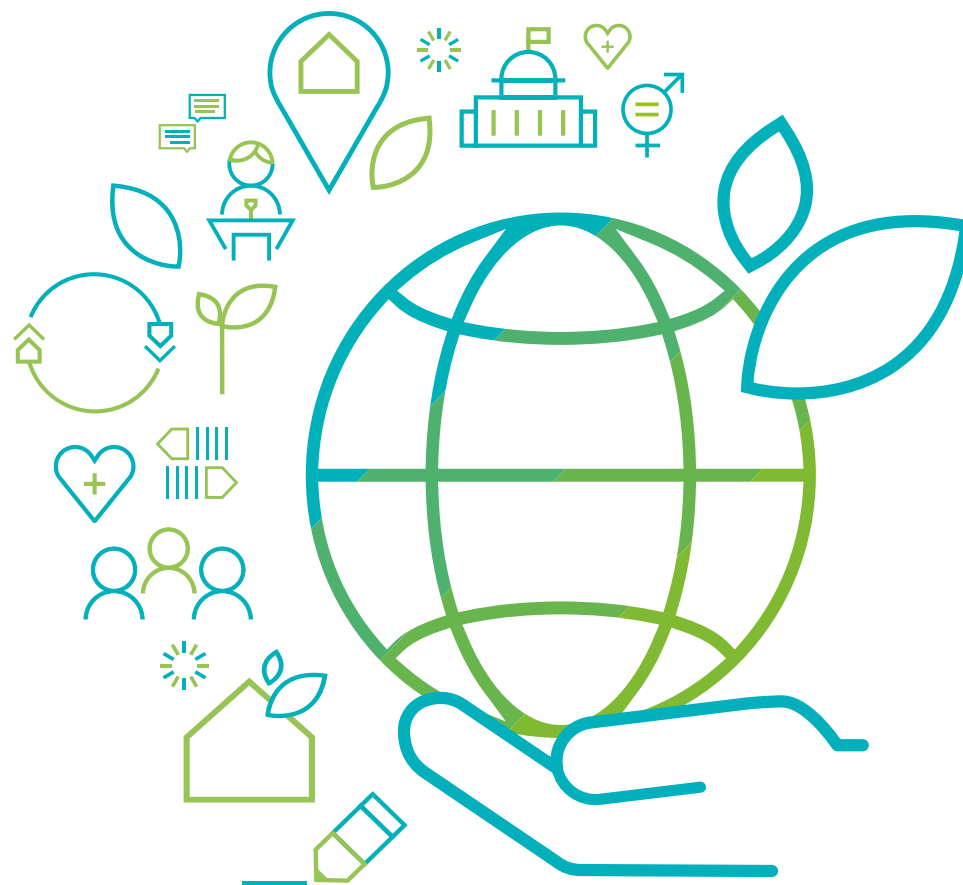


# Corporate Sustainability Report

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**2022**



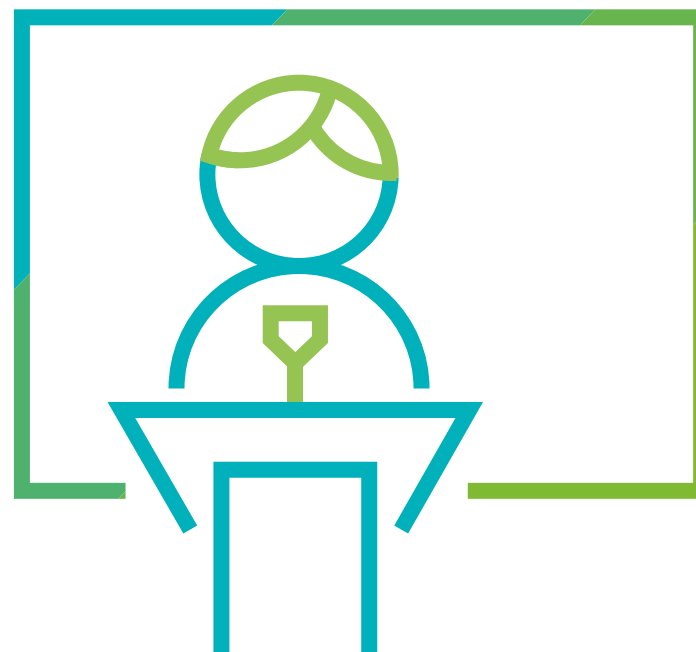
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Section 1:

# Introduction to Bighthouse Financial



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# A Message From Our President and CEO

I am excited to share the Brighthouse Financial 2022 Corporate Sustainability Report, which highlights the many ways in which our company continues to drive sustainable business practices forward. August 2023 marked the sixth anniversary of Brighthouse Financial as an independent, publicly traded company. Looking back on the past six years, I am proud of the significant progress that our company has made on its ongoing sustainability journey. As this report reflects, we remain committed to integrating environmental, social, and governance (ESG) factors across our organization and culture.

Throughout 2022, we continued to execute our sustainability strategy, including the following highlights:

- Reflecting our focus to help meet the evolving needs of clients, we launched Brighthouse Shield Level Pay Plus<sup>®</sup> Annuities. This product is built to address an important need in retirement planning: income that lasts for life. In addition, we are proud that this product is designed to provide married couples of any gender with advantages that some similar products may not offer.
- We established Brighthouse Scholar Connections, Inc., a non-profit organization that awards scholarships, providing expanded access to educational opportunities for students who are members of historically underrepresented or disadvantaged populations due to race, ethnicity, socioeconomic status or similar factors. The creation of this organization is just one example of the many ways that Brighthouse Financial continues to support the communities in which we live and work.

- As part of our deep commitment to fostering an inclusive workplace, we launched seven employee network groups (ENGs), which are open to all employees. The launch of these groups has further enhanced our workplace and our company's strong culture, which we continuously seek to strengthen in order to remain a great place to work.

As one of the largest providers of annuities and life insurance in the U.S.,<sup>1</sup> we recognize that we have an obligation to operate our business in a responsible and sustainable way, which we believe will enable us to drive long-term value for our shareholders while promoting a sustainable future for all.

The publication of this report reinforces our commitment to accountability and providing transparency into our sustainability progress, and we look forward to updating you as our journey continues. Thank you for your continued interest in sustainability at Brighthouse Financial.

**Eric Steigerwalt**  
President and CEO,  
Brighthouse Financial



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# Company Overview

**ABOUT BRIGHTHOUSE FINANCIAL:** Brighthouse Financial, Inc. is one of the largest providers of annuity and life insurance products in the U.S.<sup>2</sup> 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. We deliver our products through multiple independent distribution channels and marketing arrangements with a geographically diverse network of distribution partners. Through our insurance company subsidiaries, Brighthouse Financial is licensed to issue annuity and life insurance products in all 50 states.

**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:**

**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.

**COMPANY SNAPSHOT:**



Headquartered

in Charlotte, North Carolina



5

U.S. office locations



≈1,500

employees<sup>3</sup>



400+

distribution partners



2M+

customers<sup>4</sup>



\$109B+

total invested assets held in General Account<sup>5</sup>



#448

FORTUNE<sup>®</sup> 500<sup>6</sup>

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# Our Culture and Values

At Brighthouse Financial, we are fostering 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 are better able to attract and retain talent and provide valuable solutions that meet the needs of our distribution partners and 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

- Most Trustworthy Companies in America, Newsweek, 2022-2023
- Healthiest Employers of Greater Charlotte, Charlotte Business Journal, 2019-2023
- Recognized by the Women’s Forum of New York at the 2021 and 2023 Breakfast of Corporate Champions for our Board’s gender diversity (awarded biannually)
- Barron’s Best Annuities, 2017-2023

