than they are for sovereign issuers; and the denominators for each (revenue and GDP) are not comparable. By providing both figures separately, MIM aims to deliver the highest level of transparency in its reporting.

WACI Issuer-type Definitions:

Corporates and Agencies

All issuers, including utilities, industrials, financial institutions, supranationals and government-related agencies, but excluding those designated Sovereigns and Regulators.

Sovereigns and Regulators

Sovereign-related entities, including central governments and treasuries, sub-sovereigns and municipalities.

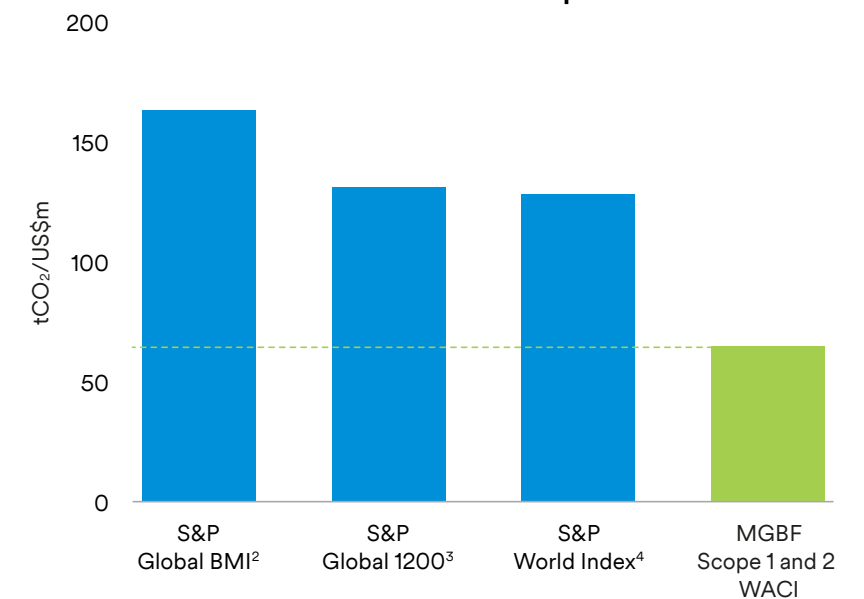


The constituent emissions for the WACI calculations are derived at the issuer level. However, using an issuer's carbon footprint for a green bond gives a conservative representation of portfolio emissions since the projects that the green bonds are financing are likely to be among the lower-emitting areas of their business activities.

Benchmarking Portfolio WACI

The portfolio WACI performance is contextualised through comparison to three non-green global indexes. All four WACI figures use the same data source (S&P Trucost) for the calculation. In line with previous years, the portfolio shows a significantly lower scope 1 and 2 WACI value than the three non-green indexes.

Benchmark WACI Comparison



¹ These figures reflect an aggregate coverage of 85.6% of the portfolio for WACI calculation and are excluding Land Use, Land Use Change and Forestry (LULUCF).

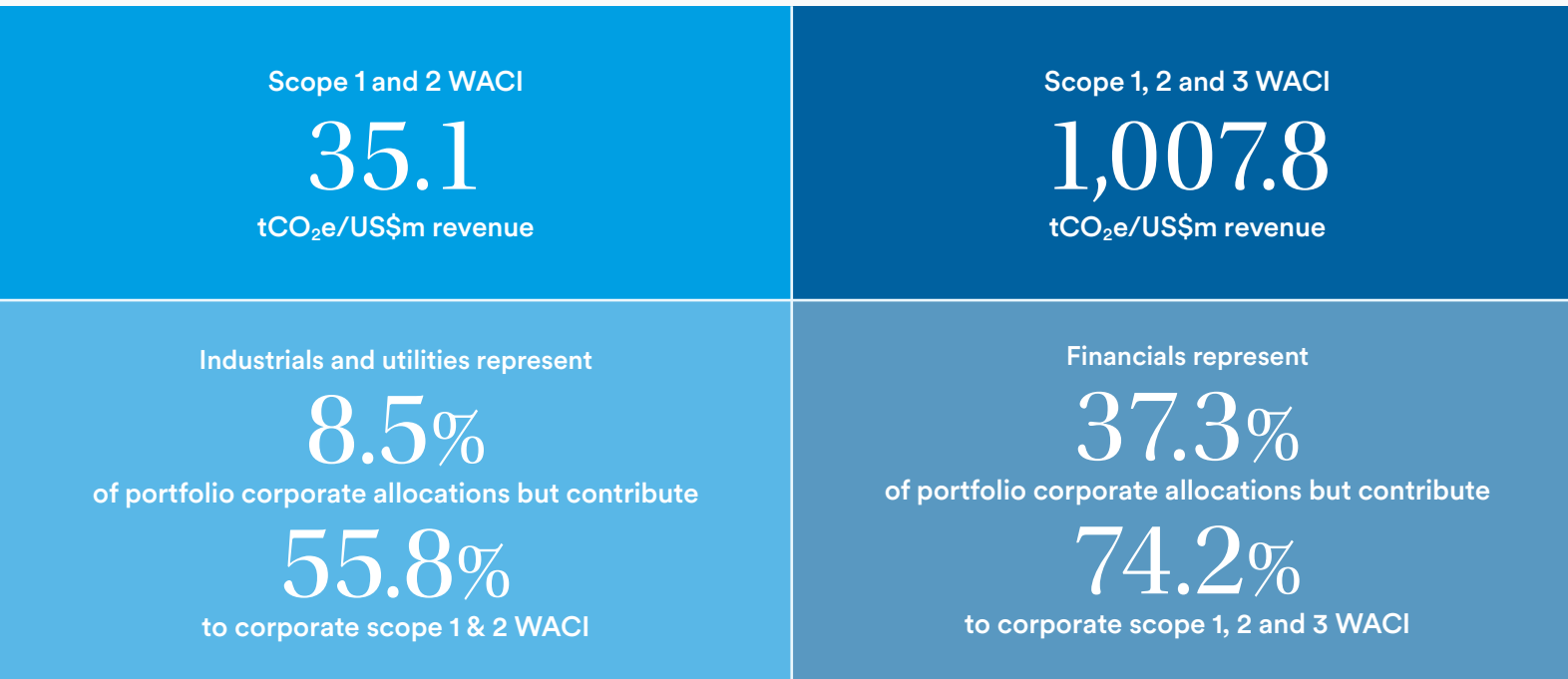
² <https://www.spglobal.com/spdji/en/indices/equity/sp-global-bmi/#data>

