

Corporate Sustainability Report

2021



Contents

1: Introduction to Brighthouse Financial	3	5: People	32
A Message From Our President and CEO	4	Valuing Our Employees	33
Company Overview	5	Diversity, Equity, and Inclusion	34
Our Culture and Values	6	Being a Great Place to Work	38
		Supporting Our Communities	44
2: Sustainability	7		
Sustainability	8	6: Helping People Achieve Financial Security	45
Our Strategic Approach	9	Responsible Products	47
Insights From 2021	11	Financial Education	50
Sustainability Governance	13	Building Enduring Partnerships	51
3: Corporate Governance	14		
Effective Governance Practices	15	7: Climate Change and the Environment	53
Commitment to Ethics and Integrity	19	Climate Governance	54
Risk Management	22	Climate-Related Risks	56
		Strategy, Management, and Resilience	61
		Corporate Footprint	65
4: Sustainable Business Operations	24		
Cybersecurity and Data Privacy	25	8: Appendices	66
Responsible Investments	27	Stakeholder Engagement	67
Supplier Diversity	31	ESG Materiality Assessment	70
		SASB Index	71
		TCFD Index	73

Section 1:

Introduction to Brighthouse Financial



Section 1: Introduction to Brighthouse Financial

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

A Message From Our President and CEO

I am pleased to present Brighthouse Financial's inaugural Corporate Sustainability Report, which represents the latest step in our company's ongoing journey to integrate environmental, social, and governance (ESG) factors across our organization and culture. As one of the largest providers of annuities and life insurance in the U.S., we believe that sustainability is inherent in our mission to help people achieve financial security, and that as we continue to strengthen our approach to ESG integration, we will be better positioned to deliver sustainable, long-term value for our shareholders and keep our promises to our customers.

Guided by our Office of Sustainability, we achieved significant milestones in our sustainability journey in 2021. These include the completion of our company's first ESG materiality assessment; the launch of a public webpage featuring key ESG data points; the creation of an internal, cross-functional climate risk working group; and the incorporation of diversity, equity, and inclusion (DEI) performance factors into our executive compensation program.

Throughout this report, you'll find many examples of how sustainability is integrated into our company's strategy, mission, and culture, which is built on our three core values of collaboration, adaptability, and passion. These values are brought to life every day by our employees, who are foundational to our success. We prioritize caring for our employees and continually seek new ways to remain a great place to work, which includes our ongoing commitment to advance DEI initiatives across our company. In addition, we're honored to be trusted by over 2 million customers¹ to help them protect what they've earned and ensure it lasts, and we continuously strive to provide the best possible products and service to our customers and distribution partners.

I want to thank our stakeholders for the valuable input they have provided on Brighthouse Financial's sustainability program throughout 2021. We seek to provide our stakeholders with an accurate and balanced view of our company's annual ESG performance; and as we continue to engage in active dialogue, solicit input, and respond to feedback, we remain committed to greater transparency as we enhance our ESG disclosures over time. I hope you enjoy reading about sustainability at Brighthouse Financial, and I look forward to updating you on our progress.

Eric Steigerwalt

President and CEO, Brighthouse Financial



Section 1: Introduction to Brighthouse Financial

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Company Overview²

ABOUT BRIGHOUSE FINANCIAL: Brighthouse Financial, Inc., headquartered in Charlotte, NC, is one of the largest providers of annuity and life insurance products in the U.S.³ We are built on a foundation of experience and knowledge, which allows us to keep our promises and provide value to our distribution partners and the clients they serve. Through its insurance company subsidiaries, Brighthouse Financial is licensed to issue life insurance and annuity products in all 50 states.

#468 | on the 2022
FORTUNE® 500 list⁴

OUR PURPOSE: We are on a mission to help people achieve financial security. We specialize in products designed to help people protect what they've earned and ensure it lasts.

OUR PRODUCTS: We offer two types of products:

Annuities: Our products include variable, fixed, index-linked, and income annuities.

Life Insurance: Our products include term, universal, whole, and variable life insurance.

OUR HISTORY: Brighthouse Financial traces its roots back to the Travelers Insurance Company, founded in 1863 in Hartford, CT. About 75 years later, the first annuity contract issued by Travelers Insurance Company started the annuity and life insurance product mix that Brighthouse Financial still has today. Decades later, in August 2017, Brighthouse Financial, Inc. became an independent, publicly traded company when it completed its separation from MetLife, Inc.



≈1,500 employees



2M+ customers



\$118B+ total invested assets held in General Account

Section 1: Introduction to Brighthouse Financial

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Our Culture and Values

At Brighthouse Financial, we foster a culture where diverse backgrounds and experiences are celebrated, and different ideas are heard and respected. We believe that by creating an inclusive workplace, we're better able to attract and retain talent and provide valuable products that meet the needs of our distribution partners and our customers.

The strength of our culture is rooted in our three core values, which guide how we work together to deliver on our mission.



Collaborative: We foster an inclusive environment by building trust and respectfully working together.



Adaptable: We focus on what matters and evolve as necessary to grow the long-term value of our business while helping employees build fulfilling careers.



Passionate: We bring care and thoughtfulness to our work and consistently strive for high performance in everything we do.

We believe these values help us build an organization where talented people from all backgrounds can make meaningful contributions to our success while growing their careers.

AWARDS AND RECOGNITION

- America's Most Trustworthy Companies, Newsweek, 2022
- Healthiest Employers of Greater Charlotte, Charlotte Business Journal, 2019-2022
- Recognized by the Women's Forum of New York at the 2021 Breakfast of Corporate Champions for our Board's gender diversity
- Barron's, Best Annuities, 2021

Section 2:

Sustainability



Section 2: Sustainability

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

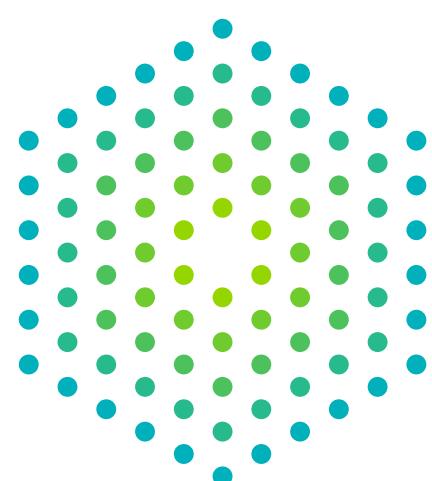
Sustainability

We define sustainability as the **strategic integration of relevant Environmental, Social, and Governance factors throughout our organization and culture.** We recognize that responsible business practices are critical for driving long-term value for our shareholders and promoting a sustainable future for all.

We established our **Office of Sustainability** in 2020 to help guide the development and implementation of our sustainability strategy and initiatives. Led by our Chief Sustainability Officer (CSO), the Sustainability team works cross-functionally with internal business partners to execute our ESG strategy. We believe that using an integrated approach can more effectively turn our ESG commitments into outcomes and drive sustainable business practices forward – keeping us accountable to our stakeholders and addressing their concerns.

Throughout 2021, we enhanced our sustainability program by:

- Deepening our stakeholder engagement practices
- Embedding material ESG considerations into strategic business areas
- Increasing transparency around our sustainability performance through enhanced reporting



Section 2: Sustainability

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Our Strategic Approach

We strive to build a company that considers and responds to the expectations and interests of all Brighthouse Financial stakeholders, including our customers, distribution partners, employees, institutional investors and other shareholders, regulators, and the communities in which we live and work. We believe that by taking a stakeholder-inclusive approach, we can more effectively anticipate unforeseen risks and identify value-based opportunities related to ESG.

In 2021, our Office of Sustainability instituted a robust framework and processes to respond to the rapidly evolving ESG landscape. Drawing on guidance and recommendations from recognized experts and standard-setting bodies, our ESG framework was designed to **identify, prioritize, and respond** to the factors most relevant to our company and our stakeholders.

IDENTIFY | Monitoring, Research, and Engagement

Our comprehensive ESG factor identification process finds topics for potential inclusion within our sustainability strategy and disclosures. As part of this process, we focus on:

Macro-level Trends: Recognizing the dynamic nature of ESG, we continuously monitor new developments in market conditions, industry trends, regulatory activity, and social expectations to ensure we understand and can respond to emerging risks and opportunities.

Sustainability Framework Benchmarking: We evaluate prevalent standards and reporting frameworks, some of which include the Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (UN SDGs), to identify key ESG performance indicators, material risks to the company, and potential topics for disclosure.

Multi-stakeholder Engagement: Using a range of engagement methods and communication platforms, we participate in ongoing dialogue with various stakeholder groups to solicit input and understand expectations regarding our ESG strategy.

PRIORITIZE | ESG Materiality Assessment

Our materiality assessment underpins and informs our sustainability strategy and reporting. To prioritize the ESG factors identified as part of our process, we analyze, measure, and map each factor by stakeholder interest and potential impact.

We perform this assessment under the concept of double materiality – assessing how ESG factors may affect our company as well as any impacts our operations may have on the environment, economy, or society, whether positive or negative. By mapping all relevant factors by interest and impact, we strive to ensure that our ESG priorities are determined in a fair and balanced way.

Section 2: Sustainability

Introduction

Sustainability

Governance

Operations

People

Financial Security

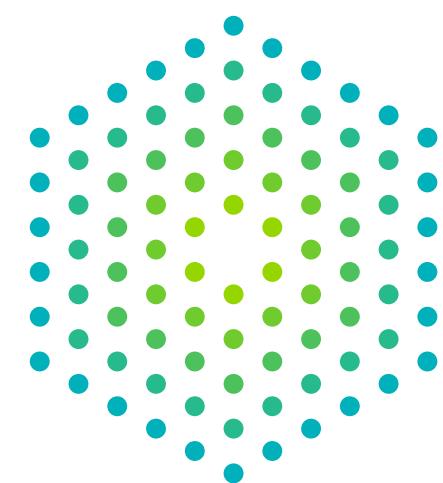
Climate

Appendices

Our Strategic Approach (Continued)

RESPOND | ESG Initiatives, Disclosure, and Future Goals

Informed by the results of our materiality assessment, the Office of Sustainability collaborates with internal business partners to help develop short-term, actionable goals aligned with our priorities; implement new ESG-related initiatives; measure and disclose our company's performance; and set future goals.



Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Section 2: Sustainability

Insights From 2021

In 2021, we participated in active dialogue with over 50 Brighthouse Financial stakeholders on ESG-related topics. Throughout the year, the timing, frequency, and methods used to collect feedback varied by stakeholder group. Examples include investor engagement calls, regular employee engagement and pulse surveys, periodic regulatory consultations, annual third-party ESG data surveys, feedback forums with our distribution partners, and participation in sustainability industry conferences and events.

We also relied on research and guidance from recognized ESG experts, including non-governmental organizations (NGOs), think tanks, and sustainability standard-setting organizations. For more details regarding our engagement activity, see [2021 Stakeholder Engagement](#).

ESG PRIORITIES

Human Capital Management

Various macroeconomic trends shaping the labor market – from remote work to the Great Resignation – have highlighted a profound shift in the values and expectations of today's workforce. In 2021, investors, regulators, and employees remained highly focused on human capital management issues, seeking greater insight into how companies drive engagement, promote a healthier work-life balance, and provide career-building opportunities for their employees.



Diversity, Equity, and Inclusion

As communities continue to rebuild from the devastating impacts of COVID-19, this moment presents a critical opportunity for companies to foster an inclusive economic recovery that drives sustainable, equitable growth.

At Brighthouse Financial, we are committed to advancing DEI across our organization and culture by promoting equality and social inclusion through various business policies and practices, including our talent acquisition strategy, employee engagement, procurement decisions, and strategic partnerships with community organizations and industry peers.



Section 2: Sustainability

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Insights From 2021 (Continued)

Climate Change and the Environment

Throughout 2021, climate change and global warming impacted communities, economies, and natural ecosystems worldwide. Recognizing an urgent need for climate action, many investors and regulators expressed clear expectations for companies to prioritize efforts to address climate risks and environmental issues in 2021.



Cybersecurity and Data Privacy

Over the past decade, an exponential increase in cybercrime incidents and data security breaches has plagued companies across industry sectors. Widespread adoption of digitization and outsourced cloud computing services has heightened exposure to these risks, with the potential for impacts to manifest through various means – from malicious attacks to natural disasters. Given the evolving cybersecurity risk landscape, we remain vigilant against emerging threats and continue to prioritize the information security and privacy of our customers and our business.



Transparent and Responsible Products

Our obligation as a life insurance and annuity company extends beyond our shareholders to ensuring we deliver on our commitments to customers. Given the various risks that can surface across our value chain and along different timelines – from our marketing practices to our product disclosures – stakeholders demonstrated more interest in understanding our company's approach to responsible product governance in 2021.



Section 2: Sustainability

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

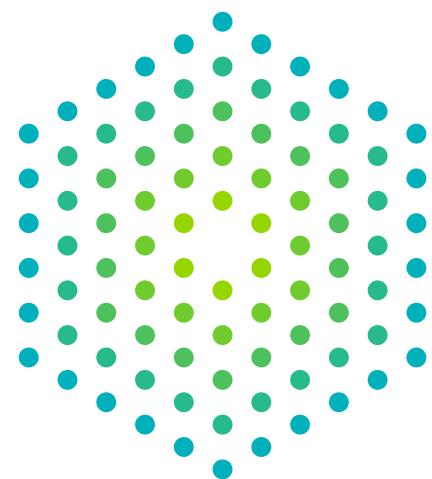
Sustainability Governance

Our Board of Directors (Board) and **Nominating and Corporate Governance Committee** (NCGC) oversee our corporate sustainability program and related initiatives. The CSO regularly engages with our Board and the NCGC, providing progress updates on our sustainability strategy and relevant emerging ESG risks or opportunities.