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Section 2:

# Sustainability



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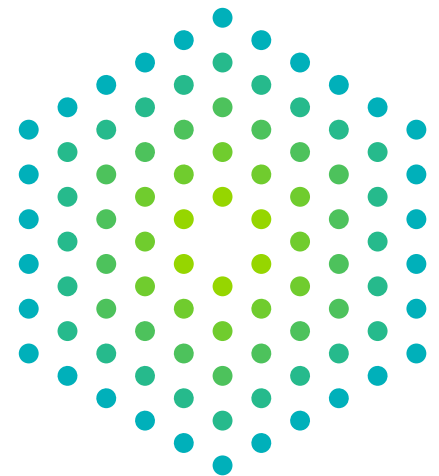
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# Our Strategic Approach

At Brighthouse Financial, we believe that sustainability is inherent to our mission to help people achieve financial security. We define sustainability as the strategic integration of relevant ESG factors throughout our organization and culture – recognizing that responsible business practices are critical to driving long-term value for our shareholders and promoting a sustainable future for all.

Our sustainability strategy and related initiatives are designed to uphold three key principles:

- **Stakeholder Inclusivity:** We strive to consider and respond 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.
- **Double Materiality:** As outlined within our ESG Strategic Framework, we use a comprehensive, data-driven approach to identify, prioritize, and respond to the ESG factors considered most relevant to our company and stakeholders, while also accounting for any potential impacts our operations may have on the external environment, economy, or society.
- **Transparency and Accountability:** We seek to provide our stakeholders with an accurate and balanced view of our company's annual sustainability performance – keeping ourselves accountable to our commitment to drive ESG integration and achieve progress over time.





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## Our Strategic Approach (Continued)

### Sustainability Program Maturity

Throughout 2022, stakeholder audiences demonstrated greater interest in ESG data quality and reporting. Initiatives to standardize performance metrics and establish mandatory disclosure regulation continued to gain ground, reflecting the growing importance of data accuracy, consistency, and transparency to many institutional investors and government stakeholders.

As the ESG landscape continues to evolve, Bighthouse Financial and the Office of Sustainability strive to adapt and continuously enhance our company's internal data governance and management capabilities. We believe that this flexible approach will help to ensure that any sustainability-related data and information disclosed by our company is collected, measured, and reported in alignment with appropriate guidance and standards.

In 2022, members of the Office of Sustainability collaborated with business partners from across Bighthouse Financial to strengthen our internal ESG data management practices. Key enhancements include:

- Establishing a centralized ESG data repository to more effectively streamline the collection, storage, and verification of nonfinancial data and supporting evidence
- Documenting ESG-related risks, processes, and controls across various business functions, helping to ensure consistency in methodology and comparability of data over time
- Creating more systematized reporting processes and procedures, formally integrating the [three lines of defense model](#)

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# ESG Priorities

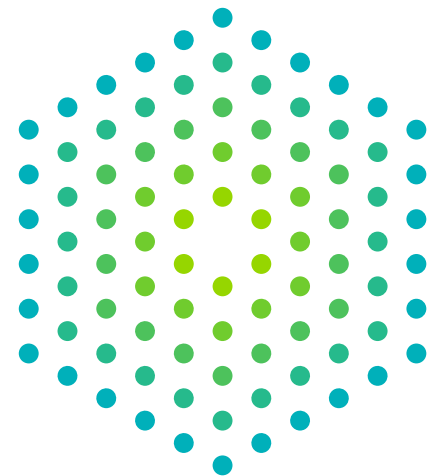
**Being a Great Place to Work:** We view our employees as one of our most valuable assets. Our ability to successfully execute our business strategy and deliver on our mission to help people achieve financial security starts with our culture and values, which are brought to life every day by our employees.

**Diversity, Equity, and Inclusion (DEI):** We are committed to advancing DEI across our organization and culture through various business policies and practices, including our talent strategy; employee learning, development, and engagement initiatives; procurement; and strategic partnerships.