³ <https://www.spglobal.com/spdji/en/indices/equity/sp-global-1200/#data>

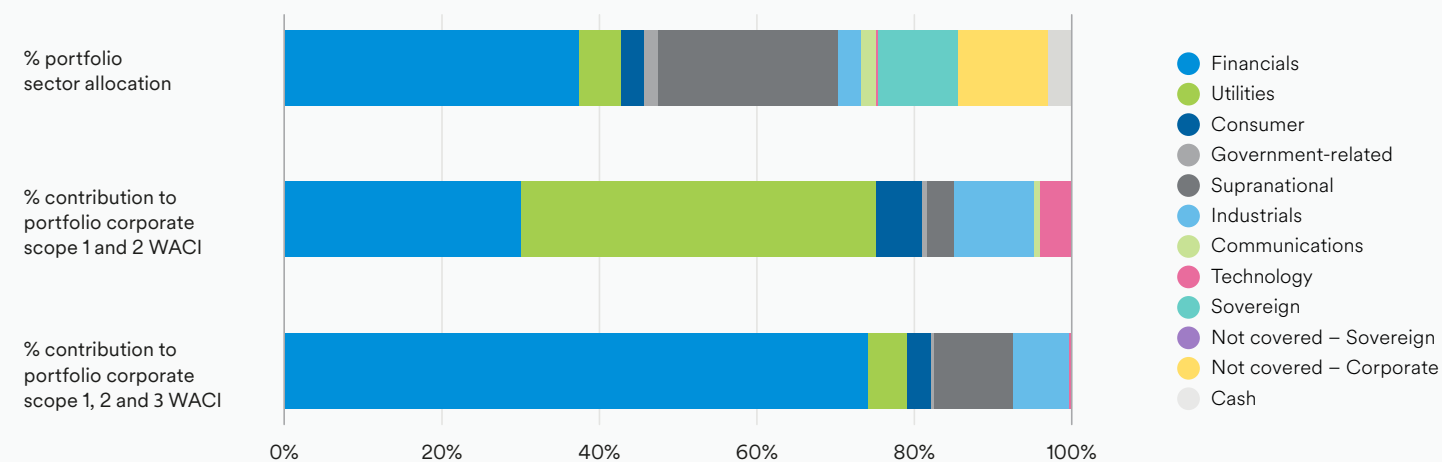
⁴ <https://www.spglobal.com/spdji/en/indices/equity/sp-world-index/#data>

Corporates and Agencies WACI

The portfolio had a corporates and agencies' (corporate hereafter) scope 1 and 2 WACI of 35.1tCO₂e/US\$m revenue, rising to 1,007.8tCO₂e/US\$m revenue when scope 3 is included.¹



Corporate Portfolio Allocation vs. WACI Contribution



In line with previous years, the main contributions to the WACI figure come from limited portfolio allocations to a small number of issuers in sectors with high emissions intensities. For example, utilities contributes 45.6% to scope 1 and 2 WACI and financials contributes 74.1% to scope 1, 2 and 3 WACI. While these issuers have higher

emissions, they have also set credible decarbonisation targets, with 71% of utilities and 70% of financial issuers having net zero commitments in place (see Issuer-level Net Zero Alignment section on [pg.19](#) for further details).

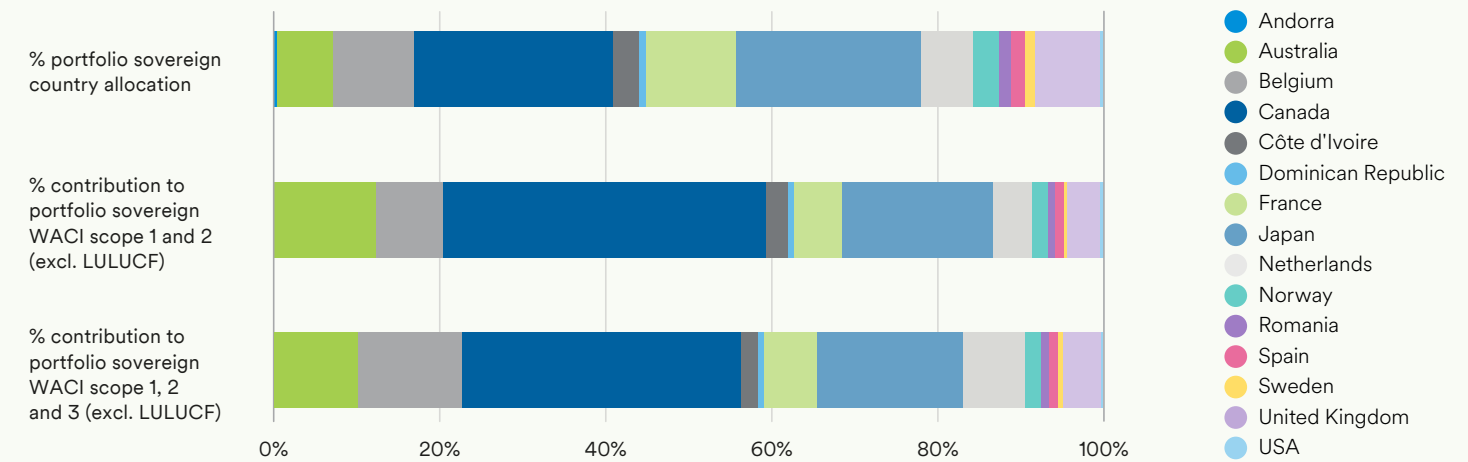
¹ These figures are not directly comparable to last year's as the previous approach detailed the WACI of the corporate issuers as part of the overall portfolio. The methodology has been revised this year to better reflect the intensity of corporate issuers only.

Sovereigns and Regulators WACI

Sovereign and regulators (sovereign hereafter) WACI calculations are in line with the recommendations of the Partnership for Carbon Accounting Financials (PCAF), reporting sovereign WACI both with and without Land Use, Land Use Change and Forestry (LULUCF).²



Sovereign Portfolio Allocation vs. WACI Contribution



The largest contributor to the portfolio's sovereign WACI figures is Canada. While Canada makes up the largest sovereign country allocation, its contribution to the scope 1 and 2 WACI figure is disproportionately large: 24.1% of the sovereign allocation and 38.9% of the WACI contribution respectively. Like last year, the portfolio's

exposure to Canada is driven by bonds issued by the provinces of Quebec and Ontario, which due to the data difficulties in the measurement of sub-sovereign emissions are mapped up to the relevant sovereign, in this case Canada. These provinces, however, do not have significant oil production.³

² As with corporates WACI, a revised methodology means that these figures are not comparable to last year.

³ [Energy Fact Book 2024-2025](#)

The Shifting Regulatory Landscape

Sustainability reporting and regulation is set for a turbulent year or two as companies and investors grapple with large-scale regulatory changes stemming from geopolitical pressures and concerns over the burden of sustainability reporting and its impact on economic competitiveness.

Regulatory and Reporting Clawbacks

The second Trump administration has instituted a wave of changes that will undoubtedly impact sustainability reporting and corporate action in the wider world, beginning with again withdrawing the USA from the Paris Agreement. It has ended the defence of the Security and Exchange Commission's (SEC) Climate Disclosure Rule, begun deregulation through the Environmental Protection Agency (EPA), and retracted US climate-finance commitments.^{1,2,3} There is likely more to come, including possible amendments to the Inflation Reduction Act.