Because ESG issues can manifest as business risks and opportunities in different ways, oversight of specific ESG topics are distributed across various Board committees, depending on the nature of the issue and potential impacts.

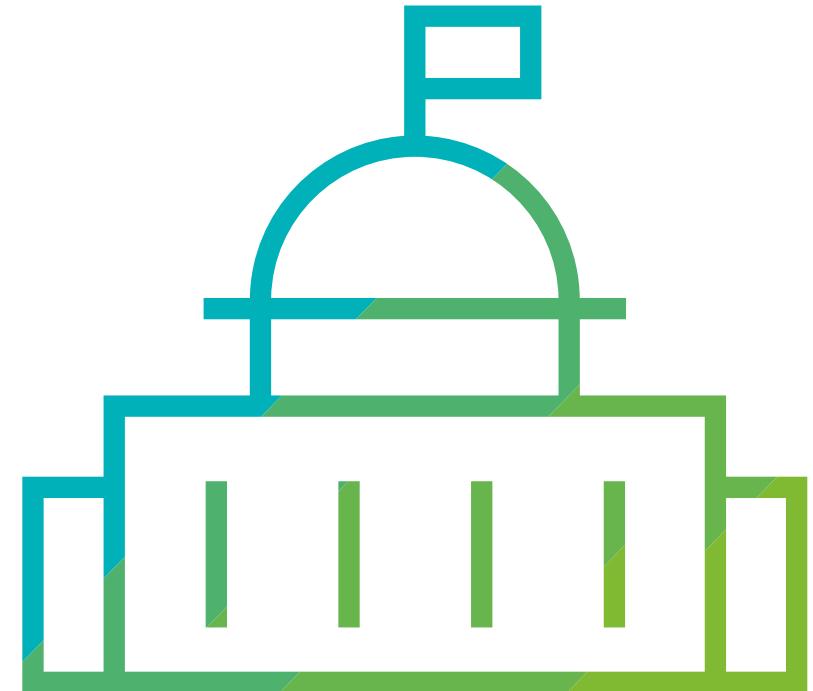
- The **Audit Committee** oversees risks related to our processes and controls for financial reporting and certain other public disclosure, regulatory compliance, operational risk, third-party risk management, and cybersecurity.
- The **Compensation and Human Capital Committee** oversees our human capital management strategy, including initiatives to advance DEI, pay equity, talent and leadership development, culture, and strategic workforce and succession planning.

- The **Finance and Risk Committee** provides broad oversight of our company's enterprise risk management and risk profile. This includes oversight of ESG issues as they may relate to credit, market, liquidity, and operational risk (which includes model, cybersecurity, and third-party risk).
- The **Investment Committee** oversees the management of our company's investment portfolio, including our ESG Investment Policy, strategy, and objective; our external asset management program; and the potential implications of our investment portfolio's exposure to ESG-related risks.



Section 3:

Corporate Governance



Section 3: Corporate Governance

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Effective Governance Practices

Good governance supports our Board's ability to oversee the management and execution of our company's business strategy and objectives. To help further our commitment to appropriately serve the best interests of our company and consider the interests of our stakeholders, our Board and committees regularly review the company's governance profile to ensure it reflects the most appropriate standards for our company as we evolve.

KEY GOVERNANCE PRACTICES IN 2021

Board Structure and Independent Oversight

- Independent, non-executive chairman
- Majority of independent directors (8 out of 9 directors)
- Five fully independent committees: Audit, Compensation and Human Capital, Finance and Risk, Investment, and Nominating and Corporate Governance

Board Effectiveness

- Proactive assessment of board composition and effectiveness
- Comprehensive annual self-assessment of the Board, committees, and individual directors
- Robust risk oversight framework to assess and manage risks
- Orientation for all new directors
- Continuing education opportunities to develop and enhance directors' skills and knowledge

Responsiveness and Accountability

- Robust and proactive shareholder engagement program
- Transparent disclosure of executive compensation program
- Annual assessment of committee charters and the Board's Corporate Governance Principles
- Annual election of directors

Voting Rights and Shareholder Democracy

- One class of common stock with equal voting rights, entitling all shareholders to one vote per share
- Virtual access to the Annual Meeting of Stockholders (Annual Meeting), which facilitated shareholder participation during the pandemic
- Shareholders were able to ask questions in advance of and during the Annual Meeting

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

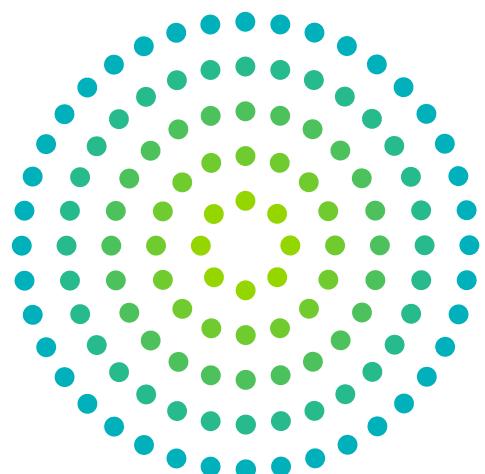
Effective Governance Practices (Continued)

COMMITMENT TO BOARD DIVERSITY

We believe that a diverse Board can more effectively oversee our company's management and strategy and better position Brighthouse Financial to deliver long-term value for our shareholders.

The Board seeks directors who possess a broad range of skills, experience, and perspectives and contribute to the gender and racial or ethnic diversity of our Board. The Board considers diversity when recruiting and nominating new directors for election and assessing the effectiveness of the Board.

By bringing together a broad range of skills, experience, and perspectives, greater Board diversity allows for richer discussion and more effective decision-making, which better positions us to consider the interests of our stakeholders and deliver sustainable, long-term value for our shareholders.



Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Effective Governance Practices (Continued)

2021 BOARD DIVERSITY DATA

Brighthouse Financial is a signatory to the [Board Diversity Action Alliance](#).



■ Women
■ Men



■ Black/African American
■ Asian
■ White/Caucasian



■ Diverse
■ Non-Diverse

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

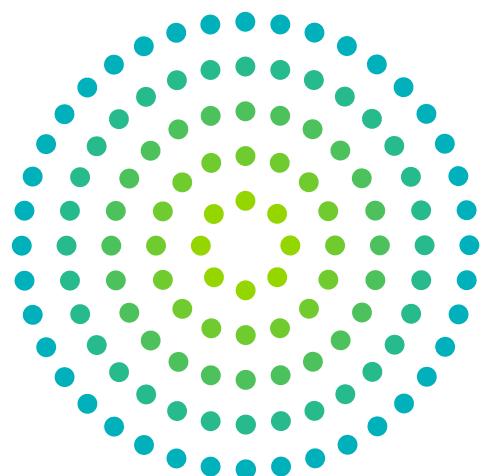
Appendices

Effective Governance Practices (Continued)

INCORPORATION OF DEI FACTORS INTO OUR EXECUTIVE COMPENSATION PROGRAM

Demonstrating the importance of DEI to our company's strategy and ability to deliver sustainable growth, the Compensation and Human Capital Committee updated our executive compensation program in 2021 to incorporate DEI factors into qualitative performance assessments of certain members of senior management. The Compensation and Human Capital Committee considered their individual achievements with respect to DEI, including increasing representation of underrepresented populations among officers and those in the succession pipeline, developing diverse employees, fostering an inclusive environment, and other actions to support and advance the Brighthouse Financial DEI strategy.

For more information detailing the structure, oversight responsibilities, policies, and practices of our Board and its committees, see our [2022 Proxy Statement](#) or access our corporate governance documents by visiting the [Brighthouse Financial Investor Relations](#) webpage.



Section 3: Corporate Governance

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Commitment to Ethics and Integrity

We strive to always adhere to the highest standards of business conduct – putting honesty, fairness, and trustworthiness at the center of all we do. We substantiate these values and principles through various company policies, guidelines, and the [Brighthouse Financial Codes of Conduct](#) for directors and employees, as applicable.

BUSINESS CONDUCT AND WORKPLACE POLICIES

Our policies, guidelines, and codes of conduct are designed to promote and uphold strong ethical awareness and integrity across our company, covering topics such as:

- [Anti-Corruption and Bribery](#)
- [Anti-Fraud](#)
- [Antitrust and Competition](#)
- [Confidentiality of Information](#)
- [Conflicts of Interest](#)
- [Gifts and Entertainment](#)
- [Insider Trading](#)
- [Money Laundering Prevention and Sanctions](#)

WORKPLACE BEHAVIOR AND POLICY AGAINST SEXUAL HARASSMENT AND OTHER DISCRIMINATORY HARASSMENT

Brighthouse Financial is firmly committed to fostering a culture where everyone is treated with dignity and respect. Employees are prohibited from engaging in actions and using words of a sexual or discriminatory nature and harassing or intimidating other individuals based on their personal characteristics, including race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), sexual orientation, gender identity or expression, age, disability, national origin, marital or domestic/civil partnership status, genetic information, citizenship status, uniformed service member or veteran status, or any other characteristic protected by applicable federal, state, or local law.

Our **No Tolerance of Harassment and Discrimination Policy** helps ensure our workplace is a welcoming environment.

Our **Speak Up and Non-retaliation Policy** encourages employees to share their concerns by guaranteeing their protection against retaliation for reporting, in good faith, any suspected unethical or illegal conduct.

Section 3: Corporate Governance

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Commitment to Ethics and Integrity (Continued)

COMPLIANCE

Our **Regulatory Risk Management (RRM) Program** was established to manage regulatory risk across the company, both within and across company organizations and subsidiaries. The RRM Program is an ongoing, proactive, company-wide evaluation of current and potential regulatory risks, establishing processes for the identification, assessment, monitoring, testing, and reporting of such risks. The program is intended to reasonably assure management that:

- Ownership of compliance risks and mitigating control activities are assigned to appropriate owners
- Effective processes and controls are established and maintained to ensure that the company adheres to applicable laws and regulations
- Controls are subject to ongoing monitoring and testing to identify and mitigate regulatory risk
- Issues uncovered by the RRM Program are appropriately remediated and reported to senior management

Compliance performs **quarterly risk assessments** of our company's business processes, risks, and controls, with additional risk assessments performed on an as-needed basis. Risk assessments serve to identify the inherent risks of operating in a regulated industry; assess the business policies, procedures, and controls that mitigate such risks; and document the residual risk that such inherent risks pose to our company. Risk assessments are conducted in accordance with the Brighthouse Financial risk assessment standards, categorizing the severity of risks posed as low, medium, high, or critical impact.

EMPLOYEE TRAINING, COMMUNICATION, AND AWARENESS-RAISING

To help maintain a safe and productive workplace, we establish and oversee programs to build awareness and train employees on important standards, policies, and procedures, as required by applicable regulations, company policy, or best practices.

In 2021, the Learning and Development team partnered with Compliance, Human Resources, and Corporate Risk Management (CRM) to administer the following **eight mandatory training courses**:

- **Inclusive Mindset for Committed Allies**
- **Anti-Money Laundering**
- **Preventing Workplace Harassment**
- **Cybersecurity: Vishing**
- **Fraud Prevention and Detecting Elder Abuse**
- **HIPAA/Privacy**
- **Code of Conduct**
- **Annual Compliance Meeting (Registered Representatives)**

Annually, employees are required to review and certify compliance with the Brighthouse Financial Code of Conduct for Employees.

Section 3: Corporate Governance

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Commitment to Ethics and Integrity (Continued)

Employees also complete more extensive mandatory training on the Code of Conduct on a biannual basis. All new employees are required to complete a course that summarizes key points from the eight mandatory training sessions listed above and the Brighthouse Financial Code of Conduct training within 30 days of their start date.

In addition to business conduct training, Compliance spotlights business ethics topics during **Ethics Awareness Month** by distributing more frequent, elevated awareness-raising communications to all employees. As part of this content series, Compliance partners with Corporate Communications to record and publish podcasts featuring senior leaders discussing key business ethics topics. Employees are encouraged to share their thoughts about ethical behavior during this content series.

REPORTING ILLEGAL OR UNETHICAL BEHAVIOR

Compliance helps to ensure employees are well-informed of our company's clearly defined reporting and escalation process through regular communication and awareness-raising. This process requires all employees to immediately report any violation or potential violation of law, regulation, or company policy to Compliance.

Employees, along with external stakeholders, are also provided the option to anonymously report allegations through our **Whistleblower Hotline**, which is managed by an unaffiliated third-party vendor.

Section 3: Corporate Governance

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Risk Management

STRONG RISK MANAGEMENT

Our risk management framework is designed to address key risks facing Brighthouse Financial. Led by our Chief Risk Officer (CRO), the CRM team collaborates with leaders and supports employees across the organization to ensure that risks are properly identified, measured, aggregated, reported, and managed in a manner consistent with the Brighthouse Financial Risk Appetite Statement (RAS).

Functioning as a structurally independent business unit, CRM maintains and oversees multiple risk programs, including **credit risk, market risk, strategic risk, and operational risk** (which includes our third-party, cybersecurity, and model risk management programs). Through this comprehensive risk governance framework, CRM helps ensure that appropriate policies, standards, and procedures are embedded into our company's business and strategic decision-making processes.

The Brighthouse Financial Operational Risk Management Policy also defines roles and responsibilities for managing operational risk across our company's various business departments.

THIRD-PARTY RISK MANAGEMENT

We contract with third-party vendors to perform or support various business activities across our operations. To help ensure effective management of the potential risks that may arise from utilizing outsourced vendor services, the Third-Party Risk Management (TPRM) Program establishes rigorous standards, procedures, and controls to be integrated into our procurement process and ongoing vendor management activities.

