Thank you for submitting the Reporting Year 2021 NAIC Climate Risk Disclosure Survey.

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NAIC Number	91626
Company Name	New England Life Insurance Company
Line Of Business	Life
Group Filing	N

Governance

1. Disclose the insurer's governance around climate-related risks and opportunities.

In disclosing the insurer's governance around climate-related risks and opportunities insurers should consider including the following:

• Identify and include any publicly stated goals on climate-related risks and opportunities.

• Describe where climate-related disclosure is handled within the insurer's structure, e.g., at a group level, entity level, or a combination. If handled at the group level, describe what activities are undertaken at the company level.

A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.

In describing the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks, insurers should consider including the following:

• Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks.

B. Describe management's role in assessing and managing climate-related risks and opportunities.

Response to Governance

1a. Board 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 enabling 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 disclosures, 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.

1b. 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

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Strategy

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

In disclosing the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy and financial planning, insurers should consider including the following:

• Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency.

• Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations.

A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.

In describing the climate-related risks and opportunities the insurer has identified over the short, medium, and longer term, insurers should consider including the following:

• Define short, medium, and long-term, if different than 1-5years as short term, 5-10years as medium term, and 10-30years as long term.

B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.

In describing the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider including the following:

• Discuss if and how the insurer provides products or services to support the transition to a low carbon economy or helps customers adapt to climate-related risk.

• Discuss if and how the insurer makes investments to support the transition to a low carbon economy.

C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

Response to Strategy

2a-b. Description of Climate-related Risks, Opportunities, and Potential Impacts: Bearing in mind the novel and unpredictable nature of a warming planet, our preliminary qualitative assessment of climate-related risks is intended to present climate-related risks and potential impacts identified under certain hypothetical scenarios rather than make actual projections.

Physical Risks (short-term or progressive)

Physical Risk #1: Business Continuity (Acute)
• Description of Risk: 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. Examples include:
o Office locations
o Information technology infrastructure
o Third-party vendor operations
• Potential Financial Implications: A physical climate risk event can negatively impact our company's operational continuity in several ways, including:
o Operational: Event-induced evacuations, power outages, and/or travel restrictions can result in office closures and operational disruptions.
o Cybersecurity: Physical damage to information technology infrastructure assets can lead to network failure, inadequate safeguarding of data, and/or other disruptions to critical business processes. Potential financial implications include, among others, lost revenue, legal liability, and expenses related to incident response procedures.
o Third-party: Physical climate risk impacts to third-party vendor operations or infrastructure may indirectly affect our business through service disruptions.

Physical Risk #2: Macro (Chronic)
• Description of Risk: 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.
• Potential Financial Implications: 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:
o asset valuations and the future performance of our investments
o third parties, including, among others, reinsurers and derivative counterparties

Physical Risk #3: Investment (Acute or Chronic)
• Description of Risk: Acute and/or chronic 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.
• Potential Financial Implications: 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:
o Asset Impairment: Tangible assets domiciled in climate vulnerable regions may sustain acute, physical damage due to a physical climate risk event.
o Adaptation and Resilience Costs: Coastal real estate assets may require significant capital investment to retrofit buildings against rising sea levels.
o 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 curtail agricultural production.

Transition Risks (medium-to-long term)

Transition Opportunity #1: Investment
• Description of Opportunity: Opportunity to invest in new markets and industry sectors, including those projected to deliver long-term growth through advancements in energy innovation and efficiency
• Potential Financial Implications: Investment in new markets may offer various medium-to-long-term benefits, including:
o Resilience against climate-related risks to our investment portfolio through greater asset diversification
o Opportunity for higher returns generated by growing sectors

o Better competitive position and reputational benefits of sustainable investment, with the potential to deepen engagement with investors and attract new customers

Transition Risk #1: Investment
• Description of Risk: 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
• Potential Financial Implications: 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/or 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.

Transition Risk #2: Regulatory
• Description of Risk: Mandatory climate-related risk information and greenhouse gas (GHG) emissions disclosure requirements within regulatory filings.
• Potential Financial Implications:
o Cost of Noncompliance: Adequate and timely preparation to align climate-related disclosures with forthcoming requirements will mitigate the risk of regulatory penalties.
o 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.

Transition Risk #3: Reputational
• Description of Risk: Negative stakeholder feedback regarding our company's performance and strategy to address climate risk issues against public commitments and industry standards
• Potential Financial Implications: 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:
o Inability to maintain competitive position among peers.
o Perception of poor governance impacting risk profile.
o Erosion of brand value over time.

2c. Resilience of Business Strategy and Operations Against Climate-related Risks

Operational Continuity: 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 the Cybersecurity Function, IT Risk Management Function, and Third-Party Risk Management functions.

Though physical climate risk events represent a business continuity risk to our company, we believe our flexible, hybrid workplace 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/or facilities. Additionally, we require all third-party information technology providers to maintain back-up systems and power supplies.

Investments Management: 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 our investments are managed to risk/return expectations.

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 intensity of such outcomes 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.