In the EU, regulatory headlines have been dominated by the Omnibus proposal, a package aimed to simplify EU sustainability reporting regulations. This followed concerns regarding complexity, the resource burden and cost to adhere to reporting requirements. The proposed changes streamline requirements, ease the data-collection burden and reduce the number of companies required to report. This will impact major sustainability frameworks including the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive, EU Taxonomy and the Carbon Border Adjustment Mechanism.⁴ Although the final revisions have yet to be agreed, large EU-listed companies will see no immediate changes to their reporting requirements and deadlines, and many will be monitoring the first wave of CSRD reporting this year to gain insights into how it is reshaping sustainability practices.

UK

Earlier this year, the UK government launched three consultations on: the UK Sustainability Reporting Standards (SRS), based on ISSB; mandatory transition-plan disclosures; and a new proposal to develop a sustainability assurance registration regime.⁵

Europe

The European Green Bond Standard, which came into effect on 21 December 2024, introduces a new voluntary regulatory framework for sustainable bonds, including new criteria for issuers, such as mandated reporting alignment with the EU taxonomy and the requirement to engage an external reviewer.

USA

Despite political headwinds in the USA, certain sustainability disclosures continue to develop, such as California's enforcement of emissions and climate-risk disclosures for large companies operating in state starting in 2026.

Australia

This year also marks the beginning of Australia's climate-reporting regime, with the Australian Accounting Standards Board (AASB) having developed a voluntary and mandatory disclosures framework based on the International Sustainability Standards Board (ISSB) framework.⁶ Companies affected by the requirements will be designing and implementing enhanced sustainability systems and processes to integrate sustainability across the wider business.

As part of its sustainable finance strategy, the Australian government has established a sustainable-finance taxonomy and is planning to develop sustainable-investment labels to support the mobilisation of capital towards sustainable activities and address greenwashing concerns.⁷

¹ [SEC.gov | SEC Votes to End Defense of Climate Disclosure Rules](#)

² [EPA Launches Biggest Deregulatory Action in U.S. History | US EPA](#)

³ [Judge questions Trump administration claw back of \\$20 billion climate fund | Reuters](#)

⁴ [Commission simplifies rules on sustainability and EU investments, delivering over €6 billion in administrative relief – European Commission](#)

⁵ [Exposure draft of UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2 – GOV.UK](#)

⁶ [Australian Sustainability Reporting Standards AASB S1 and AASB S2 are now available on the AASB Digital Standards Portal](#)

⁷ [Sustainable Finance Roadmap](#)

ISSUER METRICS

Sustainable Finance Disclosure Regulation Reporting

The EU’s Sustainable Finance Disclosure Regulation (SFDR) sets out disclosure requirements that apply to investors and financial advisers. It affects EU financial market participants and non-EU financial market participants managing EU-domiciled funds or marketing into the EU.

The table opposite reports against the mandatory Principal Adverse Impacts (PAIs) as stipulated by the SFDR. While the MetLife Global Impact Bond Fund does not fall under the jurisdiction of SFDR, it does have a sustainability objective and makes sustainable investments, therefore reporting against the PAIs is provided regardless.

The EU Platform on Sustainable Finance has published a Briefing Note proposing to replace the current SFDR Article 8 and 9 model by categorising sustainable products under the following three categories:¹

Sustainable Investing in assets mainly or only sustainable and not harmful	Transition Investing in the change towards a more sustainable real economy or towards net zero	ESG Collection Not investing in industries or assets that are significantly harmful and/or investing in those assets that perform better
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As laid out in the EU’s 2025 Work Programme, the proposal to amend SFDR is currently scheduled to take place in the last quarter of the year.² MIM will continue to monitor the latest developments regarding SFDR and provide updates as needed.

Defining Sustainable Investments

We use our SPECTRUM process to determine whether an investment can be considered a sustainable investment. Over 2024, this portfolio was 97% invested in sustainable investments, with the remaining 3% being cash.



¹ [Categorisation of products under the SFDR: Proposal of the Platform on Sustainable Finance](#)
² [Commission work programme 2025 – European Commission](#)

Principal Adverse Impacts (PAIs) ³	Value	Coverage	Data Source ^{4,5}
Mandatory PAIs			
GHG emissions (scope 1)	634tCO ₂ e	86.8%	S&P
GHG emissions (scope 2)	337tCO ₂ e	86.8%	S&P
GHG emissions (scope 3)	10,793tCO ₂ e	86.8%	S&P
Carbon footprint	143tCO ₂ e/EURm	86.8%	S&P
GHG intensity of investee companies	1,113tCO ₂ e/EURm	86.8%	S&P
Exposure to companies active in the fossil-fuel sector	2.6%	39.8%	Clarity AI
Share of non-renewable energy consumption	30.2%	26.5%	Clarity AI
Share of non-renewable energy production	1.8%	4.4%	Clarity AI
Energy consumption intensity per high-impact climate sector	0.06GWh/EURm	13.9%	Clarity AI
Activities negatively affecting biodiversity-sensitive area	0%	48%	Clarity AI
Emissions to water	0.01t/EURm invested	11%	Clarity AI
Hazardous waste ratio	0.28t/EURm invested	49.8%	Clarity AI
Violations to UNGC and OECD guidelines	0 cases	100%	Clarity AI, ISS Datadesk and in-house research
Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD guidelines	0%	39.6%	Clarity AI
Unadjusted gender pay gap	9.5%	21.6%	Clarity AI
Board gender diversity	19.9%	45.8%	Clarity AI
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	0	50.3%	Clarity AI
GHG intensity (sovereigns)	411tCO ₂ e/EURm	99.7%	S&P
Relative number of investee countries subject to social violations	0	4.2%	Clarity AI
Optional PAIs			
Share of securities not certified as green under a future EU legal act setting up an EU Green Bond Standard ⁶	100%	100%	Issuer reported
Number of identified cases of severe human rights issues and incidents	0 cases	48.0%	Clarity AI

Fossil Fuel Exposure

Given that the SPECTRUM portfolios are impact portfolios with strong verification processes, it may seem surprising that there is any fossil-fuel exposure. Exposure comes from issuers in which MIM holds labelled bonds only that have provided confirmation that the bonds’ use of proceeds will be allocated to green or socially impactful projects. These issuers also have strong decarbonisation performance, targets and a low residual power generation capacity from fossil fuels.