Overseen by the Chief Compliance Officer, TPRM provides oversight and assessment of a vendor's control environment to ensure that they effectively execute their contractual responsibilities and safeguard the integrity, confidentiality, and availability of company and customer data. In collaboration with internal business partners, TPRM helps to identify, measure, mitigate, and monitor third-party risk throughout a vendor's entire lifecycle, from onboarding to termination.

RISK CULTURE

Our approach to promoting a strong risk culture focuses on:

- Strong risk governance
- Accountability and transparency
- Effective risk management
- Efficiency and cost control
- Risk awareness

Section 3: Corporate Governance

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Risk Management (Continued)

RISK CULTURE

Our risk management model uses a coordinated “**three lines of defense**” approach to facilitate transparency and accountability across the organization.

First Line of Defense: Every Brighthouse Financial employee and department is responsible for managing operational risk as our first line of defense – acknowledging that employees are most familiar with risks associated with their daily business activities.

Second Line of Defense: Corporate Risk Management, Compliance, Cybersecurity, IT Risk Management, Financial Controls Department, and Third-Party Risk Management organizations provide oversight, monitoring, and subject matter expertise to support sound risk management.

Third Line of Defense: The Internal Audit department provides independent and objective assurance and consulting services to ensure that risk management governance, policies, and procedures are effective and being carried out appropriately.

CRM developed a Risk Management Fundamentals course for our company-wide employee training curriculum. The mandatory course reinforces key risk concepts and risk management responsibilities common to all employees – helping to ensure employees remain vigilant and are empowered to proactively identify and report potential or emerging risks.

For more information on our risk governance and oversight, see our [2022 Proxy Statement](#).

Section 4:

Sustainable Business Operations



Section 4: Sustainable Business Operations

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Cybersecurity and Data Privacy

We understand the importance of maintaining strong cybersecurity and privacy programs, and we are committed to protecting the security, confidentiality, and integrity of the personal information collected by or on behalf of Brighthouse Financial.

We continuously monitor and evaluate the evolving cybersecurity risk landscape and remain vigilant in taking proactive measures to address emerging threats. In addition to respecting the privacy rights afforded to consumers by various federal and state laws, our cybersecurity and data privacy programs and related policies establish a robust operational framework and standards for the collection, storage, and management of personal data across our company – applicable to all employees and third-party vendors.

The Information Security team conducts independent oversight and governance activities to ensure our information assets are adequately protected, including Brighthouse Financial's applications, networks, and data. Key activities include:

- Establishing robust policies and standards
- Cybersecurity risk assessments
- Threat and vulnerability assessments
- Cybersecurity awareness and education training
- Access and identity management
- Business resiliency and disaster recovery

In 2021, the Information Security team completed a risk assessment of internal processes and controls in alignment with the **U.S. National Institute of Standards and Technology (NIST) Cybersecurity Framework**. The results of this assessment confirmed the rigor of our cybersecurity and data privacy management practices.

OUR PROCESSES AND INFRASTRUCTURE

As part of the Brighthouse Financial Resilience and Response Policy, our Cybersecurity Incident Response Plan establishes standards and procedures for identifying, evaluating, and responding to events with the potential to disrupt, damage, or impact assets critical to safeguarding our information security.

The data privacy program is also subject to periodic internal audits to verify compliance with company policies and applicable laws, in addition to quarterly risk assessments to verify that privacy controls are functioning effectively.

Through the Security Awareness Program, we provide our employees with regular cybersecurity training and educational resources to help ensure they remain vigilant against threats. This includes frequent simulations, newsletters, alerts, email reminders, and a mandatory annual cybersecurity awareness training course for all employees. In addition to company policies being available to all employees, awareness training provides clear reporting and escalation processes in the event of suspicious activity.

Section 4: Sustainable Business Operations

Cybersecurity and Data Privacy (Continued)

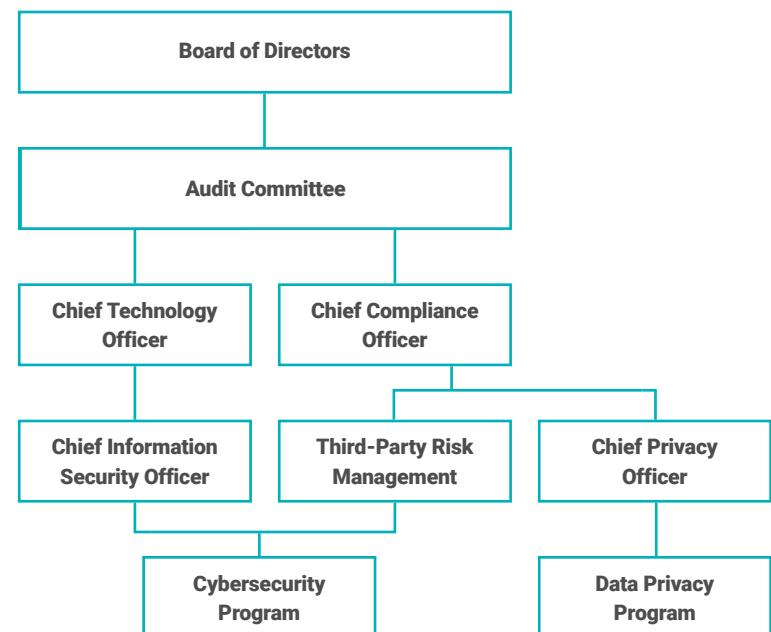
2021 EMPLOYEE TRAINING HIGHLIGHTS

- As part of **Cybersecurity Awareness Month**, Brighthouse Financial administers augmented employee training each year. This year, our campaign focused on “**voice phishing**” or “**vishing**” – a popular type of cybercrime that involves the stealing of personal or financial information over the phone. As part of our campaign, we explored the different emotions that criminals typically exploit to manipulate intended victims.
- Over the course of 2021, our Security Awareness Program covered topics, including **anti-fraud, money laundering prevention, privacy, phishing, ransomware, and social engineering**.
- Throughout the year, the Information Security team administers periodic phishing campaigns with a **targeted success rate of over 90%**. As we continued to increase the complexity of these campaigns to ensure employee vigilance, **we consistently met this goal throughout 2021**.

BRIGHTHOUSE FINANCIAL PRIVACY POLICIES

We are committed to collecting the minimum amount of personal information necessary to support or administer our business. More information regarding how we collect, use, share, and retain customer data can be found by accessing [our privacy policies](#).

MANAGEMENT AND OVERSIGHT OF CYBERSECURITY AND DATA PRIVACY PROGRAMS



Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Section 4: Sustainable Business Operations

Responsible Investments

Our ability to deliver on our commitments to customers begins with a responsible investment strategy that aims to achieve optimized, sustainable returns.

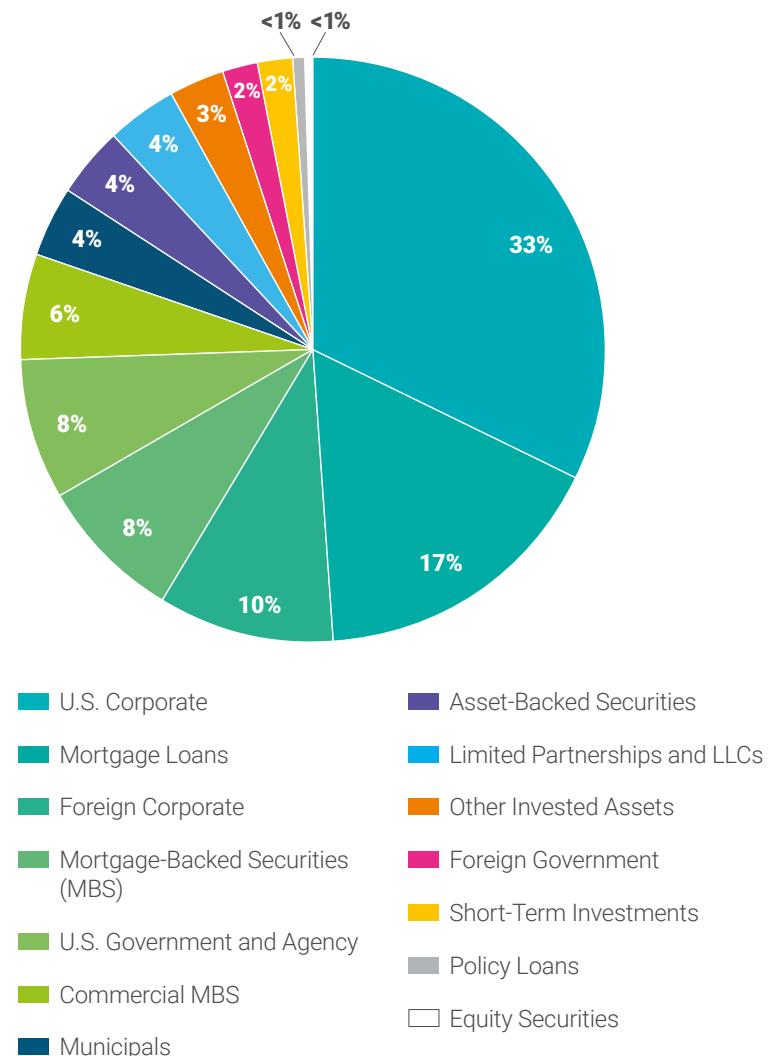
As of December 31, 2021, our General Account portfolio held more than \$118 billion in total invested assets.

FOUNDATIONS OF OUR INVESTMENT STRATEGY

- Disciplined risk management culture
- Well-diversified, high-quality portfolio
- Strong emphasis on asset liability management
- Sufficient liquidity
- Integration of ESG considerations

GENERAL ACCOUNT

Portfolio Composition by Asset Class⁵



Section 4: Sustainable Business Operations

- Introduction
- Sustainability
- Governance
- Operations**
- People
- Financial Security
- Climate
- Appendices

Responsible Investments (Continued)

INVESTMENT MANAGEMENT MODEL

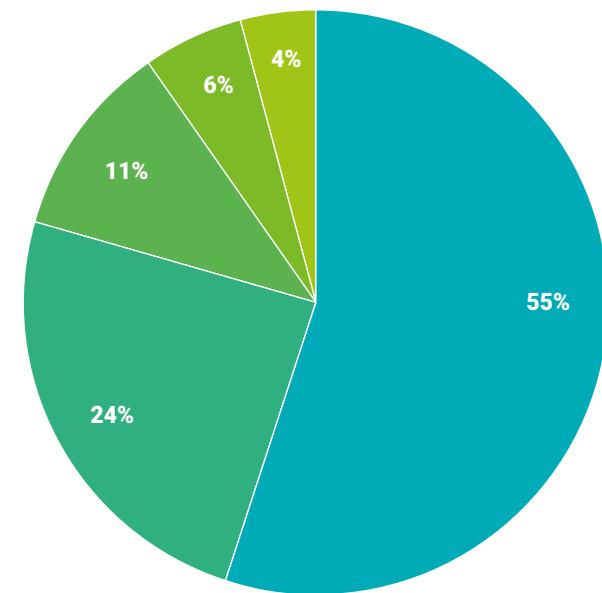
Brighthouse Financial primarily utilizes an outsourced investment management model in which we engage experienced external managers to conduct asset allocation, investment, and other management activities. In addition, the Brighthouse Financial Investments team monitors portfolio positioning and engages with external managers on an ongoing basis, helping to ensure that our investments are managed to risk/return expectations.

OUR APPROACH TO ESG

As long-term investors, we recognize the various financial implications that ESG and climate-related issues may have on our investments. While the timing, likelihood, and severity of such issues is unpredictable, we believe that the integration of ESG considerations into our investment management process strengthens our ability to anticipate and respond to emerging risks; identify value-based opportunities; and conduct a deeper, more holistic analysis of our investment portfolio.

In 2021, we held \$8.8 billion in ESG-related and impact investments across our General Account portfolio, representing an increase of \$980 million from 2020 and primarily driven by purchases of **Green and Sustainable Investments** and **Municipal Bonds**.

ESG AND IMPACT INVESTMENTS



- Municipal Bonds, \$4.88B
- Green and Sustainable Investments, \$2.17B
- Infrastructure, \$950M
- Impact Investments, \$487M
- Renewables, \$362M

Section 4: Sustainable Business Operations

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

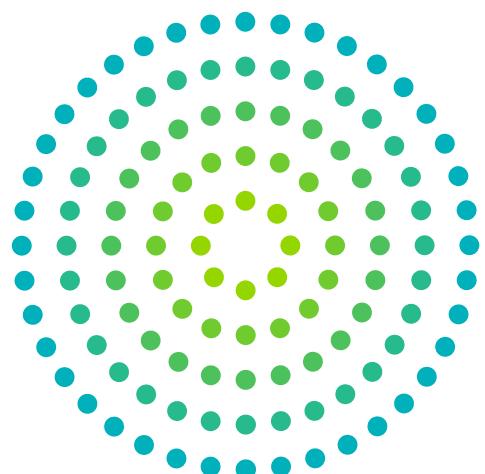
Responsible Investments (Continued)



2021 HIGHLIGHTS

As part of our ongoing commitment to ESG integration and sustainable investment, the Brighthouse Financial Investments team took the following steps to strengthen and formalize our approach to ESG in 2021:

- Adopted of an **ESG Investment Policy** applicable to our general account assets, which includes updated guidelines for external managers that align with Brighthouse Financial ESG objectives
- **Enhanced reporting requirements** for external managers to include relevant ESG and climate-related data metrics in quarterly and annual performance reviews
- Introduced an **ESG Exclusions List**, prohibiting investment in certain issuers and industries deemed inconsistent with our responsible investment goals
- Included **fossil fuel exposure criteria** within the ESG Exclusions List, primarily targeting issuers generating revenue from oil sands and coal-related activities
- Established a **\$100 million impact investment target** to be allocated toward women and minority-focused alternative investment funds over the next three years; as of December 2021, 60% of this target has been met



Section 4: Sustainable Business Operations

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Responsible Investments (Continued)

ENGAGING EXTERNAL MANAGERS ON ESG

Performance Reviews

External managers are expected to monitor and evaluate our portfolio companies' ESG performance. Where relevant, this includes assessing climate-related risks and opportunities. To complement our day-to-day engagement activities, investment guidelines, and policies applicable to external managers, the Brighthouse Financial Investments team administers **quarterly reviews** and **annual on-site meetings** to review portfolio performance.

