

MetZero™ Program NAREIM Asset & Portfolio Management Conference

June 2021

Overview

The MetZero™ program is designed to achieve carbon neutrality through a “[Carbon Cascade™](#)” of energy efficiency, renewable energy, carbon offset, and renewable energy credit (REC) investments.

OBJECTIVES:

- **Help set the standard for “carbon neutrality” in commercial real estate, as more peers and competitors take steps to reduce emissions.**
- **Increase the resilience and marketability of our properties, improve the tenant experience, and make high-return property improvements that will be accretive to the value of the portfolio.**
- **Buffer portfolio performance against a variety of risks—including physical climate risk, increased tenant demand for ESG features, and transition risk from increased carbon and energy regulation.**

We launched this program to continue MIM’s leadership in sustainability, enhance asset value, and “future proof” our properties.

Sustainability Goals

Over the next 10 years and beyond, we hope to achieve the following:

| | |
|--------------------------|--|
| Carbon Neutrality | <ul style="list-style-type: none">• Achieve & maintain carbon neutrality• Reducing net emissions year over year |
| Power Quality | <ul style="list-style-type: none">• Derive 100% of electric power from renewable sources by 2030 |
| Energy Intensity | <ul style="list-style-type: none">• Reduce portfolio average building energy intensity by 12.5% from 2020 to 2025 |
| Renewables | <ul style="list-style-type: none">• Install renewable energy capacity equal to at least 7.5% of total portfolio electricity demand by 2025 |
| Certifications | <ul style="list-style-type: none">• Maintain portfolio whereby at least 75% of office assets and 50% of apartment assets have “green” certifications• Improve annual GRESB survey scores & rankings |

How can MIM portfolios achieve meaningful carbon reduction?

Carbon neutrality is too often achieved by solely balancing greenhouse gas emissions with a purchased volume of RECs and carbon offsets certificates.

MetZero™ means that MIM will be well prepared to adapt to—and lead—the transition to a low carbon economy.

METZERO™ MEANS TAKING THIS A STEP FURTHER:

Prioritizing activities that alter the emissions profile of our properties.

We include emissions from both common areas and tenant premises, including Scopes 1, 2 and 3.

Gross property emissions are reduced where possible through low/no cost improvements and CapEx investments that cut costs.

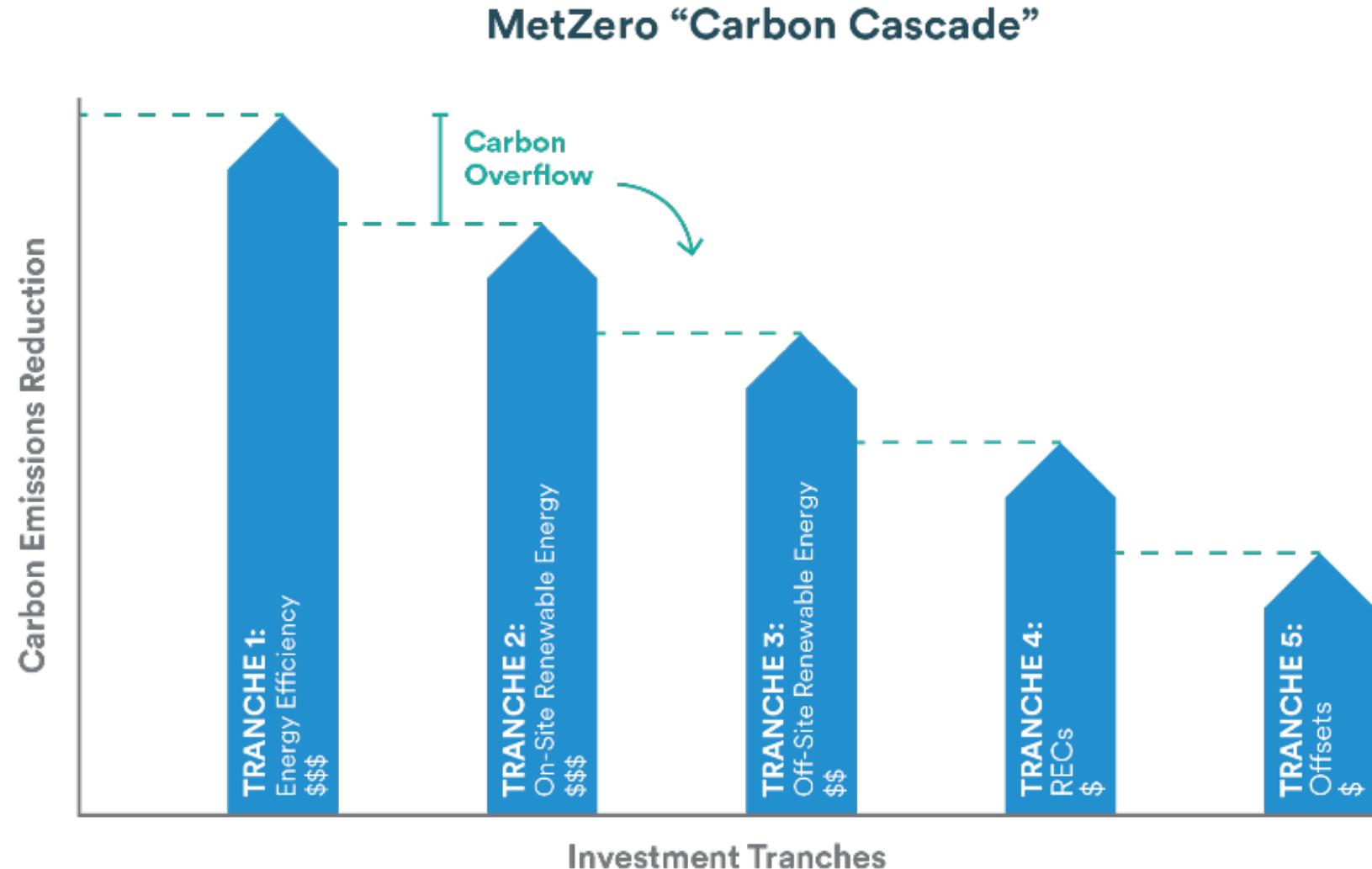
Electricity consumption is mitigated through green power procurement and, where it makes sense, on-site renewable energy.