³ For definitions of the PAIs please refer to ‘Annexe 1 principal adverse sustainability impacts statement’ that can be found here: https://ec.europa.eu/finance/docs/level-2-measures/C_2022_1931_1_EN_annexe_acte_autonome_part1_v6.pdf
⁴ Clarity AI data pulled 25/04/2025.
⁵ Some data sources have been amended compared to last year’s reporting so data is not directly comparable.
⁶ As at 31 December 2024, there were no bonds issued under the EU Green Bond Standard. For project level EU Taxonomy alignment please refer to [pg.13](#)

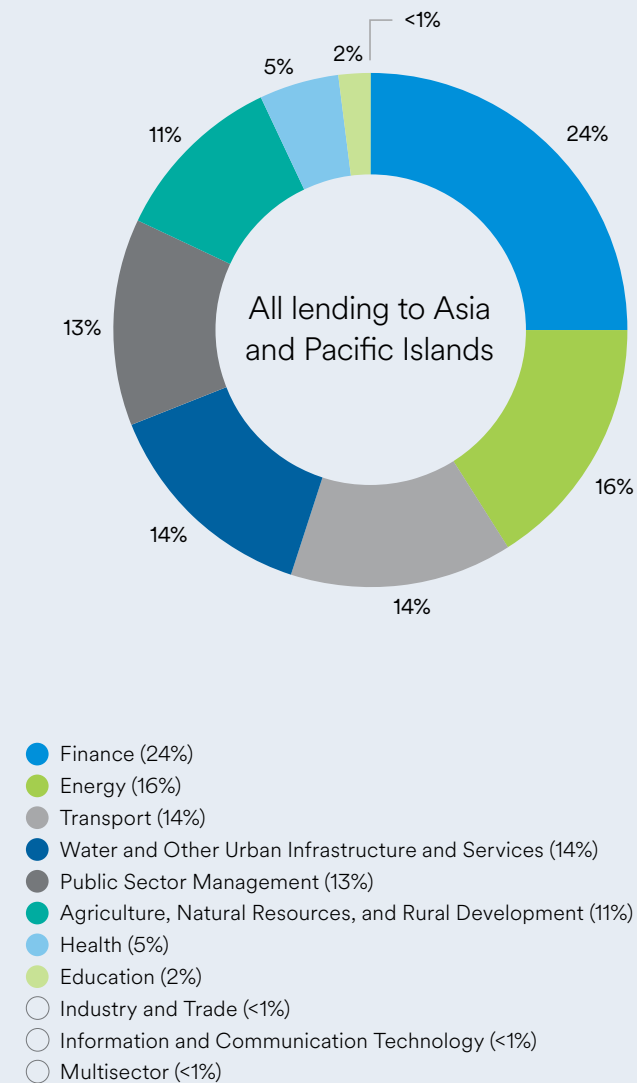
SPECTRUM Aligned Issuers

In 2024, 6% of the portfolio was invested in five SPECTRUM aligned issuers. These are defined as issuers that receive at least 50% of revenues generated from sectors aligned with the SPECTRUM eligible sectors (see [pg.32](#)).

Asian Development Bank (ADB)

ADB is a leading multilateral development bank focused on sustainable development in the Asia-Pacific region. ADB has high levels of transparency on its current funding as well as strategic priorities to increase its contributions to climate-change mitigation and adaptation, such as the ambition to provide US\$100bn in cumulative climate financing from its own resources to its developing member countries between 2019 and 2030. ADB committed US\$11.1bn in climate financing in 2024, reaching US\$41.9bn in cumulative financing for 2019-2024.

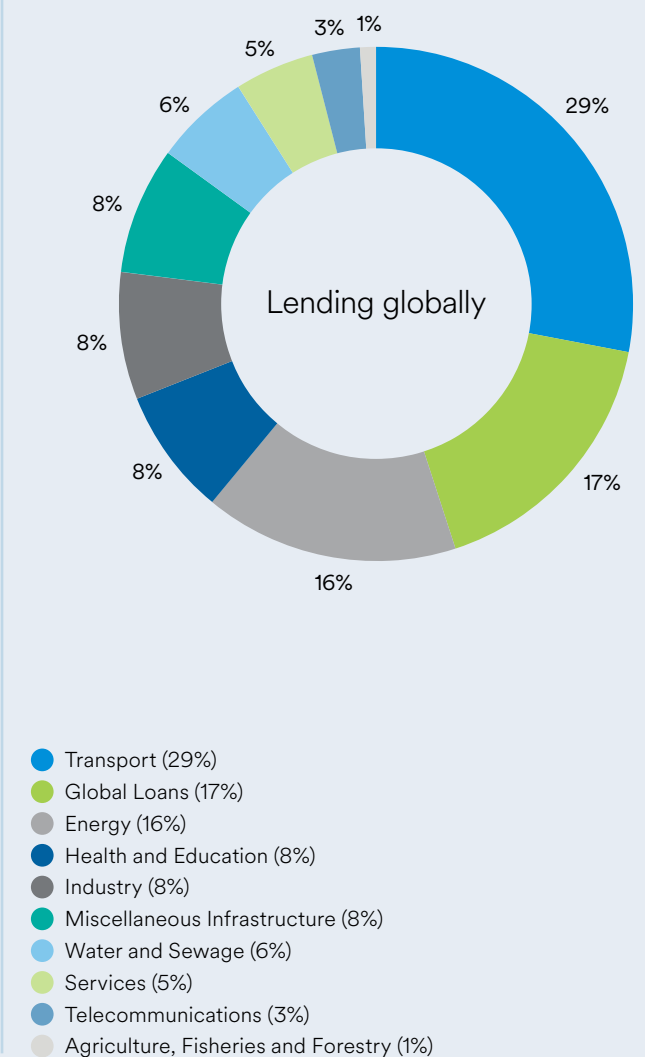
Commitments by Sector:



European Investment Bank (EIB)

EIB is a multilateral financial institution owned by and representing the interests of the 27 Member States of the EU. The bank supports implementation of EU policy, with priority areas that include climate and environment, development, innovation and skills, small and medium-sized business, infrastructure and cohesion. Its mission is to finance projects in less-developed regions, in modernisation, and/or of common interest, that cannot be financed by individual members, as well as other development projects outside the EU. Climate action is taken into consideration throughout the assessment and monitoring of all projects. Climate action and environmental sustainability-related projects represented 60% of all EIB financing during 2023.

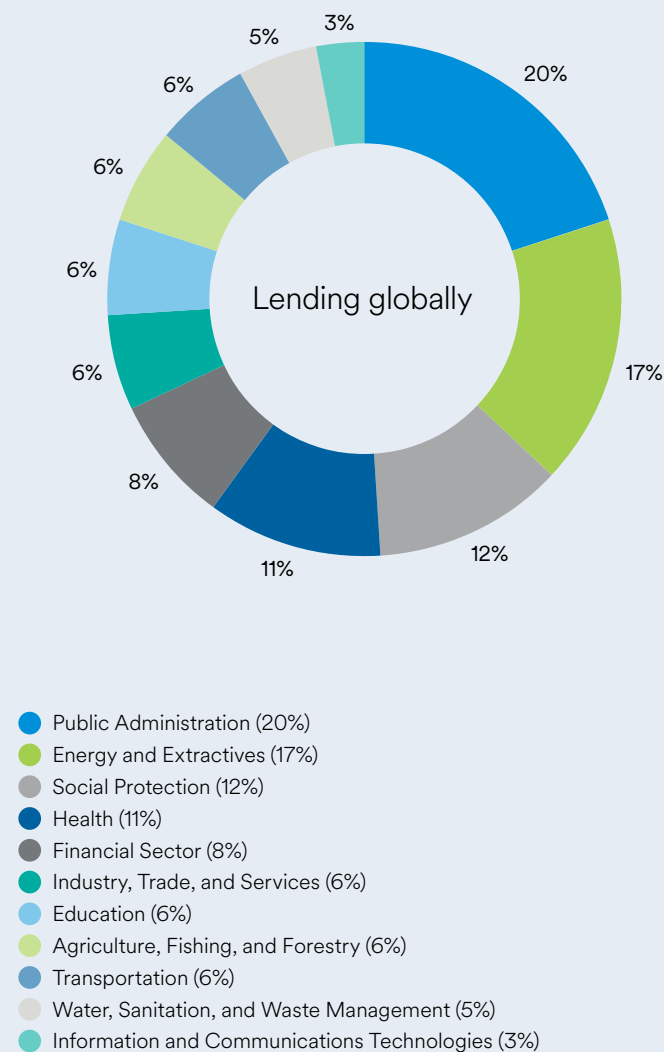
Commitments by Sector:



International Bank for Reconstruction and Development (IBRD)

IBRD, part of the World Bank Group, is a mission-driven organisation that supports the goals of ending extreme poverty by 2030 and boosting shared prosperity for the bottom 40% of the population with sustainable solutions. In 2024, the IBRD committed US\$37.6bn towards providing loans, guarantees, risk management products and advisory services to middle-income countries around the world, as well as technical assistance and regional coordination. About 60% of the world's poorest countries are at high risk of debt distress or are already in distress. IBRD has been a trailblazer in the green-bond market; in 2009 it issued the first green bond of the form that we see in today's market.

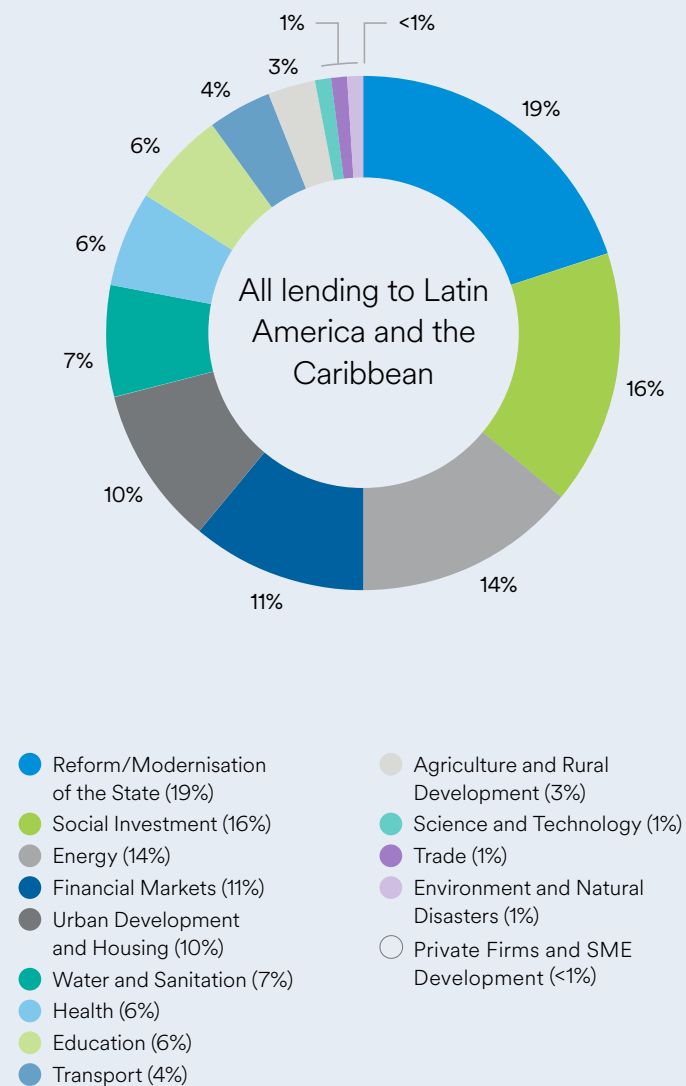
Commitments by Sector:



Inter-American Development Bank (IDB)

IDB is a leading multilateral development bank that works to improve lives in Latin America and the Caribbean. The bank provides financial and technical support for countries to improve health and education, advance infrastructure and achieve development in a sustainable, climate-friendly way. In 2024, 47% of total financing went towards green and climate-related initiatives, with 36% of the climate finance being focused on adaptation efforts, exceeding its 30% climate financing target. Consequently, IDB has committed to increasing climate lending, setting a new target in 2024 for at least 50% of new approvals to include green and climate finance.

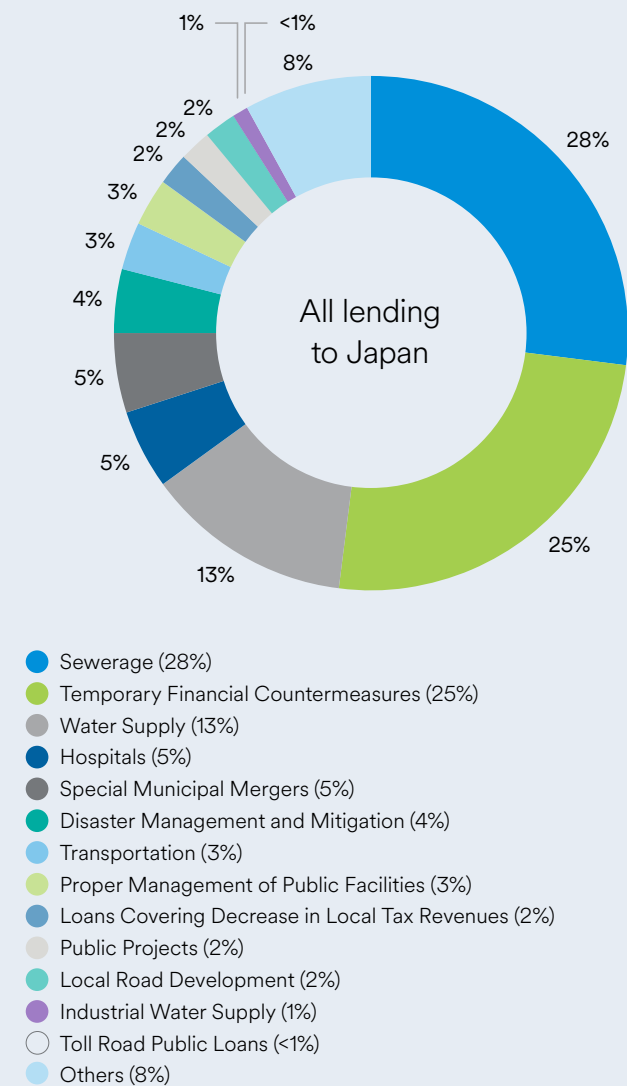
Approvals by Sector:



Japan Finance Organisation for Municipalities (JFM)

JFM is a funding organisation set up to optimise funding for local authorities in Japan with consideration to ESG factors and contributing towards sustainable development. It focuses on long-term, low-interest lending, reflecting the longer life cycles of social infrastructure projects for which local governments borrow. As of March 2024, JFM had provided US\$152.6bn of loans. JFM expects continued high financing demand for the newly established decarbonisation promotion projects. Key financing areas include sewage management, water, hospitals, and elderly care, as well as disaster management for an earthquake-prone country with large areas vulnerable to rising sea levels.