With respect to public assets, each manager is required to include relevant ESG metrics within their quarterly performance reports and identify any recent ESG-related purchases made over the quarter, such as Green or Sustainability Bonds. As part of the annual on-site review, we dedicate time to better understand how ESG is incorporated into their firm's investment process.

Brighthouse Financial is neither prescriptive nor proscriptive on how managers integrate ESG. Instead, we seek evidence of adequate strategies, processes, and controls that are capable of long-term value creation and resilience within a rapidly evolving market.

ESG Data and Reporting

Without a universal standard to measure and disclose sustainability data, the strategies and frameworks used to assess corporate ESG performance vary by manager and asset class. Measurements and data used may include proprietary ratings, third-party scores, or qualitative assessments, using a pass/fail approach.

In all cases, our managers aim to provide transparent and accurate information regarding ESG performance and the efforts being taken to further integrate ESG considerations into our investments. As new information becomes available, we continue to look to incorporate relevant ESG metrics and insights into our investment process.

Section 4: Sustainable Business Operations

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Supplier Diversity

In 2020, we established a Supplier Diversity Program to foster competition within our supplier base, generate economic opportunity, and contribute to equitable growth through our purchasing decisions. Wherever possible, we encourage diverse suppliers to participate in our procurement process to source goods and services for our business. Since the program's inception, efforts to grow our diverse supplier base and increase diverse spend have centered on proactive engagement, research, and networking through diverse membership organizations.

We define **diverse supplier** as any business that is at least 51% owned or operated by a member or members of a traditionally underrepresented or underserved group, including:

-  Racial and ethnic minorities
-  Women
-  LGBTQIA+
-  Veterans

PROMOTING A SUSTAINABLE PIPELINE OF DIVERSE SUPPLIERS

To broaden our impact in 2021, we expanded our engagement activities through:

- Organizational sponsorships for diverse supplier membership councils, where funding is used to support diverse businesses in need of mentoring and/or certification assistance
- Participation in "matchmaking events" at supplier diversity conferences to attract and engage with potential new diverse suppliers
- Engagements with our large base of traditional, non-diverse suppliers to encourage efforts to: 1) increase diversity across our suppliers' internal organization and value chains; and 2) request transparent reporting on their respective firm's diversity efforts

2021 DIVERSE ORGANIZATION MEMBERSHIPS

- National Minority Supplier Development Council
- Women's Business Enterprise National Council
- National LGBT Chamber of Commerce
- National Veteran Business Development Council

Section 5:

People



Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Valuing Our Employees

We are committed to fostering an inclusive and collaborative environment designed to fuel careers and drive business growth.

At Brighthouse Financial, our employees are one of our most valuable assets. Our ability to successfully execute our business strategy and deliver on our mission to help people achieve financial security starts with our culture and values, which are brought to life every day by our employees.

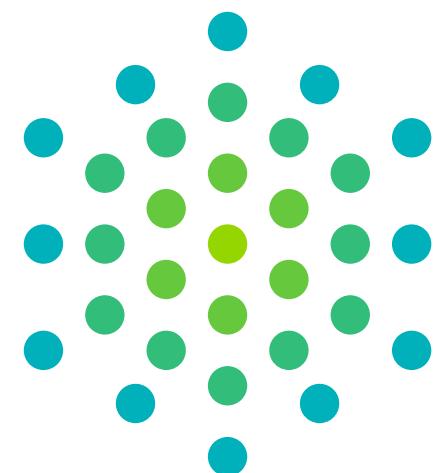
For additional information related to our human capital management strategy, including our approach to talent development and succession planning, see our [2022 Proxy Statement](#).

OUR APPROACH TO HUMAN CAPITAL MANAGEMENT

We constantly monitor the labor market to adapt our activities, policies, and practices as needed to attract, engage, develop, and retain our employees.

Our culture of adaptability has enabled us to proactively respond to an evolving labor market with intentional, strategic changes to address our employees' needs and help ensure that Brighthouse Financial remains a great place to work. Our strategy to attract and retain highly skilled talent centers on:

- Driving engagement and responding to feedback to optimize the experience of our employees
- Supporting our employees' well-being through competitive pay, benefits, and resources that positively impact their physical, mental, and financial health and that of their families
- Investing in employee growth and career advancement opportunities through continuous learning, training, and professional development



Section 5: People

Introduction

Sustainability

Governance

Operations

People

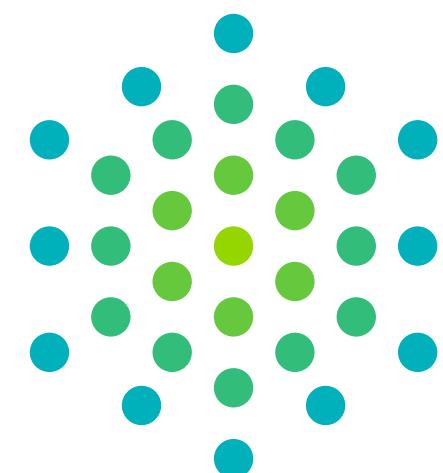
Financial Security

Climate

Appendices

Diversity, Equity, and Inclusion

We are committed to providing an inclusive workplace where employees can trust that their unique backgrounds and perspectives will be recognized, respected, and celebrated. Our multifaceted approach to advancing DEI across our company includes corporate programming, education, and cultivating an open environment where stories can be shared and honest conversations are encouraged. We seek to attract and retain talent that reflects the diversity of our communities and create an environment where all employees can reach their full potential.



Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

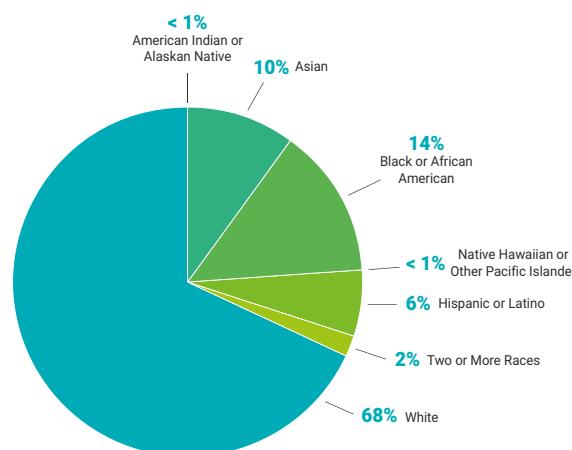
Climate

Appendices

Diversity, Equity, and Inclusion (Continued)

2021 EMPLOYEE DEMOGRAPHIC DATA

Our 2021 Employee Demographic Data, which is collected and reported in accordance with U.S. Equal Employment Opportunity Commission requirements, provides valuable insight into the demographics of our workforce and serves as a driver for our human capital management strategy.



	Executive or Senior Level Officials and Managers	First/Mid-Level Officials and Managers	Professionals	Sales Workers	Administrative Support
Male	53%	54%	45%	75%	20%
Female	47%	46%	55%	25%	80%
% of Total Population	1%	26%	45%	18%	10%

	Executive or Senior Level Officials and Managers	First/Mid-Level Officials and Managers	Professionals	Sales Workers	Administrative Support
American Indian or Alaskan Native	—	< 1%	< 1%	—	< 1%
Asian	—	10%	13%	3%	5%
Black or African American	7%	6%	17%	10%	24%
Hispanic or Latino	—	5%	8%	4%	8%
Native Hawaiian or Other Pacific Island	—	< 1%	—	< 1%	—
Two or More Races	7%	2%	2%	3%	2%
White	87%	77%	59%	79%	60%
% of Total Population	1%	26%	45%	18%	10%

Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Diversity, Equity, and Inclusion (Continued)

PAY EQUITY

We offer competitive compensation opportunities designed to promote and align with our business objectives. We believe we can better attract, develop, and retain qualified talent by adhering to a pay-for-performance framework.

We partner with a third-party consultant to conduct annual pay equity reviews to help ensure that individual compensation is determined exclusively based on performance, experience, job level, and other neutral factors. This program enables us to monitor and confirm the use of consistent drivers in compensation and helps ensure that gender, race, ethnicity, age, and other dimensions of diversity are not determinants of any variations in pay.

In 2021, we began disclosing salary ranges within Brighthouse Financial job postings for all open positions, further reflecting our commitment to fair and equitable pay.

DEI ENGAGEMENT AND ADVANCEMENT

Advancing DEI across Brighthouse Financial remains one of our top priorities, and we continue to drive progress in this area through various programs and initiatives. This includes the work of our Diversity, Equity, and Inclusion Council, which is composed of representatives from across our company. The council is responsible for creating and sponsoring programs and development opportunities with the aim of further advancing DEI at our company. In 2021, the council focused on the following key initiatives:

- **Company-Wide DEI Training** – We launched our second DEI-focused, mandatory course on creating an inclusive mindset as a committed ally. In addition, council members began hosting supplemental training sessions for specific teams upon request.
- **Inclusive Conversations** – Launched in 2019, our DEI educational event series brings speakers and panels to discuss DEI topics. In 2021, conversations addressed a wide range of subjects, including the history of people of color in the U.S., the LGBTQIA+ experience, and stories from veterans and people with disabilities.

Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Diversity, Equity, and Inclusion (Continued)

DIVERSE TALENT ATTRACTION AND RECRUITMENT

We are focused on increasing representation of underrepresented groups across Brighthouse Financial. We seek diverse candidates for open positions and are focused on developing a strong pipeline of internal talent.

Our approach to attracting and recruiting diverse talent centers on:

- Engaging and identifying prospective candidates early
- Building strong partnerships with diverse professional organizations and universities
- Communicating about our inclusive work environment and strong culture to prospective candidates

Our Talent Acquisition team currently partners with more than **30 historically Black colleges and universities (HBCUs)** to expand engagement and promote open roles across a wider audience of diverse candidates and emerging talent.

We also partner with a range of diverse professional organizations, including:

- [Association of Latino Professionals For America](#)
- [National Association of Black Accountants](#)
- [Financial Women's Association](#)
- [Organization of Latino Actuaries](#)
- [Hispanic Alliance for Career Enhancement](#)
- [InHerSight](#)



HIGHLIGHTS FROM 2021:

- Continued participation in HBCU speaking engagements, small-group information sessions, career fairs, and alumni networking groups – including increasing visibility of job postings for open internship and entry-level roles on HBCU job boards.
- In 2021, we collaborated with **Johnson C. Smith University (JCSU)**, **North Carolina Agricultural and Technical State University**, and a consortium of **Claflin University**, **Benedict College**, and **Vorhees College** to attract diverse applicants to the Brighthouse Financial Internship Program.
- In collaboration with **Johnson C. Smith University** and the **International Association of Black Actuaries**, we continue to develop an actuarial sciences curriculum for the JCSU math department.

Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Being a Great Place to Work

We strive to create a workplace where employees are empowered to do their best work and are recognized and rewarded for their contributions.

EMPLOYEE ENGAGEMENT

To help us continue to strengthen our culture, we regularly seek employee feedback through employee engagement and pulse surveys, coaching and feedback, exit surveys and interviews, employee network groups, listening and learning sessions, and leader-led office hours.

To continue fostering our culture of collaboration and to help ensure that our employees remain engaged and well-connected to our company and each other, we held a variety of events and issued a wide range of communications throughout the year. For example, we held quarterly town hall meetings, shared podcasts from our CEO, facilitated company-wide discussions with members of our leadership team, recognized heritage months, celebrated DEI through panel discussions and other forums, and sent employees a weekly newsletter highlighting events and news from around the company.



HIGHLIGHTS FROM 2021:

- In 2021, 86% of all Brighthouse Financial employees participated in our annual employee engagement survey.
- In 2021, we continued to take action on employee feedback. In response to feedback from our annual engagement survey, we enhanced our learning and development programs to include additional manager training, an emerging talent program, opt-in leadership development programs, and more opportunities for employees to learn about open roles across our company.

Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Being a Great Place to Work (Continued)

EMPLOYEE WELL-BEING

We are dedicated to supporting the well-being of our employees and their families each and every day.

To address our employees' evolving needs and to attract and retain talent, we offer competitive pay, benefits, and resources that positively contribute to the physical, mental, and financial well-being of our employees and their families.

- Paid Time Off (PTO) starting with a minimum of **20 days, 13 company holidays**, and additional days allotted for personal study and volunteer work
- Health care benefits with competitive options for **medical, dental, and vision insurance plans**, as well as a tax-free medical flexible spending or health savings account
- Wealth-building and retirement savings opportunities, including our **401(k) savings plan with company match** and our **annual non-discretionary contribution** to all employees, as well as the option to participate in our employee stock purchase plan

Our **Live Brighter** program offers a wide range of resources to help employees navigate the moving parts of day-to-day life, including:

- Access to an **online well-being platform** that enables employees to track their physical, mental, and financial wellness activities while earning rewards
- Our **Employee Assistance Program** provides confidential counseling and support services to help employees manage personal issues like stress and depression at no cost; employees and their families have 24/7 access to unlimited sessions
- **Financial counseling services**, offering one-on-one coaching sessions to motivate, educate, and guide employees to financial wellness at no cost

Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Being a Great Place to Work (Continued)

FLEXIBLE FIRST

Since the onset of COVID-19, we have adapted and maintained strong continuity of our business operations while transitioning to a fully remote-work environment. By taking a proactive response, we were able to better protect the health and safety of our employees and their families; maintain our strong culture; and provide employees with the flexibility needed to manage personal responsibilities while working from home.