**Advancing Financial Security Through Responsible Products:**  
We believe that annuities and life insurance play an essential role in financial security. Recognizing the various risks that can surface across our product value chain – from our marketing practices to our product disclosures – we create streamlined products designed to uphold three core pillars: simplicity, transparency, and competitive value for our customers.

**Promoting Business Resilience Through Sustainable Operations:**  
Our ability to deliver on our commitments to our stakeholders begins with responsible business practices. Through effective governance, compliance, and risk management; proactive cybersecurity and data privacy programs; and our commitment to responsible investment, we believe that our approach to operating sustainably helps promote business resilience and continuity across our corporate value chain.

**Climate Change and the Environment:** We recognize that climate change poses various risks to our company, as well as to global financial markets, society, and the planet. We are committed to enhancing our efforts to identify, measure, assess, and manage material climate-related risks to our company, as well as the environmental impact of our operations.



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## 2022 ESG Snapshot



**91%** of employees participated in our annual employee engagement survey



**33%** of employees identify as racially or ethnically diverse



Launched **7** Employee Network Groups



Established **Brighthouse Scholar Connections, Inc.**



**\$7.7B** in ESG-related and impact investment assets



Engaged with **70+** stakeholders on ESG-related issues



Introduced **Brighthouse Shield Level Pay Plus®**, an annuity product designed to provide customers with guaranteed income that lasts for life

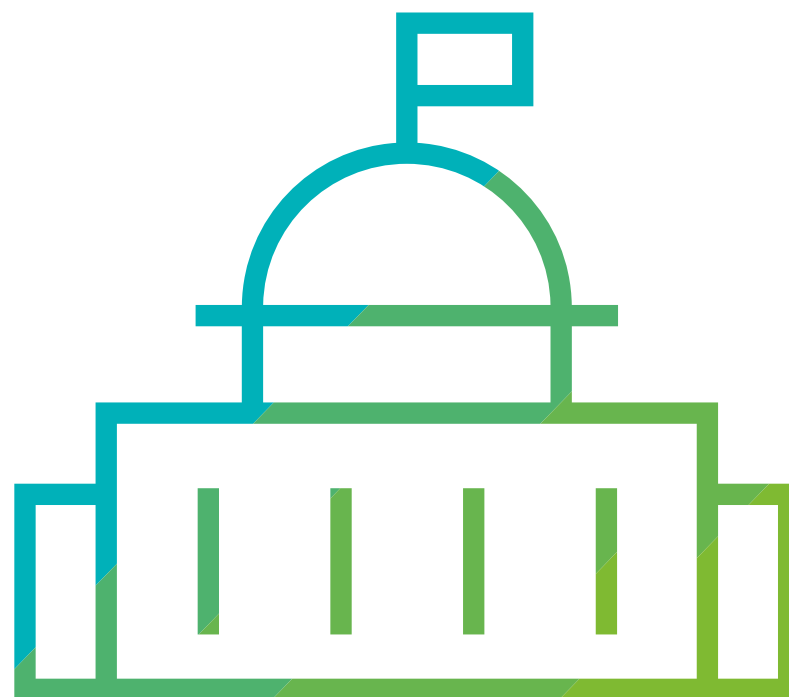


Recognized as **Donor of the Year** by the Carolina Youth Coalition

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Section 3:

# Corporate Governance



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# Effective Governance Practices

Good governance underpins the ability of our Board of Directors (Board) to oversee the management and execution of our company's business strategy and objectives. In furtherance of our commitment to serve the best interests of our company and consider the interests of our stakeholders, our Board continually assesses our company's governance profile to ensure that it reflects the evolving governance landscape and appropriately supports and serves the best interests of our company and our shareholders.