Outstanding Loans by Sector:



SPECTRUM aligned issuers have a clear commitment to climate mitigation and adaptation, and to sustainable economic development.

Engagement

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ENGAGEMENT

Engaging for Impact

MIM aligns with the Principles for Responsible Investment (PRI) definition of ESG engagement: an ESG engagement is undertaken to influence ESG practices and/or improve ESG disclosure. The approach is based on setting an intention and focusing on outcomes.

Engagements enable the Public Fixed Income (PFI) Sustainability Research team to build closer relationships with issuers and develop a more granular understanding of their sustainability strategies. They also provide a platform for the team to encourage issuers to raise the bar on ambition, data and transparency around sustainability. As well as engaging with issuers within the SPECTRUM universe, the PFI Sustainability Research team engages with issuers that are excluded, with the aim of promoting sustainability beyond the portfolios.

ESG engagements are categorised as:

- **Disclosure and Reporting:** engagements related to either MIM or the issuer's sustainability reporting.
- **Market:** engagements with market players such as working groups, brokers and intermediaries, or market initiatives; and, engagements with issuers that relate to a roadshow, a new or updated sustainability framework or a general issuer update.
- **Thematic:** engagements with issuers and/or other entities regarding a specific pre-defined ESG theme.

In addition to engagements described here, MIM's PFI Sustainability Research team also engages with issuers beyond those in the SPECTRUM strategies. This includes engagements as part of the MetLife 2050 Net Zero target,

CDP Non-Disclosure Campaign 2024, and Advance, a collective engagement organised by PRI on human rights in the supply chain. These engagements are not captured in the SPECTRUM engagement statistics.

Engagement in the last 12 months:

In the 12 months to the end of June 2025, there were 93 unique engagements. Many engagements cover more than one SASB topic, showing the multi-faceted nature of ESG factors.

Disclosure and reporting make up the majority of engagements, with environmental topics dominating, reflecting the prominence of green bonds in the portfolio and the materiality of environmental factors for issuers. A significant number of these relate to GHG emissions. In fact, more than half of all engagements discussed GHG emissions in some form. This underlines MIM's continuing advocacy for transparency and decarbonisation, building on the 2024 scope 3 thematic engagement, and its broader organisation targets (MetLife 2050 Net Zero). In addition, a growing interest in nature, improved nature-related reporting and this year's thematic engagement on nature have also resulted in ecological impacts being discussed more frequently.

The table below shows engagements with market players, as well as issuers that have at some point been reviewed within the SPECTRUM universe.

SASB Topics Covered in Engagements



- GHG Emissions
- Ecological Impacts
- Energy Management
- Business Model Resilience: Governance
- Business Model Resilience: Environmental
- Business Ethics
- Product Design and Lifecycle Management
- Physical Impacts of Climate Change
- Materials Sourcing and Efficiency
- Access and Affordability
- Air Quality
- Employee Engagement, Diversity & Inclusion
- Supply Chain Management
- Human Rights and Community Relations
- Employee Health and Safety
- Customer Welfare
- Business Model Resilience: Social

60% Disclosure and Reporting

Example

The team engaged with a Mexican real-estate investment trust regarding the methodology of its energy and emissions reporting. Emissions methodologies from the real-estate sector often vary widely owing to discrepancies in tenant occupancy contracts. As a result, some related data points in the issuer's reporting lacked the clarity required to consider including the issuer in the SPECTRUM universe.

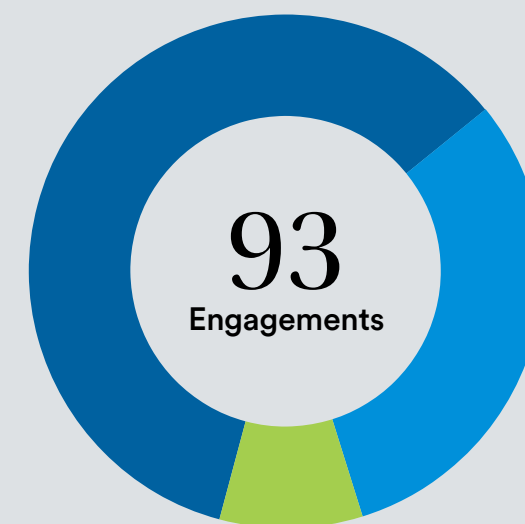
Outcome: The issuer gave a more-detailed breakdown on its energy consumption and scope 3 emissions methodologies, which raised additional concerns about the credibility of the reporting as figures were heavily underreported. This, in addition to further governance weakness, resulted in the issuer being excluded from the investible universe. The team offered constructive feedback on best practices used for reporting, alongside what it found to be both useful and aligned with market standards for inclusion in the SPECTRUM universe.

31% Market

Example

Following a new issuance, the team had a direct meeting to engage with a Japanese real-estate issuer. The inclusion of this issuer would expand the opportunity set for investments. The team engaged on targets for green-building certifications, future labelled issuance and to advocate for stronger gender-diversity programmes, the latter of which has been an ongoing challenge in the Japanese market.

Outcome: The issuer reaffirmed commitments to high levels of green-building certifications and the plans to achieve this as part of supporting the use of proceeds framework. Moreover, the issuer was able to provide additional, non-public disclosure and insight on the measures in place to support gender-diversity targets and the outcomes of the measures, while acknowledging this is an area of weakness. This additional insight meant the issuer was admitted into the investible universe.



9% Thematic

Example – Thematic

The team engaged with a German development bank as part of the periodic re-verification of its ESG performance for the SPECTRUM and Transition strategies. The review considered ESG risk and oversight, and approaches to managing social and environmental impacts in sensitive regions. It found that the issuer continues to be linked with several controversial projects. One project of particular concern was the subject of a series of human rights allegations, limited transparency and ongoing community grievances. The aim of the engagement was to obtain an update and additional context on the project, alongside a deeper understanding of risk assessment and grievance mechanisms in place at the development bank.

Outcome: Through engagement, the issuer demonstrated improvements in oversight, including updated grievance mechanisms, increased staffing and risk-assessment tools tailored to specific sectors, as a direct result of the controversies mentioned. The issuer also clarified its role as a trustee, rather than as a direct lender, which helped to contextualise its involvement in the controversies. Given the positive response and remediation processes in place, the issuer has continued to be included in the universe. Additionally, the team gained valuable context for defining expectations from DFIs, which has been incorporated into ongoing monitoring of similar issuers.

Example – Thematic Nature

This year the team has expanded the biodiversity engagement from 2024 after the launch of the Task-force on Nature-related Financial Disclosures (TNFD) to include additional aspects of nature such as land use and resource exploitation. The objective of this engagement was to understand best-practice and strategy and reporting aligned to TNFD and in preparation for future engagements with issuers that are behind on this topic.

Outcome: See Thematic Engagement section (see [pg.29](#)).