In 2021, we surveyed employees on their work preferences. Based on feedback we received, the majority of our employees demonstrated a desire to work fully remotely. To continue to provide our employees with the flexibility that they desired in 2021, we adopted a Flexible First policy – prioritizing on how work is done over where work is done.

All Brighthouse Financial office locations remained closed throughout 2021 due to COVID-19. As we reopened our offices in 2022, our flexible, hybrid work model offers the freedom to work anywhere in the U.S., providing employees the option to work remotely on a full-time basis or use of our offices.

At the end of 2021, we launched Brighthouse Connect, a company-wide initiative focused on fostering employee awareness of our Flexible First mindset. Through outreach and engagement, we provided digital training resources, tips, and tools to help employees enhance productivity, connect and collaborate, and avoid burnout.

WORK-LIFE BALANCE

The success of our transition to a flexible, hybrid work model centers on driving engagement, refining our management practices, and leveraging digitalization to enable remote collaboration. In addition, we continue to allow for more flexible work schedules to help employees manage personal responsibilities while working from home.

We have taken and continue to take a number of other actions to help employees remain focused and avoid burnout, including increasing and enhancing our communications to ensure employees continue to feel connected and informed.

Policies and benefits to promote a healthier work-life balance and support employees' loved ones include:

- **Paid parental leave** offering up to 16 weeks of paid leave for new birth, adoptive, and foster care placement parents
- **Adoption, infertility, and surrogacy assistance** to support employees in their journey to becoming a new parent
- **Back-up care** for children and adults/elders
- **Family support services**, which offer tools and discounts to more easily navigate caregiving needs like nanny placement services, childcare, and elder care planning resources

Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Being a Great Place to Work (Continued)

LEARNING AND DEVELOPMENT

As part of our efforts to maintain a highly skilled, competitive workforce, we promote a culture of continuous learning and development.

Our learning and development strategy is built on fostering knowledge and driving performance at the individual and company level by offering a wide variety of programs and resources. We invest in creating strategic opportunities for employees to build new skills, grow as leaders, and advance in their careers.

From self-guided experiences to structured learning paths, our offerings empower employees to grow and develop in ways that best suit their goals and preferences.

- Our **Mentorship Program** seeks to recognize, develop, and broaden exposure of our high-potential talent by offering employees the opportunity to learn from leaders across the organization through formal mentor-mentee assignments. The program aims to develop talent within the organization by identifying and supporting high-potential leaders, emerging talent, and interns. Mentorships are tailored to align with mentees' development needs and preferences while putting our core values and DEI at the forefront of mentor-mentee relationships.
- Our **Learning Library** is an on-demand learning platform that provides employees with access to top-quality courses taught by recognized industry experts. With an emphasis on right-size learning, the library helps employees learn new business, software, technology, and creative skills to achieve their personal and professional goals.

Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Being a Great Place to Work (Continued)

Courses are curated and updated on a quarterly basis to reflect the evolving needs of our employees and various lines of business. In 2021, employees voiced an interest in accessing a greater number of course options that cover more diverse topics. In response, our Learning and Development team expanded the library to include over **1,900 courses**, providing fresh, engaging, and relevant content for employees to continue their learning journeys at their own pace.

Top 5 e-learning modules completed by employees in 2021

- Inclusive Mindset for Committed Allies
- Diversity, Inclusion, and Belonging
- Confronting Bias
- Skills for Inclusive Conversations
- Communicating Across Cultures

Top 5 Learning Paths completed by employees in 2021

- Diversity, Inclusion, and Belonging to All
- Improve Organizational Skills
- Become a Data Analyst
- Become an Inclusive Leader
- Support your Mental Health During Challenging Times

- Our **Learning Hour Series** provides employees with opportunities to participate in optional learning sessions. The monthly series is designed to enhance employees' understanding of our corporate strategy and culture while providing the opportunity to improve practical skills. The live, virtually facilitated sessions focus on a variety of topics, including career development, how to better leverage technology, improve well-being, and more.
- Through **management workshops** and the Brighthouse **Financial Leadership Excellence and Development (LEAD) Program**, our executive and leadership training and development opportunities provide managers with practical skills, resources, and tools to become better leaders. Modules are structured to introduce managers to our leadership approach, the leadership behaviors we expect managers to model, and the core management skills that underpin these behaviors.
- We designed an **Employee Orientation and Immersion Program** to welcome and introduce all new employees to working at Brighthouse Financial. The curriculum, covered during weekly onboarding sessions, offers a comprehensive overview of Brighthouse Financial, including our mission and culture, the responsibilities and functions of our company's various business departments, and our products. The program helps ensure that employees have the information and tools needed to make meaningful contributions and succeed at our company.

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Being a Great Place to Work (Continued)

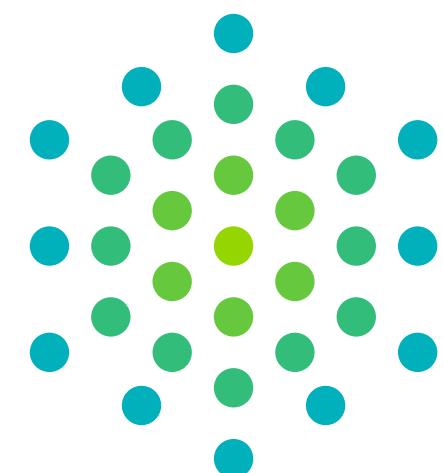
PERFORMANCE AND FEEDBACK

Feedback is an important part of our culture and efforts to support our employees' professional growth and development. Throughout the year, managers provide employees with regular, one-on-one coaching and feedback.

Each year, our employees collaborate with their managers to plan, designate, monitor, and review progress against employee goals. As part of our annual review process, our employees meet with their managers to discuss their overall annual performance.

Our approach uses constructive conversations to ensure that employees:

- Understand clear expectations
- Can monitor and stay updated on their progress
- Have a measurable record of development and career growth



Section 5: People

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Supporting Our Communities

We are committed to enhancing the quality of life in the communities where we live and work.

The Brighthouse Financial Foundation was established in 2017 with the mission to provide resources and support to non-profit organizations focused on breaking the cycle of generational poverty; advancing racial equity; and supporting women, children, underrepresented populations, and low-income families.

Our employees also play an active role in enhancing the quality of life in our local communities. We provide employees with three days of volunteer paid time off. Together with company-sponsored volunteering opportunities, our employees have the opportunity and are empowered to drive social change.

In 2021, Brighthouse Financial Foundation, corporate charitable contributions, and employee volunteering activities supported **approximately 60 non-profit organizations** servicing the communities where Brighthouse Financial employees live and work.



2021 IMPACT HIGHLIGHTS:

- In partnership with **Classroom Central**, we provided backpacks filled with school supplies to 140 students attending the schools with the highest poverty rates in the Charlotte region.
- We donated over 900 laptops to **Eliminate the Digital Divide**, which is dedicated to providing digital access and computer training to underserved children and families in the Charlotte region.
- In continued support for **Habitat for Humanity of the Charlotte Region**, an \$85,000 grant from the Brighthouse Financial Foundation will assist with the construction of a new affordable housing development and a neighborhood revitalization project. Comprised of 39 new homes, this project will help to address the critical shortage of affordable housing available in the Charlotte metro region.
- Despite limits to in-person volunteering due to COVID-19 restrictions, in 2021, our employees continued to find ways to give back to our communities, including by serving as virtual tutors in partnership with **Heart Math Tutoring**, an organization that fosters the academic success of students studying math through one-on-one, volunteer-delivered tutoring sessions during the school day.
- Each year, employees from Brighthouse Financial office locations participate in holiday food drive programs to support local families in need. In 2021, our Charlotte office employees surpassed their goal by donating 1,144 boxes of food, estimated to feed over 4,500 individuals. Our employees in Tampa also exceeded their goal by collecting and donating 632 pounds of food to families and children in the Tampa region.

Section 6:

Helping People Achieve Financial Security



Section 6: Helping People Achieve Financial Security

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Helping People Achieve Financial Security

We live in a world where a company-sponsored pension is the exception, not the rule; where people are living longer; and where regulatory changes continue to shift the financial advice landscape. The ways people save, invest, and plan for their retirement continue to evolve, requiring many Americans to rethink their financial strategies. At Brighthouse Financial, we aim to help people navigate complex financial decisions.

We create streamlined products to provide people with financial confidence at the time when they need it most. Our annuities and life insurance products are designed to uphold three core pillars:



Simplicity: We strive to break down complex concepts and use easy-to-understand language.



Transparency: While our customers want to add a level of security and benefits to their portfolio, they also need to know that what they're buying is worth the price. By being transparent about what our products cost and why, we help our customers understand what they get for their money.



Value: We are dedicated to ensuring that we deliver more value every day to financial professionals and their clients. Our customers have worked hard for what they have. That's why our products are built to offer our customers competitive value today for what they want out of tomorrow.

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Responsible Products

PRODUCT DESIGN AND ACCESSIBILITY

Brighthouse Financial products are designed to offer competitive value and address customers' diverse needs. Our objective is to develop innovative products that respond to changing trends and the financial challenges in retirement planning, including helping to protect against disruptive forces like market volatility and rising health care costs.

We regularly seek opportunities to develop and enhance our products to reach new audiences. To understand and identify the disparate needs, challenges, and expectations of customers from across new and existing distribution channels, we gain insights through extensive research and ongoing engagement with financial professionals. These insights serve as a framework to guide our product design decisions and measure success, enabling us to adapt features to be more relevant along different stages of an individual's journey to financial security.

LIFE INSURANCE UNDERWRITING

In most cases, Brighthouse Financial uses non-invasive techniques to collect applicant data, determine eligibility, and communicate underwriting decisions, generally within 24 hours. Through this innovative and accelerated approach, we seek to provide an accessible, simple, and convenient experience for our customers.

We are committed to underwriting practices that foster the responsible use of customer data. As digital engagement practices and consumer data analytics continue to evolve, we work to champion methodologies that uphold actuarial principles in underwriting. In collaboration with industry peers, we actively participate in initiatives to help ensure that data is used fairly and responsibly to determine mortality and morbidity risk.

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Responsible Products (Continued)

DIGITAL AND ENHANCED USER EXPERIENCE

We improve the experience of planning for the future by creating simple, functional experiences for financial professionals and their clients – whether they're pursuing financial security or simply navigating our website. By ensuring our digital platforms and user experiences are straightforward, customers can access resources and information about our products with ease.

From our digital application process to submitting a claim, we design product communications to be informative and easy to understand. Examples of our materials include:

- A Pre-Qualification Questionnaire outlining eligibility requirements for applicants
- An overview of our digital application process and a list of information required for submission to expedite the process
- A step-by-step guide to help policy holders navigate the claims process

TRANSPARENT INFORMATION FOR CUSTOMERS

We develop marketing and product materials in compliance with state regulatory requirements, coordinating with internal and external partners to review, approve, and file content prior to use by customers.

Our advertising and branded communications aim to present a fair and balanced view of our products by giving the full perspective of benefits and risks. In our disclosures to customers, we aim to break down complexity and minimize fine print, explaining our products in simple terms and accessible language.

Key components of our product communications (both print and digital) include:

- ✓ An explanation of our products
- ✓ Clear terms and definitions
- ✓ Value proposition based on consumer need
- ✓ Fair and transparent fee structures
- ✓ Disclosure of product risks
- ✓ Historical performance data

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

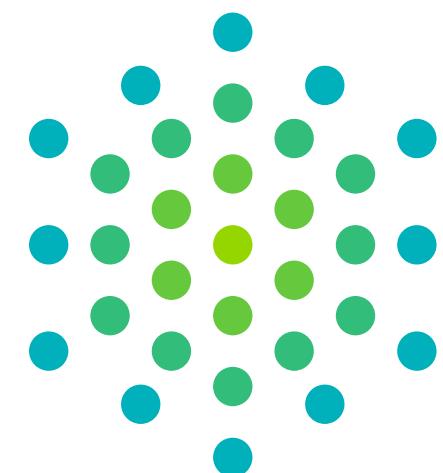
Appendices

Responsible Products (Continued)

TRAINING FOR FINANCIAL PROFESSIONALS

We deliver our products through a diverse network of independent distribution channels and marketing arrangements, highlighting the integral need to provide financial professionals with comprehensive training on our products and materials.

In 2021, our financial professionals completed: a total of **24** sales training sessions for over 50 newly onboarded sales professionals.



Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Financial Education

While we believe life insurance and annuities play an essential role in financial security, we seek to educate consumers on the entire picture of their financial health. We empower them to make informed decisions about key financial topics, helping consumers prepare for their future with more confidence.

Promoting financial literacy and education is fundamental to delivering on our mission to help people achieve financial security. We provide educational resources and tools designed to address consumers' top needs and concerns as they near retirement. Our robust online library of articles, whitepapers, and resource videos (which are accessible through the Brighthouse Financial website and various social media platforms) cover a wide range of topics, including:

- Retirement planning
- Retirement lifestyle
- Estate and legacy planning
- Retirement income products
- Health care planning for retirement
- Working with a financial professional

We actively respond to evolving needs, embedding adaptability into our educational experience. By regularly updating our content to reflect new and emerging challenges, we seek to equip customers with relevant information as they plan for retirement and the future.



HIGHLIGHTS FROM 2021:

- We published insights addressing topics like [the future of retirement communities](#) and [how technology affects retirement decisions](#)
- Financial education resources from our online library were accessed more than 400,000 times

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Building Enduring Partnerships

Brighthouse Financial engages in responsive and open dialogue with financial professionals, providing updated content and timely support when needed so that they can succeed. Acknowledging their expertise, we collect and integrate feedback to create new product materials, resources, and tools.