The remainder of emissions are offset by high-quality RECs and offsets, with a priority placed on impactful carbon products.

Carbon Cascade™

MetZero™'s activities are organized around what we call a **Carbon Cascade™** where emissions are systematically lowered through a series of investment tranches. This method prioritizes activities that are accretive to property value and decrease operating costs.

All five tranches have initiatives currently underway or already completed for 2021.



Pathway to Carbon Neutrality

We will initially achieve carbon neutrality through the purchase of RECs and offsets to balance these emissions. We will reduce our reliance on RECs and offsets through energy efficiency, renewables, and clean power procurement over time.



Key Accomplishments to Date

- Completed 2019 and 2020 **greenhouse gas (GHG) inventories** and began tracking trends over time
- Conducted **energy conservation measure (ECM) survey** for all properties and incorporated new efficiency projects into 2021 business plans
- **Selected vendors** for on-site solar, green power procurement, RECs, and carbon offsets
- Assessed **rooftop solar potential** and began project development at multiple properties
- **Purchased RECs and offsets** to become carbon neutral with respect to building energy consumption in our portfolio for calendar year 2020

Tenant Partners Program

Select MetLife Investment Management portfolios launched a program to assess tenant interest in carbon neutrality and partner with key tenants on reductions and goal-setting. The Tenant Partners Program assists in tackling a major industry challenge to obtain more tenant utility data, giving a clearer picture of the steps needed to achieve MIM's reduction goals. Of the tenants who responded to this survey, 61% expressed interest in engaging with MIM on at least one of the following activities:



Switching to green power

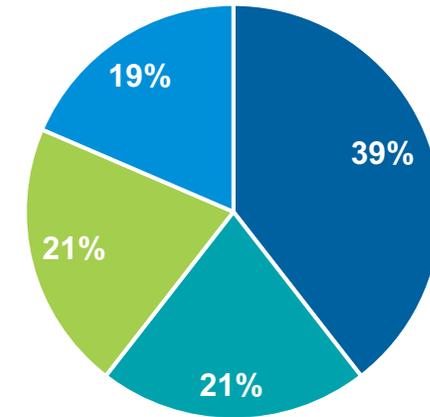


Participating in the ENERGY STAR® for Tenants program



Partnering with MIM to plan & execute an energy efficiency upgrade

Number of Tenants Interested in Engaging with MIM



- Not Interested at All
- Interested in 2 Categories
- Interested in 1 Category
- Interested in All 3 Categories

MetZero™ Priorities for 2021

- Continue to engage with energy broker to establish **green power procurement** contracts in select states
- Expanding the **Tenant Partners Program** to align around carbon reduction goals
- Striving to **improve tenant data collection** through quarterly outreach, quality control reports, and software
- **Tracking ongoing implementation** and carbon impact of efficiency and renewable energy improvements
- Evaluating **opportunistic mid-year purchases** and/or multi-year purchase contracts for RECs and offsets to reduce cost and increase additionality
- Including **green lease provisions** for new and renewed leases
- Establishing **ESG Development Guidelines**



Thank you