ENGAGEMENT

Thematic Engagement – Nature

This year's nature thematic engagement builds on the biodiversity thematic conducted in 2024, expanding the focus to other aspects of nature. This is in line with the Intergovernmental Panel on Climate Change's finding that terrestrial ecosystems absorbed approximately 30% of anthropogenic CO₂ emissions between 2010-2019. The implication is that well-managed interactions with nature are critical for meeting climate targets and building resilience.

Intention



Advocate

Advocate for corporates to consider positive and negative impacts on nature, including financial implications, as part of their long-term strategy development and when creating actionable workplans



Strengthen

Strengthen our research by developing a systematic approach on interactions between nature and the company



Build

Build a holistic understanding of the contextual factors that may affect performance

Approach

The design of this engagement was based on the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services' (IPBES)¹ **five key drivers of nature loss:**



Land/Sea Use Change



Direct Exploitation of Resources



Climate Change



Pollution



Invasive Alien Species

Desk-based market research and consultations with industry experts such as the Green Finance Institute and Fauna and Flora formed the foundation for this engagement.^{2,3} The second step was to select which industries for engage with. Transport, Real Estate and Utilities were selected based on the market research, the previous year's findings on mature approaches to biodiversity and high impact, and dependency on nature as indicated by the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool.⁴ Since one of the intentions is to strengthen the research approach, issuers were selected from the TNFD early-adopter list so as to better identify common themes in best practice policies, typical risks from issuers' nature dependencies, and the potential nature opportunities.⁵

² <https://www.greenfinanceinstitute.com/>

³ <https://www.fauna-flora.org/>

⁴ <https://www.encorenature.org/en>

⁵ <https://tnfd.global/>

Outcomes

The engagement found multiple shared features across all best-practice issuers. The commonality between approaches indicates a preferred method for developing nature strategies, allowing for consistency and comparability. Alongside this, there are also shared challenges – namely reporting financial impacts.

- **Use the TNFD framework and locate, evaluate, assess and prepare (LEAP) approach to build science-based nature strategies**

All the issuers spoken to agreed that the TNFD framework and LEAP approach were helpful to assess risks and opportunities. The **benefits** to following the TNFD approach include a structure to existing activities, enabling risk reduction and enhanced sustainability. TNFD has also allowed companies to gain recognition, fostering networking opportunities, enhanced external evaluations and receiving new financing opportunities. In the future, the team will **advocate** the TNFD approach to nature risks and opportunities to those starting to build a science-based nature strategy.

- **Appropriately allocate resources to measure, act and report on nature**

All the best-practice issuers spoken to had **resources** that were well deployed to nature. These include specific teams, board oversight and internal tools that support actions. Issuers measure baseline impact first, build capacity and then measure post-action impact. All issuers mentioned using the **ENCORE tool** to determine overlap with biodiversity-sensitive and water-stressed areas.

- **Reporting financial impacts remains a challenge – consider it early in strategy development**

Reporting financial impacts remains a challenge for all issuers. The benefits to following the TNFD approach include a structure to existing activities, enabling risk reduction and enhanced sustainability. TNFD has also allowed companies to gain recognition, fostering networking opportunities, enhanced external evaluations and receiving new financing opportunities. There is also a gap in guidance on positive impacts and, as a result, nature-positive strategies remain underdeveloped. The team will, therefore, advocate for issuers to consider opportunities related to nature early, in addition to their financial reporting approach.

Collaboration will be very important for scaling impacts and so MIM will use the learnings from this round of engagement to inform its ongoing approach, deepen future conversations and shape its view of what constitutes best practice.



¹ Nature Scot: Key Pressures on Biodiversity

Case Study – Real Estate, Hong Kong

This real estate company is a TNFD early adopter, part of the Real Estate Working Group and a member of the TNFD Global Taskforce. Through its various memberships, the issuer provided strategic consultation on the development of the TNFD framework. Being an early adopter, the issuer has made reporting commitments in addition to setting its own target to be nature-positive by 2030. These targets are supported by a nature strategy developed using the TNFD LEAP approach.

Headquartered in Hong Kong and operating across Asia, the company has varying material dependencies and impacts related to nature. These also vary depending on which aspects of a building's lifecycle the company is involved in because, for example, the impacts of building construction are very different to those of building operation.

The issuer noted challenges with obtaining primary data, particularly within the supply chain for construction. Tools that were found to be beneficial include WWF Biodiversity Risk Filter, Aqueduct, and the Hong Kong Biodiversity Information Hub, which highlights the importance of local data sets.¹

¹ [WWF Biodiversity Risk Filter](#)
[Aqueduct](#)
[Hong Kong Biodiversity Information Hub](#)



Nature considerations for real estate:

- Land use
- Pollution
- Resource use
- Climate change
- Biodiversity

Construction

Impact

Resource use, land-use change and embodied emissions

Action

In 2024, the company piloted evaluations of nature-related dependencies and risks associated with key construction materials such as steel and concrete. The study involved two key suppliers of concrete and one of steel. It evaluated 31 raw material extraction and manufacturing sites supplying sand, cement, limestone, gravel and iron ores. This highlights the need for working with suppliers on nature impacts.

Operation

Impact

Emissions from energy use and pollution

Action

The company is conducting a baseline study across its Hong Kong portfolio. This includes seasonal biodiversity surveys to document conservation value and will provide recommendations for enhancing biodiversity over time through biophilic design.

By conducting an assessment of nature-related risks and opportunities, the company has been able to develop targeted approaches to enhance resilience, reduce climate impacts and improve resource circularity.

Nature action and reporting can be viewed as resource heavy and complex, with many inputs, making it difficult to measure. The issuer, and several others in the engagement, highlighted the value of the TNFD framework in providing the tools to mitigate associated risks, improve transparency on nature management, and enable more-informed decision-making.

Additional Information

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KPIs Summary

The figures below can be used to calculate impacts associated with individual contributions to the portfolio.

Project KPIs	Total Impact/Unit	Impact per A\$m Invested
GHG emissions avoided (annual) ¹	38,943tCO ₂ e	272tCO ₂ e
Electric Installed Capacity	18MW	0.13MW
Electric Energy generated	35,096MWh	245MWh
Energy savings	3,303MWh	23MWh
Added passenger capacity daily	1,068 people daily	7 people daily
Amount of waste treated	682 tonnes/year	5 tonnes/year
Volume of water treated	1,240,535m ³ /year	8,661m ³ /year
Area of land managed	6,333ha	44ha
Jobs created/retained	489 jobs	3 jobs
Green Building Area	18,986m ²	133m ²
Students with access to school	258 students	2 students
Children immunised	764 children	5 children
Thermal energy generated	155MWh	1MWh
Added renewable capacity connected	15MW	0.10MW
Added passenger-distance	258,167 passenger km	1,803 passenger km

Issuer KPIs	Value/Unit
Portfolio scope 1 and 2 WACI	58tCO ₂ e/US\$m
Portfolio scope 1, 2 and 3 WACI	932tCO ₂ e/US\$m
Corporates and Agencies scope 1 and 2 WACI	35tCO ₂ e/US\$m revenue
Corporates and Agencies scope 1, 2 and 3 WACI	1,008tCO ₂ e/US\$m revenue
Sovereign and Regulators scope 1 and 2 WACI excluding LULUCF	232tCO ₂ e/PPP-adjusted GDP US\$m
Sovereign and Regulators scope 1, 2 and 3 WACI excluding LULUCF	372tCO ₂ e/PPP-adjusted GDP US\$m
Sovereign and Regulators scope 1 and 2 WACI including LULUCF	239tCO ₂ e/PPP-adjusted GDP US\$m
Sovereign and Regulators scope 1, 2 and 3 WACI including LULUCF	379tCO ₂ e/PPP-adjusted GDP US\$m

¹ There are accuracy challenges in aggregating emissions avoided figures across issuers due to the variety of methodologies used.