In 2021, our financial professionals accessed Brighthouse Financial resources over 33,000 times. Designed to enhance interactions between financial professionals and their clients, our resources help financial professionals:

- **Communicate product benefits in an accessible way** through client testimonials and real-life examples of how products can positively impact customers' lives
- **Facilitate two-way conversations** to personalize and tailor content to individual financial journeys, including interactive worksheets to help customers see their own numbers in action
- **Address new needs and evolving trends** through e-servicing, accessible digital platforms, and regularly updated FAQs
- **Respond the concerns of a specific demographic**, including a body of content focused on the unique [needs of women in retirement](#)

Section 6: Helping People Achieve Financial Security

Building Enduring Partnerships

PARTNER ENGAGEMENT

- The **Insights Panel** is a platform designed to help financial professionals deepen engagement and build lasting relationships with their clients. We select leading independent experts across various fields to provide their knowledge and expertise regarding economics, psychology, future trends, and financial advice. Shared through articles, resource videos, and podcasts, the insights generated empower financial professionals to have more productive conversations with clients and build stronger relationships.
- The Thought Leadership platform, **Voice of the Future**, is designed to supplement direct-to-financial professional content with a focus on emerging trends that could impact retirement planning over the next decade. This helps deepen knowledge for financial professionals and provides them with actionable solutions on topics that are relevant to their business.

DRIVING DIVERSITY IN THE FINANCIAL SERVICES INDUSTRY

We recognize the importance of doing our part to help drive DEI within our industry. In 2021, we proudly joined forces with other leading financial services firms and industry resource groups to create the Coalition for Equity in Wholesaling, which aims to increase diversity among insurance wholesalers.

We aim to increase the diversity of our Distribution and Marketing team by focusing on various sponsorship programs and organizational partnerships.

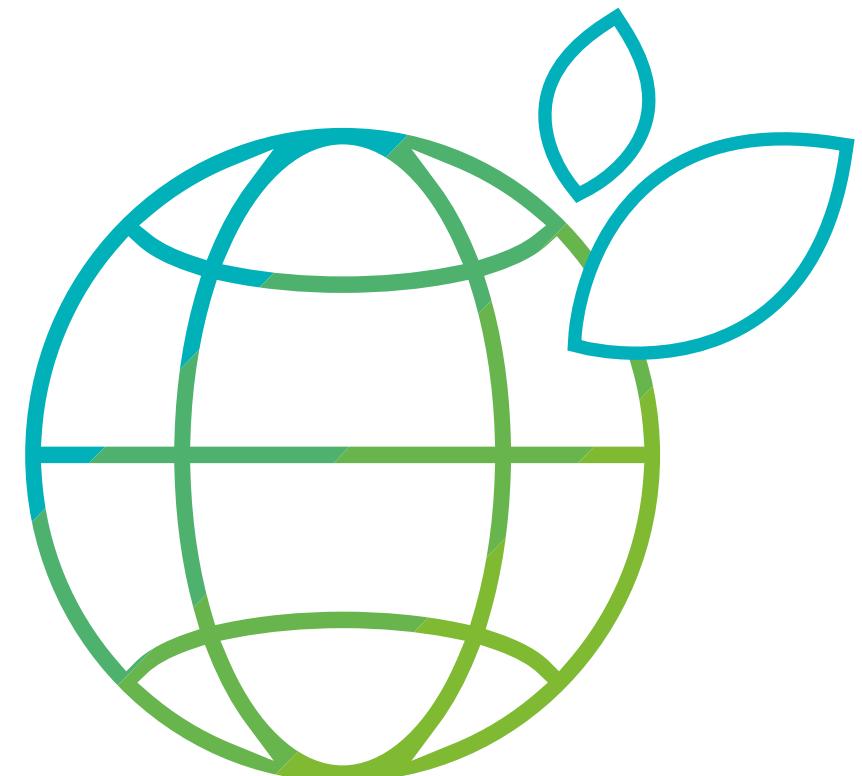


HIGHLIGHTS FROM 2021:

- Platinum sponsorship and active participation in initiatives led by the **Association for Wholesaling Diversity (AWD)**, providing opportunities to engage and hire diverse sales associates through AWD network referrals
- Sponsorship of the American College of Financial Services' annual **Conference of African American Financial Professionals**, in which we offer a scholarship to at least one HBCU student to attend the leadership conference

Section 7:

Climate Change and the Environment



Section 7: Climate Change and the Environment

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Climate Governance

We recognize that climate change and environmental issues pose various risks to our company, global financial markets, society, and the world at large. While the timing, likelihood, and scope of potential impacts resulting from climate change are difficult to predict, we are committed to enhancing our internal capabilities to reasonably identify, measure, assess, and manage material climate-related risks to our company and our investments.

ACCOUNTABILITY AND OVERSIGHT OF CLIMATE-RELATED ISSUES

Climate issues can manifest as business risks in many ways. For this reason, our Board and committees use an integrated approach to overseeing climate-related risks. Oversight responsibilities are determined based on the unique nature of the risk, opportunity, and potential impacts. By embedding climate consideration responsibilities across our Board, we can promote more effective risk management for material climate-related issues, which we believe will enable us to deliver sustainable, long-term value for our shareholders.

- The **Audit Committee** oversees reporting processes and controls for financial reporting and certain other public disclosure, regulatory compliance, operational risk, third-party risk management, and cybersecurity risk where climate-related issues may be relevant.

- The **Finance and Risk Committee** provides broad oversight of enterprise risk management and regularly reviews our company's risk profile. This includes oversight of climate issues as they relate to macro, credit, market, liquidity, operational, model, cybersecurity, and third-party risks.
- The **Investment Committee** is responsible for the oversight of risks related to our investments, including the potential financial implications of our investment portfolio's exposure to climate-related physical and transition risks.
- The **Nominating and Corporate Governance Committee** provides broad oversight of our sustainability program. The Office of Sustainability regularly updates the committee regarding the ESG topics most relevant to our business, including climate risk, progress against our strategy and goals, and plans to disclose our ESG performance.

Section 7: Climate Change and the Environment

Introduction
Sustainability
Governance
Operations
People
Financial Security

Climate

Appendices

Climate Governance (Continued)

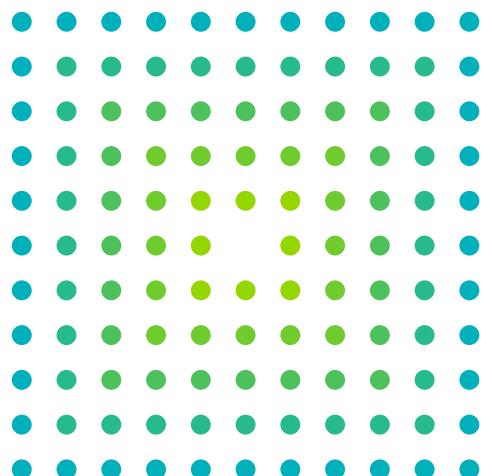
MANAGEMENT-LEVEL ENGAGEMENT ON CLIMATE-RELATED ISSUES

Throughout 2021, business leaders from across Brighthouse Financial engaged with senior management to address material climate-related issues facing our company. Communications varied in cadence and format, depending on the issue and potential impacts. Discussions with the Senior Leadership Team, Operational Risk Committee (ORC), and Balance Sheet Committee (BSC) covered:

- General climate change concepts and emerging risks
- Identification of material climate-related risks and opportunities for our company and investments, including physical and transition risk
- Insights from our preliminary climate risk assessment, considering the timing, likelihood, and scope of potential impacts
- Regulatory activity to address climate change and establish mandatory disclosure requirements at the federal and state level

In 2021, we established an internal Climate Risk Working Group (CRWG) comprised of representatives from our Investments, Corporate Risk Management, and Sustainability teams. The CRWG worked cross-functionally on the preliminary identification and qualitative assessment of climate-related risks to our company and our investment portfolio. Leveraging the latest research insights, data analytics tools, and subject matter experts, CRWG members collaborated regularly to develop a more comprehensive understanding of climate change concepts and potential impacts.

Our preliminary qualitative assessment of climate-related risks is intended to present climate-related risks and potential impacts identified under specific hypothetical scenarios rather than make actual projections.



Section 7: Climate Change and the Environment

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

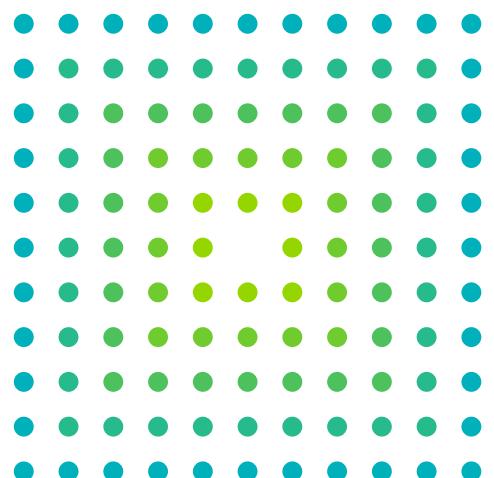
Climate-Related Risks

The identification and analysis of climate-related risks is a forward-looking process guided by long-term projections. Extending as far into the future as 2050, experts anticipate that most material climate risk issues will manifest over medium and longer terms, underscoring the high degree of uncertainty in data currently used to inform climate risk assessments.

To execute our business strategy and manage material risks to our company, we strive to integrate the most up-to-date risk information into our strategic planning and risk management processes. However, due to various uncertainties and limitations in climate data, our approach to assessing climate-related risks relies heavily on estimates, proxy data, and projected scenarios.

Examples of these limitations include data gaps, a lack of standardized methods used to measure and calculate climate-related metrics across industry sectors and

geographic regions, and the ever-changing nature of climate science and weather projection models. In addition, various future macroeconomic and environmental factors may play a part in shaping the climate risk landscape in a nonlinear way – emerging at different scales and impact along different time horizons. These factors include climate conditions, weather patterns, market trends, consumer preferences, energy innovation and technological displacement, and regulatory developments.



Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Climate-Related Risks (Continued)

Risk Category	Description of Climate Risk or Opportunity	Potential Financial Implications
Physical	BUSINESS CONTINUITY (ACUTE) <ul style="list-style-type: none"> An isolated physical climate risk event (such as extreme weather, environmental hazard, or natural disaster) manifesting in any region where a physical infrastructure asset used for upstream operations is located, including: <ul style="list-style-type: none"> Office locations Information technology infrastructure Third-party vendor operations 	<p>A physical climate risk event can negatively impact our company's operational continuity in several ways, including:</p> <ul style="list-style-type: none"> Operational: Event-induced evacuations, power outages, and travel restrictions can result in office closures and operational disruptions. Cybersecurity: Physical damage to information technology infrastructure assets can lead to network failure, inadequate safeguarding of data, and other disruptions to critical business processes. Potential financial implications include lost revenue, legal liability, and expenses related to incident response procedures. Third-party: Physical climate risk impacts to third-party vendor operations or infrastructure may indirectly affect our business through service disruptions.
	MACRO (CHRONIC) <ul style="list-style-type: none"> An inadequate collective response to limit global mean temperatures could lead to an increased frequency and severity of extreme weather-related events, natural disasters, and pandemics, representing a systemic risk to the financial system. 	<p>The macroeconomic impacts of climate change may result in various market, liquidity, and fiscal implications, with the potential to adversely affect our business, financial condition, and the results of operations. This includes negative impacts on:</p> <ul style="list-style-type: none"> asset valuations and the future performance of our investments third parties, including, among others, reinsurers and derivative counterparties

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Climate-Related Risks (Continued)

Risk Category	Description of Climate Risk or Opportunity	Potential Financial Implications
Physical INVESTMENTS	<p>Acute or progressive physical climate risks to invested assets held in our General Account, including more frequent and severe extreme weather-related events, rising sea levels, higher mean temperatures, changing climate conditions, and higher variability in weather patterns</p>	<p>Physical climate risks will manifest in different ways across industry sectors and geographic regions, carrying various direct and indirect financial implications for the performance of our investment portfolio. Depending on the scale of each risk and scope of impacts, assets may yield lower returns and diminished value. Examples of potential physical risk impacts include:</p> <ul style="list-style-type: none"> Asset impairment: Tangible assets domiciled in climate-vulnerable regions may sustain acute, physical damage due to a physical climate risk event. Adaptation and resilience costs: Coastal real estate assets may require significant capital investment to retrofit buildings against rising sea levels. Lower production: Progressive changes in climate conditions can negatively impact an asset company's production capacity and financial performance over the medium and long term. For example, longer drought seasons and changes in precipitation patterns may reduce agricultural production.