Risk Management

3. Disclose how the insurer identifies, assesses, and manages climate-related risks.

In disclosing how the insurer identifies, assesses, and manages climate-related risks, insurers should consider including the following:

• Describe how the insurer considers the impact of climate related risks on its underwriting portfolio, and how the company is managing its underwriting exposure with respect to physical, transition and liability risk.

• Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable.

• Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered.

A. Describe the insurers' processes for identifying and assessing climate-related risks.

In describing the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:

• Discuss whether the process includes an assessment of financial implications and how frequently the process is completed.

B. Describe the insurer's processes for managing climate-related risks.

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

In describing how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management, insurers should consider including the following:

• Discuss whether climate-related risks are addressed through the insurer's general enterprise-risk management process or a separate process and how frequently the process is completed.

• Discuss the climate scenarios utilized by the insurer to analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.

• Discuss the climate scenarios utilized by the insurer to analyze risks on its investments, including which risk factors are utilized, what types of scenarios are used, and what timeframes are considered.

Response to Risk Management

3a. Processes for Identifying and Assessing Climate-related Risks
Risk Identification
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, scanning 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: 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 regulatory expectations regarding, participate 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 NGOs; 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 portfolios’ exposure to physical and transition risk under different scenarios.

Risk Assessment

In 2021, we established an internal Climate Risk Working Group (CRWG) comprised of representatives from Brighthouse Financial’s Investments Department, 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. In addition, the Office of Sustainability incorporated climate and environmental factors into our 2021 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 (GHG) Emissions
• Climate Risk Management and Strategy
• Climate Transition Risk
• Environmental Stewardship

Key insights from this assessment include:
• Near-term Mandatory Climate Disclosure Requirements: As 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 Securities and Exchange Commission (SEC), Treasury Department’s 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 Taskforce 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 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 dynamic nature and uncertainties inherent to transition risk highlight our obligation to continuously monitor the various external developments driving this risk.

3b-c. Integration of Climate-related Risk Management Processes into Overall ERM

Embedding Climate Risk into our Enterprise Risk Management Framework: As of 2021, climate risk was listed as an emerging risk on the Brighthouse Financial Emerging Risk (ER) Register, which we define as, "a 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 in terms of their potential likelihood of occurrence, potential magnitude of losses, and potential velocity (direction and speed of change)—helping to position Brighthouse Financial to proactively respond to risks once they emerge. The ER Process enhances our understanding and management of risks, creates opportunities that relate to strategic planning, and demonstrates thoughtful risk governance.

Internal Engagement and Collaboration: As we transition climate risk out from our Emerging Risk Program in 2022, 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 of 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

Managing ESG and Climate-related Risks to our Investments: As part of our ongoing commitment to ESG integration and sustainable investment, the Brighthouse Financial Investments team took steps to strengthen and formalize our approach to ESG in 2021.
• ESG Investment Policy and Management Practices: Key actions include the adoption of an ESG Investment Policy applicable to our general account assets, which includes updated guidelines for external managers that align with Brighthouse Financial's ESG objective; enhanced reporting requirements for external managers to include relevant ESG and climate-related data metrics in quarterly and annual performance reviews; the introduction of an ESG Exclusions List, prohibiting investment in certain issuers and industries deemed inconsistent with our responsible investment goals; inclusion of fossil fuel exposure criteria within the ESG Exclusions List, primarily targeting issuers generating revenue from oil sands and coal-related activities.

• Engaging External Managers on ESG: 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.

Specific to public assets, each manager is required to include relevant ESG metrics within their quarterly performance reports, as well as identify any recent ESG-related purchases made over the quarter—such as Green or Sustainability Bonds. In addition to quarterly meetings, we hold annual on-site to evaluate external managers more holistically. As part of this 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: Absent 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 more of 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 look to incorporate relevant ESG metrics and insights into our investment process.

Metrics and Targets

4. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.

In disclosing the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material, insurers should consider including the following:

• Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please specify for which climate-related risks the insurer uses catastrophe models to assess, if any.

A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.

In disclosing the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process, insurers should consider including the following:

• In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions.

B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

Response to Metrics and Targets

4a-b. Greenhouse Gas (GHG) Emissions Data: Our approach to environmental stewardship begins with knowledge and transparency. In 2021, we developed Brighthouse Financial's first 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 the estimated emissions generated from activities outside of our direct financial or operational control but critical to our upstream business operations. This includes emissions generated in result of purchased electricity across our 6 leased office locations (Scope 2, electricity), employee business travel (Scope 3, transportation); and the energy consumption associated with third-party vendor information technology infrastructure and operations (Scope 3, upstream value chain). Emissions calculations were performed in accordance with the GHG Protocol accounting standards.

2019 2020 2021
Scope 2
Office Buildings 3856.95 2353.49 0
Scope 3
Business Travel 3181.61 731.62 274.56
Information Technology 34081.89 35124.96 37765.24
Total CO_2e Emissions (in metric tonnes) 41120.45 38210.07 38039.8

4c. Targets: Brighthouse Financial has not set any climate-related targets at this time. As we further 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).