ADDITIONAL INFORMATION

SPECTRUM Eligible Sectors

Investments from the portfolio are made in projects that have positive environmental and social impacts under the eligible sectors of the SPECTRUM taxonomy.

This taxonomy has been developed by the team's deep sector knowledge, long tenure in sustainable investments and with consideration to external best-practice frameworks, such as the EU Taxonomy. Eligibility is continually updated, integrating minimum requirements following changes in technology and regulations. Project sectors are either environmental or social, although there can be crossover.

Environmental Sectors:



Energy

- Renewable-energy generation
- Energy efficiency and renewable-energy storage technologies
- Grid transmission, distribution, and infrastructure efficiencies and resilience
- District heating and cooling infrastructure



Resilience

- Infrastructure and systems aimed at preventing and reducing the impact of climate change, including flood-prevention infrastructure, warning systems and disaster response



Resource Efficiency

- Pollution prevention and remediation: air, water and soil
- Waste management, reduction and recycling
- Circular economy-related activities
- Efficient and lower-carbon manufacturing products and processes



Transport

- Clean and low-carbon public and private fleets and related infrastructure
- Policies and planning supporting the uptake of sustainable transport



Information and Communication

- Infrastructure development and enhanced efficiency of telecommunications and broadband networks
- Computer programming, consultancy and related activities aimed at delivering positive environmental impacts



Land Management and Marine Environment

- Sustainable agriculture and forestry
- Integrated landscape planning
- Biodiversity conservation and ecosystem restoration
- Sustainable enterprise fishing



Water Resource Management

- Water-use efficiency: new and retrofitted water supply and consumption infrastructure
- Water restoration and water-quality management, particularly with innovative materials and technologies, and practices



Buildings

- Buildings certified against recognised sustainability building standards
- Buildings undergoing energy-efficiency improvements

Social Sectors:



Education, Training and Employment

- Access to education, safe schools, teaching materials and teachers, food programmes and financial incentives for families
- Employment training for new and re-entering job seekers in green and new-economy sectors



Global Health

- Access to immunisation and other medical resources and services, through financing, distribution infrastructure and training
- Access to healthcare in the form of hospitals, clinics, trained healthcare workers and information
- Innovation in healthcare products, financing, distribution and services



Empowerment of Women and Vulnerable Groups

- Activities promoting gender equality, e.g. education and training for women and girls
- Access to improved maternal and child-health services
- Social and regulatory services to support protection and resilience of vulnerable and war-ravaged groups



Financial Inclusion and Sustainable Enterprises

- Access to microfinance and financial services in underserved communities through regulation, financial institutions and technology
- Access to funding for SMEs
- Technical, energy and resource-efficiency capacity building for SMEs



Food Security

- Crop insurance and risk-sharing schemes to increase producer resilience to climate and other stresses
- Water-rights institutions to protect access by vulnerable groups
- New cropping techniques and resilient crop varieties
- Expanded market access through financial, regulatory and physical infrastructure



Social Housing

- Affordable housing for vulnerable groups
- Access to credit for housing for disadvantaged groups
- Shelter/temporary housing facilities
- Activities and initiatives addressing homelessness
- Integrated community planning

ADDITIONAL INFORMATION

Glossary and Disclaimers

AASB – Australian Accounting Standards Board
ADB – Asian Development Bank
AFD – Agence Française de Développement
AIM – Affirmative Investment Management
A\$ – Australian Dollar
BREEAM – Building Research Establishment Environmental Assessment Methodology
CDP – Carbon Disclosure Project
CO₂ – carbon dioxide
CO₂e – carbon dioxide equivalent
CSRD – Corporate Sustainability Reporting Directive
DNSH – Do No Significant Harm
EIB – European Investment Bank
ENCORE – Exploring Natural Capital Opportunities, Risks and Exposure
EPA – Environmental Protection Agency
ESG – Environmental, Social and Governance
EV – Electric vehicle
gCO₂e/kWh – grams of CO₂ equivalent per kilowatt hour
GDP – Gross Domestic Product
GHG – Greenhouse Gases
GWh – gigawatt hour
ha – hectare
IBRD – International Bank for Reconstruction and Development (part of the World Bank Group)
IDB – Inter-American Development Bank
IEA – International Energy Agency
IFC – International Finance Corporation
IPBES – Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
ISSB – International Sustainability Standards Board
JFM – Japanese Finance Organisation for Municipalities
KPI – key performance indicator
kWh – kilowatt hour
LEAP – Locate, evaluate, assess and prepare
LEED – Leadership in Energy and Environmental Design
LULUCF – land use, land-use change and forestry
MIM – MetLife Investment Management
MGBF – MetLife Global Bond Fund
MW – megawatt
MWh – megawatt hour
MWp – megawatt peak
NWSC – National Water and Sewerage Corporation
NZA – Net Zero Alignment

OECD – The Organisation for Economic Cooperation and Development
PAI – Principal Adverse Impacts
PCAF – Partnership for Carbon Accounting Financials
PFI – Public Fixed Income
PRI – Principles for Responsible Investment
SASB – Sustainability Accounting Standards Board (now part of IFRS)
SBTi – Science Based Targets initiative
SEC – Securities and Exchange Commission
SDG – Sustainable Development Goals
SFDR – Sustainable Finance Disclosure Regulation
SME – small and medium-sized enterprises
Solar PV – solar photovoltaic
SPECTRUM – verification methodology (see [pg.6](#))
SRS – Sustainability Reporting Standards
SSG – Sustainability Strategies Group
STEM – Science, Technology, Engineering, and Mathematics
TCFD – Task Force on Climate-Related Financial Disclosures
tCO₂e – tonnes of CO₂ equivalent
t/EURm – tonnes per million of EUR revenue
tCO₂e/EURm – tonnes of CO₂ equivalent per million of EUR revenue
tCO₂e/PPP-adjusted GDP US\$m – tonnes of CO₂e per Purchasing Power Parity-adjusted GDP (gross domestic product) in millions of US dollars
tCO₂e/US\$m – tonnes of CO₂ equivalent per million of US dollars that can lead to respiratory problems
TNFD – Task Force on Nature-Related Financial Disclosures
TPI – Transition Pathway Initiative
UNGC – United Nations Global Compact
WACI – Weighted Average Carbon Intensity

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Contact:

E: katie.house@metlife.com

E: kate.temby@metlife.com