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Climate-Related Risks (Continued)

Risk Category	Description of Climate Risk or Opportunity	Potential Financial Implications
Transition	INVESTMENTS Investment portfolio exposure to risks associated with the transition to a low-carbon economy, which may include changing dynamics in energy and power markets, innovation leading to technology displacement, regulatory developments, sector stigmatization, and reduced demand	Over the medium and long term, innovation in low-carbon fuels, renewable energy, and resource efficiency technology is expected to result in the significant displacement of incumbent energy and heavy industry sectors. Carbon-intensive assets which fail to adapt or diversify operations may be negatively affected by higher operating costs, regulatory curtailment, and early retirement of assets. Exposure to climate transition risk across our General Account may, in turn, lead to lower returns and valuation of assets over time.
	Opportunity to invest in new markets and industry sectors, including those projected to deliver long-term growth through advancements in energy innovation and efficiency	Investment in new markets may offer various medium- to long-term benefits, including: <ul style="list-style-type: none"> • Resilience against climate-related risks to our investment portfolio through greater asset diversification • Opportunity for higher returns generated by growing sectors • Better competitive position and reputational benefits of sustainable investment with the potential to deepen engagement with investors and attract new customers

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Climate-Related Risks (Continued)

Risk Category	Description of Climate Risk or Opportunity	Potential Financial Implications
Transition	REGULATORY Mandatory climate-related risk information and greenhouse gas (GHG) emissions disclosure requirements within regulatory filings	A physical climate risk event can negatively impact our company's operational continuity in several ways, including: <ul style="list-style-type: none"> • Cost of noncompliance: Adequate and timely preparation to align climate-related disclosures with forthcoming requirements will help mitigate the risk of regulatory penalties. • Operational investments to collect and report data: Ensuring disclosures adequately align with regulatory requirements will result in additional expenses related to internal training and capacity building, accessing climate data resources and computing tools, securing external verification and assurance, and other administrative activities.
	REPUTATIONAL Negative stakeholder feedback regarding our company's performance and strategy to address climate risk issues against public commitments and industry standards	Failure to adequately address climate risk can lead to negative customer and investor sentiment, carrying various indirect financial implications over the medium and long term. Examples of potential impacts include: <ul style="list-style-type: none"> • Inability to maintain competitive position among peers • Perception of poor governance impacting risk profile • Decrease in brand value over time

Section 7: Climate Change and the Environment

Introduction
Sustainability
Governance
Operations
People
Financial Security
Climate
Appendices

Strategy, Management, and Resilience

EMBEDDING CLIMATE RISK INTO OUR ENTERPRISE RISK MANAGEMENT FRAMEWORK

As of December 2021, we listed climate risk as an emerging risk on the Brighthouse Financial Emerging Risk (ER) Register, which we define as "risk that is known but is not completely understood."

Through our ER program, we administer processes to identify and complete timely initial assessments of emerging risks relative to their potential likelihood of occurrence, magnitude of losses, and velocity (direction and speed of change) – helping to position Brighthouse Financial to proactively respond to risks once they emerge. The ER process is intended to enhance our understanding and management of risks, create strategic opportunities, and demonstrate thoughtful risk governance.

PROCESSES TO IDENTIFY AND UNDERSTAND CLIMATE-RELATED ISSUES

The active identification and prioritization of emerging risks is fundamental to monitoring and responding to such risks. Risk identification may come from a variety of internal and external sources, including open communication with existing business partners, reviewing key publications and websites for updates, and internal Risk Management meetings. In 2021, specific activities to identify climate-related risks included monitoring the regulatory landscape; stakeholder engagement; and climate research, data, and analytics.

Monitoring the Regulatory Landscape: In collaboration with the Brighthouse Financial Government Relations team, the Office of Sustainability monitored regulatory and policy initiatives seeking to address environmental and climate-related issues at the federal and state level. As participants in various ESG working groups and industry trade associations, we regularly engaged with government agencies and industry peers to understand expectations, engage in dialogue and feedback, and promote the standardization of climate reporting within our industry.

Stakeholder Engagement: Through our stakeholder engagement process, the Office of Sustainability identified various climate and environmental topics for consideration in our 2021 ESG double materiality assessment. Examples of methods used to identify topics included participation in third-party ESG data surveys; evaluation of prominent climate reporting frameworks; engagement calls with investors, ESG analysts, and climate-focused non-governmental organizations; public regulatory consultations; and ongoing training and education.

Climate Research, Data, and Analytics: The CRWG utilized external resources and tools to perform a preliminary assessment of climate risk to our investments in 2021. Informed by existing data and forward-looking projections, these platforms offered insight into how climate risk drivers can manifest along short, medium, and longer terms, and the potential financial implications thereof on our investments. This exploratory research considered various factors – including macroeconomic, market, climate modeling, and regulatory – to assess our portfolio's exposure to physical and transition risk under different scenarios.

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

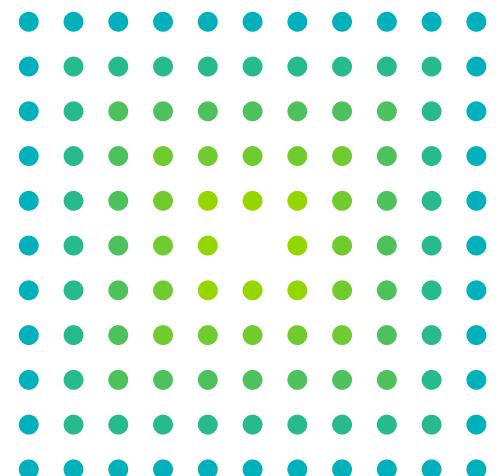
Appendices

Strategy, Management, and Resilience (Continued)

ASSESSING MATERIALITY

In 2021, the Office of Sustainability incorporated climate and environmental factors into our ESG double materiality assessment. Based on the processes defined within our ESG framework, we reviewed the following topics:

- Climate reporting and mandatory disclosures
- Greenhouse gas emissions
- Climate risk management and strategy
- Climate transition risk
- Environmental stewardship



Strategy, Management, and Resilience (Continued)



KEY INSIGHTS FROM 2021

NEAR-TERM MANDATORY CLIMATE DISCLOSURE REQUIREMENTS:

Underscored by the White House 2021 Executive Order on climate-related financial risk, federal regulators have identified climate risk as a systemic risk to global financial market stability. Initiatives led by the U.S. Securities and Exchange Commission (SEC), Federal Insurance Office (FIO), and Financial Stability Oversight Council (FSOC) signal near-term mandatory climate disclosure requirements, necessitating the formal integration of climate risk management and oversight processes at public companies. While specific reporting requirements remain forthcoming, many regulators have cited and relied upon the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to inform public consultations and rulemaking processes. Additionally, specific to the U.S. insurance industry in 2021, several state regulators have begun urging corporate issuers to adopt the TCFD in lieu of the National Association of Insurance Commissioners (NAIC) Climate Risk Survey.

MANAGING TRANSITION RISKS TO OUR INVESTMENTS:

As a life insurance and annuities company, climate risk is most prevalent in our exposure to transition risk across our General Account. If left unmanaged, the global transition to a low-carbon economy may have negative effects on the long-term earning potential and valuation of our invested assets – particularly those operating in carbon-intensive sectors. Further, the uncertainties inherent to transition risk highlight our obligation to continuously monitor the various external developments driving this risk.

For an overview of how we integrate climate considerations into our investment management process, see [Our Approach to ESG](#).

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

Strategy, Management, and Resilience (Continued)

INTERNAL ENGAGEMENT AND COLLABORATION

The CRWG will continue to support efforts to embed climate risk into our company's enterprise risk management programs for managed risks. To promote the timely and effective integration of climate risk considerations across our company, we intend to focus our activities on:

- Formalizing internal governance processes with documented policies and procedures
- Continuing to engage in internal education, training, and capacity building initiatives
- Periodically reviewing potential changes to the climate risk landscape
- Making recommendations for remediation activities and solutions for specific climate risk issues, including identifying external resources and tools to advance efforts
- Designating risk owners within our company's risk management framework

OPERATIONAL RESILIENCE

We consider and integrate physical climate risk factors into our Business Resilience Strategy, which consists of three distinct supporting programs: the Business Continuity Program, the Disaster Recovery Program, and the Crisis Management Program. These three programs establish processes intended to reduce, mitigate, manage, and respond to potential external risks identified across our operational value chain, including physical climate-related risk events. Physical infrastructure, cybersecurity, and information technology assets are intended to be adequately protected through various program functions, including Cybersecurity and Third-Party Risk Management.

While physical climate risk events represent a business continuity risk to our company, we believe our flexible, hybrid work model and our broad geographical footprint reduce our vulnerability to acute, near-term physical climate risk impacts. Where impacts to one operational node may result in temporary disruption, we expect the magnitude of this impact would be limited by the ability to rely on alternative service providers and facilities. Additionally, we require all third-party information technology providers to maintain back-up systems and power supplies.

Section 7: Climate Change and the Environment

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

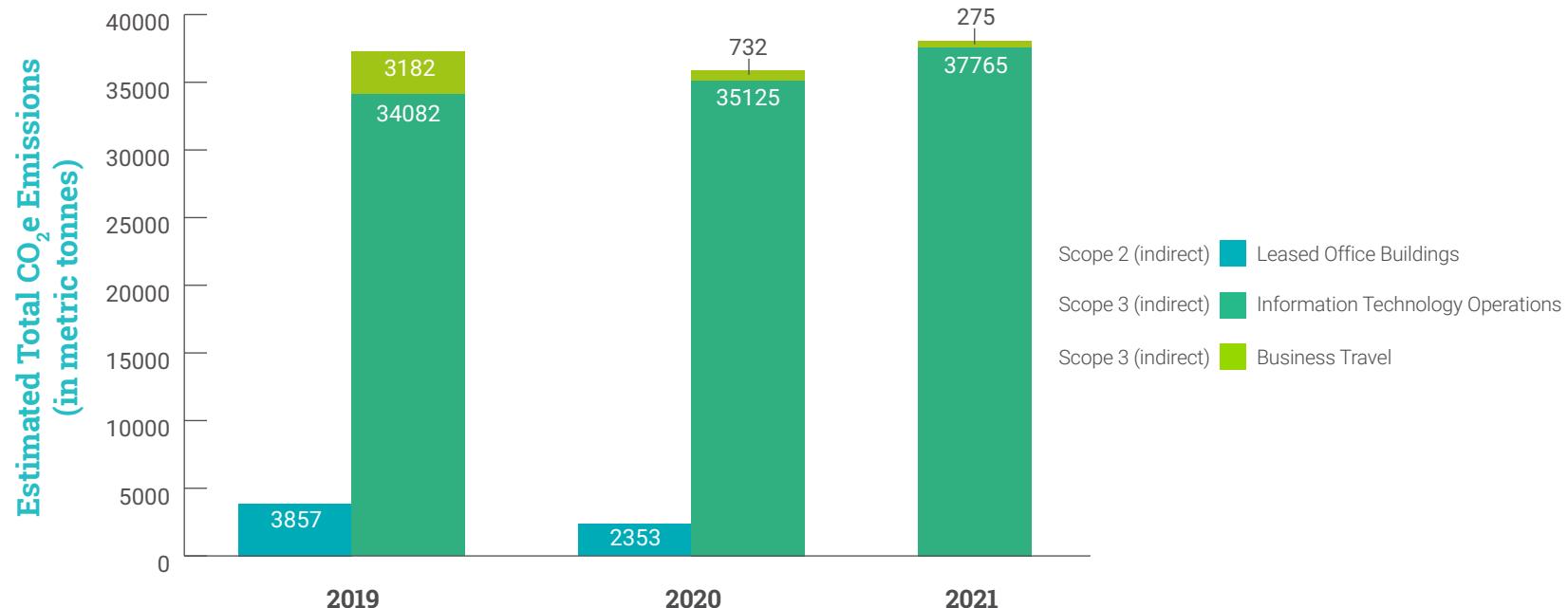
Appendices

Corporate Footprint

Our approach to environmental stewardship begins with knowledge and transparency. In 2021, we developed the first Brighthouse Financial Greenhouse Gas (GHG) Inventory, marking a critical step in our efforts to understand and account for the environmental impact of our operations.

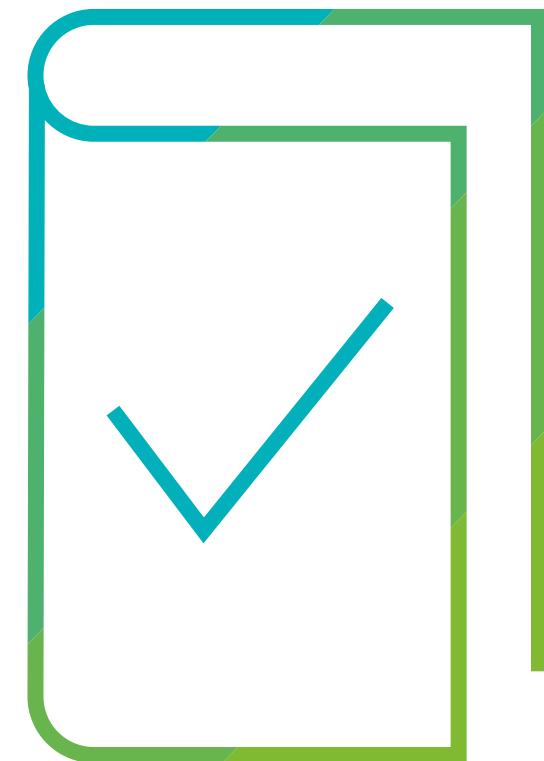
The GHG data included in this inventory represents our best estimate of the emissions generated from activities outside of our direct financial or operational control but critical to our upstream business operations. This includes emissions generated as a result of employee business travel, purchased electricity across six leased office locations, and the energy consumption associated with third-party vendor information technology infrastructure and operations. Emissions calculations were performed in accordance with the GHG Protocol accounting standards.

GHG INVENTORY



Section 8:

Appendices



Section 8: Appendices

Introduction
 Sustainability
 Governance
 Operations
 People
 Financial Security
 Climate
Appendices

2021 Stakeholder Engagement

ENGAGEMENT METHODS	TOPICS OF INTEREST
REGULATORS	
<ul style="list-style-type: none"> ● Regulatory consultations ● Data requests and survey responses ● ESG-focused trainings and webinars ● Industry trade association working groups ● Continuous monitoring of regulatory landscape 	<ul style="list-style-type: none"> ● Human Capital Management ● Climate Risk, Strategy, and Disclosure ● Greenhouse Gas Emissions ● Cybersecurity and Consumer Data Privacy ● Business Ethics and Compliance
INSTITUTIONAL INVESTORS AND OTHER SHAREHOLDERS	
<ul style="list-style-type: none"> ● Annual shareholder engagement program ● Annual report and proxy statement ● Annual meeting of shareholders ● ESG data requests and surveys 	<ul style="list-style-type: none"> ● Board of Directors and Corporate Governance Practices ● Diversity, Equity, and Inclusion ● Human Capital Management ● Climate Risk, Strategy, and Disclosure ● ESG Strategy, Governance, and Disclosure ● Cybersecurity and Consumer Data Privacy ● Transparent and Responsible Products ● Business Ethics and Compliance

Section 8: Appendices

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

2021 Stakeholder Engagement (Continued)

	ENGAGEMENT METHODS	TOPICS OF INTEREST
		EMPLOYEES
	<ul style="list-style-type: none"> ● Employee engagement and pulse surveys ● Performance reviews and feedback ● DEI corporate programming ● Company-wide communications and events, including virtual town hall meetings and podcasts 	<ul style="list-style-type: none"> ● Diversity, Equity, and Inclusion ● Flexible, Hybrid Work Model and the Future of Work ● Human Capital Management ● Professional Training and Development ● Employee Well-Being
		DISTRIBUTION PARTNERS AND OUR CUSTOMERS
	<ul style="list-style-type: none"> ● Feedback forums hosted by Brighthouse Financial ● Marketing-driven surveys and focus groups ● Experience and satisfaction surveys 	<ul style="list-style-type: none"> ● Transparent and Responsible Products ● Financial Education ● Business Ethics and Compliance

Section 8: Appendices

Introduction

Sustainability

Governance

Operations

People

Financial Security

Climate

Appendices

2021 Stakeholder Engagement (Continued)

	ENGAGEMENT METHODS	TOPICS OF INTEREST
LOCAL COMMUNITIES AND NON-GOVERNMENTAL ORGANIZATIONS		
	<ul style="list-style-type: none"> ● Outreach and networking with historically Black colleges and universities (HBCUs) ● Membership and participation in diverse professional organization meetings and events ● Annual sponsorship for diverse supplier councils ● Direct engagement, donations, and employee volunteerism with local nonprofit organizations ● Participation in sustainability industry events ● Research and evaluation of ESG frameworks 	<ul style="list-style-type: none"> ● Diversity, Equity, and Inclusion ● Human Capital Management ● Climate Risk, Strategy, and Disclosure ● ESG Strategy, Governance, and Disclosure ● Transparent and Responsible Products ● Financial Education

Introduction

Sustainability

Governance

Operations

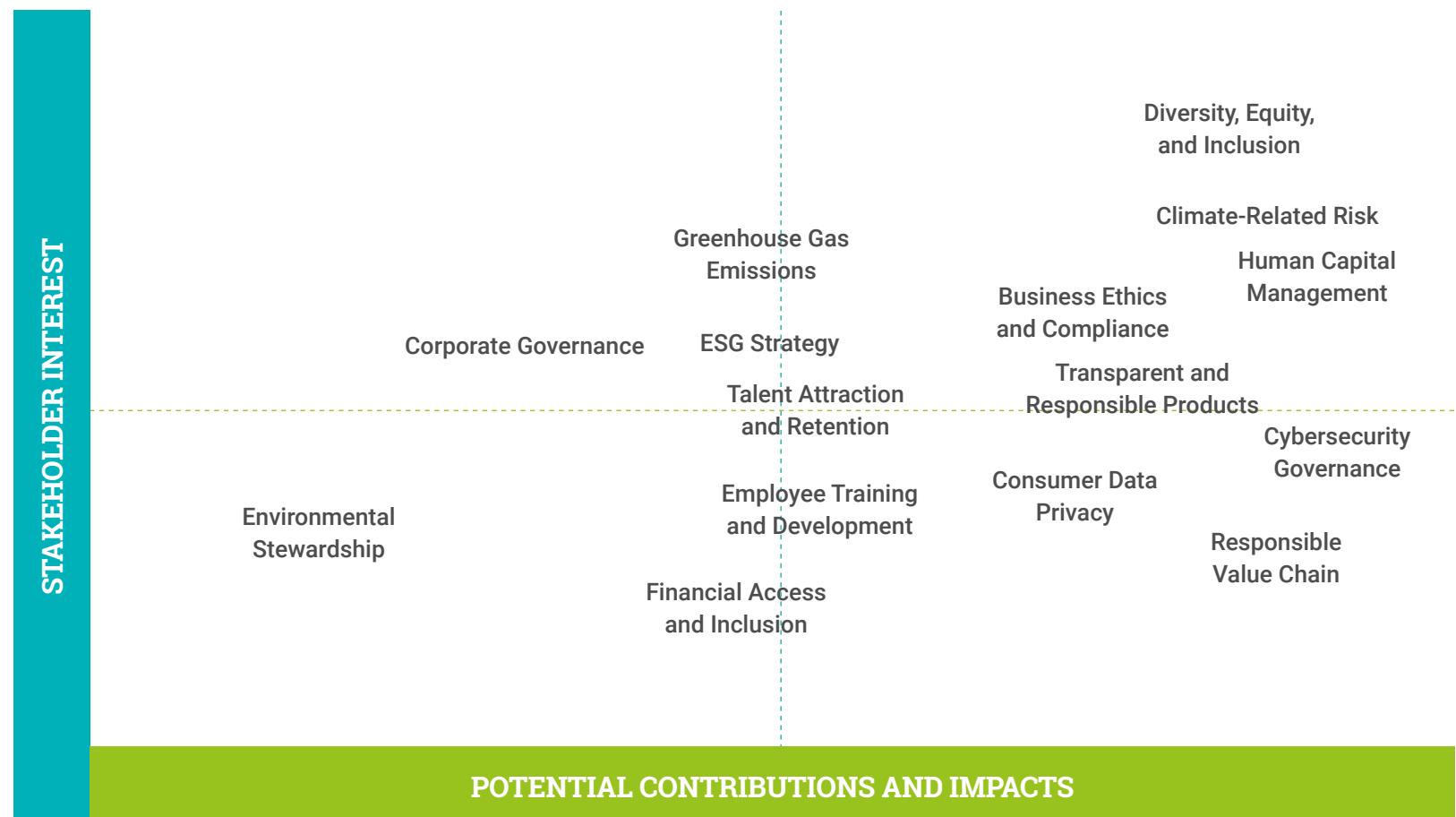
People

Financial Security

Climate

Appendices

2021 ESG Materiality Assessment



Section 8: Appendices

Introduction
 Sustainability
 Governance
 Operations
 People
 Financial Security
 Climate
Appendices

Sustainability Accounting Standards Board (SASB) Index

Topic	Accounting Metric	SASB Code	Brighthouse Financial Response
Business Activity	Number of policies in force by product segment	FN-IN-000.A	Annuities: 1,451,864 Life Insurance: 1,291,954
Transparent Information and Fair Advice for Customers	Total amount of monetary losses because of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	FN-IN-270a.1	Brighthouse Financial delivers products through a diverse network of independent distribution channels and marketing arrangements. Information regarding material litigation and regulatory matters can be found in BHF 2021 Form 10-K .
	Complaints-to-claims	FN-IN-270a.2	Brighthouse Financial does not currently disclose this metric.
	Customer retention rate	FN-IN-270a.3	Brighthouse Financial does not currently disclose this metric. For information regarding our approach to customer engagement and satisfaction, see Building Enduring Relationships .
	Description of approach to informing customers about products	FN-IN-270a.4	See Transparent Information for Customers .

Section 8: Appendices

Introduction
 Sustainability
 Governance
 Operations
 People
 Financial Security
 Climate
Appendices

Sustainability Accounting Standards Board (SASB) Index (Continued)

Topic	Accounting Metric	SASB Code	Brighthouse Financial Response
Incorporation of ESG Factors in Investment Management	Total invested assets, by industry and asset class	FN-IN-410a.1	See Responsible Investments .
	Description of approach to incorporation of ESG factors in investment management processes and strategies	FN-IN-410a.2	See Responsible Investments .
Systemic Risk Management	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives; (2) total fair value of acceptable collateral posted with the Central Clearinghouse; and (3) total potential exposure to centrally cleared derivatives	FN-IN-550a.1	See BHF 2021 Form 10-K for information regarding the use of derivative instruments.
	Total fair value of securities lending collateral assets	FN-IN-550a.2	See BHF 2021 Form 10-K for information regarding our securities lending program.
	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	See BHF 2021 Form 10-K .

Section 8: Appendices

Introduction
Sustainability
Governance
Operations
People
Financial Security
Climate

Appendices

Task Force on Climate-Related Financial Disclosures (TCFD) Index

GOVERNANCE: Disclose the organization's governance around climate-related risks and opportunities.

- A Describe the board's oversight of climate-related risks and opportunities
- B Describe management's role in assessing and managing climate-related risks and opportunities

- [Climate Governance](#)

STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

- A Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term
- B Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning
- C Describe the resilience of the organization's strategy

- [Climate-Related Risks](#)

- [Climate-Related Risks](#)

- [Strategy, Management, and Resilience](#)

Section 8: Appendices

- Introduction
- Sustainability
- Governance
- Operations
- People
- Financial Security
- Climate
- Appendices**

Task Force on Climate-Related Financial Disclosures (TCFD) Index (Continued)

RISK MANAGEMENT: Disclose how the organization identifies, assesses, and manages climate-related risks.

- A Describe the organization's processes for identifying and assessing climate-related risks
- B Describe the organization's processes for managing climate-related risks
- C Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

- [Strategy, Management, and Resilience](#)

Section 8: Appendices

Introduction
Sustainability
Governance
Operations
People
Financial Security
Climate

Appendices

Task Force on Climate-Related Financial Disclosures (TCFD) Index (Continued)

METRICS AND TARGETS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

- A Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
- B Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks
- C Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

- **Corporate Footprint**

- Brighthouse Financial has not set any climate-related targets at this time. As we develop our understanding of climate-related risks and their associated impacts, we will continue to analyze key climate metrics that are relevant to our investment portfolio. These may include, but are not limited to, weighted average carbon intensity (WACI), carbon intensity by sector, and proportion of general accounts and total market value of assets allocated to sustainable investments (green bonds, sustainability bonds, impact investments, public infrastructure, and renewable energy).

¹ Customer count data is as of June 30, 2021.

² All facts and figures are as of December 31, 2021, unless stated otherwise.

³ Ranked by 2021 admitted assets. Best's Review®: Top 200 U.S. Life/Health Insurers. AM Best, 2022.

⁴ From FORTUNE © 2022 Fortune Media IP Limited. All rights reserved. Used under license. FORTUNE and FORTUNE 500 are registered trademarks of Fortune Media IP Limited and are used under license. FORTUNE and Fortune Media IP Limited are not affiliated with, and do not endorse the products or services of, Brighthouse Financial.

⁵ All amounts and percentages based on GAAP carrying value as of December 31, 2021; does not include \$4.5 billion in cash and cash equivalents. Totals may not sum to 100% due to rounding.

The information provided in this report reflects the approach to ESG and sustainability by Brighthouse Financial as of December 31, 2021, unless otherwise stated herein, and is subject to change without notice. We do not undertake to update any of such information in this report. Any references to "sustainability," "sustainable," "ESG," or similar terms in this report are intended as references to the internally defined criteria of the company or our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition. Our approach to inclusion of disclosures in this report is different from disclosures included in mandatory regulatory reporting, including under U.S. Securities and Exchange Commission (SEC) regulations. In this report, when we use the terms "material," "materiality," and similar terms, we are using such terms to refer to topics that reflect the company's significant environmental and social impacts. We are not using these terms as they have been defined by or construed in accordance with the securities laws or any other laws of the U.S. or any other jurisdiction, or as these terms are used in the context of financial statements and financial reporting, and nothing in this report and other oral or written statements that we make from time to time should be construed to indicate otherwise.

No reports, documents, or websites that are cited or referred to in this report shall be deemed to form part of this report. Brighthouse Financial is not responsible for the information contained on third-party websites, nor do we guarantee their accuracy or completeness.

This report and other oral or written statements that we make from time to time may contain information that includes or is based upon forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve substantial risks and uncertainties. We have tried, wherever possible, to identify such statements using words such as "anticipate," "estimate," "expect," "project," "may," "will," "could," "intend," "goal," "target," "guidance," "forecast," "preliminary," "objective," "continue," "aim," "plan," "believe," and other words and terms of similar meaning, or that are tied to future periods, in connection with a discussion of future operating or financial performance. These include, without limitation, statements relating to future actions, prospective services or products, financial projections, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, as well as trends in operating and financial results.

Any or all forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining the actual future results of Brighthouse Financial, Inc. and its subsidiaries. These statements are based on current expectations and the current economic environment and involve a number of risks and uncertainties that are difficult to predict. These statements are not guarantees of future performance. Actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of known and unknown risks, uncertainties, and other factors. Risks, uncertainties, and other factors that might cause such differences include the risks, uncertainties, and other factors identified in our most recent Annual Report on Form 10-K, including in the sections entitled "Note Regarding Forward-Looking Statements," "Risk Factors," and "Quantitative and Qualitative Disclosures About Market Risk," as well as in our other subsequent filings with the SEC. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

Brighthouse Financial, Inc. is not affiliated with nor endorses any businesses or organizations that appear in this material.

Annuities and life insurance are issued by, and product guarantees are solely the responsibility of, Brighthouse Life Insurance Company, Charlotte, NC 28277 and, in New York only, by Brighthouse Life Insurance Company of NY, New York, NY 10017 ("Brighthouse Financial"). Variable products are distributed by Brighthouse Securities, LLC (member FINRA). All are Brighthouse Financial affiliated companies.

Brighthouse Financial® and its design are registered trademarks of Brighthouse Financial, Inc. and/or its affiliates.

- Not a Deposit • Not FDIC Insured • Not Insured by Any Federal Government Agency
- Not Guaranteed by Any Bank or Credit Union • May Lose Value



Brighthouse Financial, Inc.
11225 North Community House Road
Charlotte, NC 28277