## KEY GOVERNANCE PRACTICES

### Board Structure and Independent Oversight

- Independent, non-executive chairman of the Board
- 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

- Adopted a majority voting standard for uncontested director elections in January 2023
- Eliminated supermajority voting requirements to amend certain provisions of our Certificate of Incorporation or Bylaws in June 2023
- Single 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 increased shareholder participation
- Opportunity for shareholders to ask questions in advance of and during the Annual Meeting

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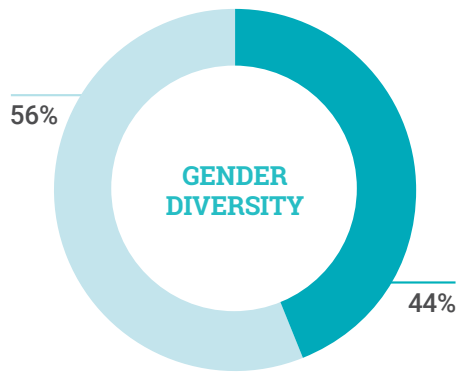
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# Effective Governance Practices (Continued)

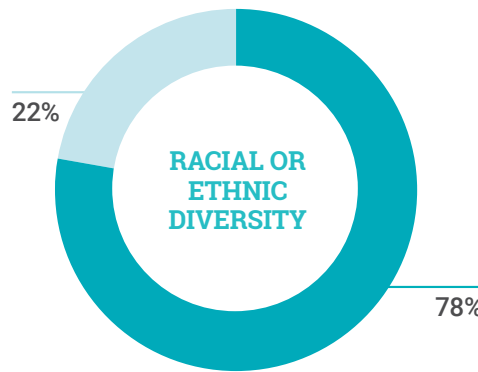
## COMMITMENT TO BOARD DIVERSITY

We believe that a diverse board is better able to effectively oversee our company's management and strategy. Our Board seeks directors who possess a broad range of skills, experience, and perspectives, and we believe that board diversity helps enable richer discussion and more effective decision-making – better positioning us to consider the interests of our stakeholders and deliver sustainable, long-term value for our shareholders.

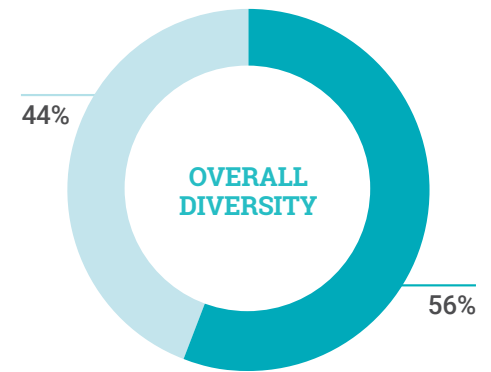
### 2022 BOARD DIVERSITY DATA



Women  
Men



Non-Racially/Ethnically Diverse  
Racially/Ethnically Diverse



Diverse  
Non-Diverse

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## Effective Governance Practices (Continued)

### SUSTAINABILITY OVERSIGHT

Our **Board** and the **Nominating and Corporate Governance Committee (NCGC)** oversee our corporate sustainability program and related initiatives. The Chief Sustainability Officer (CSO) reports on an annual basis to our Board and the NCGC, providing updates regarding enhancements to our sustainability strategy, our assessment and management of ESG factors, and our disclosure initiatives.

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

- 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 and climate-related 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 financial implications of our investment portfolio's exposure to ESG and climate-related physical and transition risks.
- The **Audit Committee** oversees risks related to our financial reporting processes and controls, public disclosures, regulatory compliance, and operational risk, which includes model, cybersecurity, and third-party risk management, where, in each case, ESG and climate-related issues may be relevant.

For more information detailing the structure, oversight responsibilities, policies, and practices of our Board and its committees, download our most recent [Annual Report on Form 10-K and Proxy Statement](#) or access our corporate governance documents and charters by visiting the [Brighthouse Financial Investor Relations](#) webpage.

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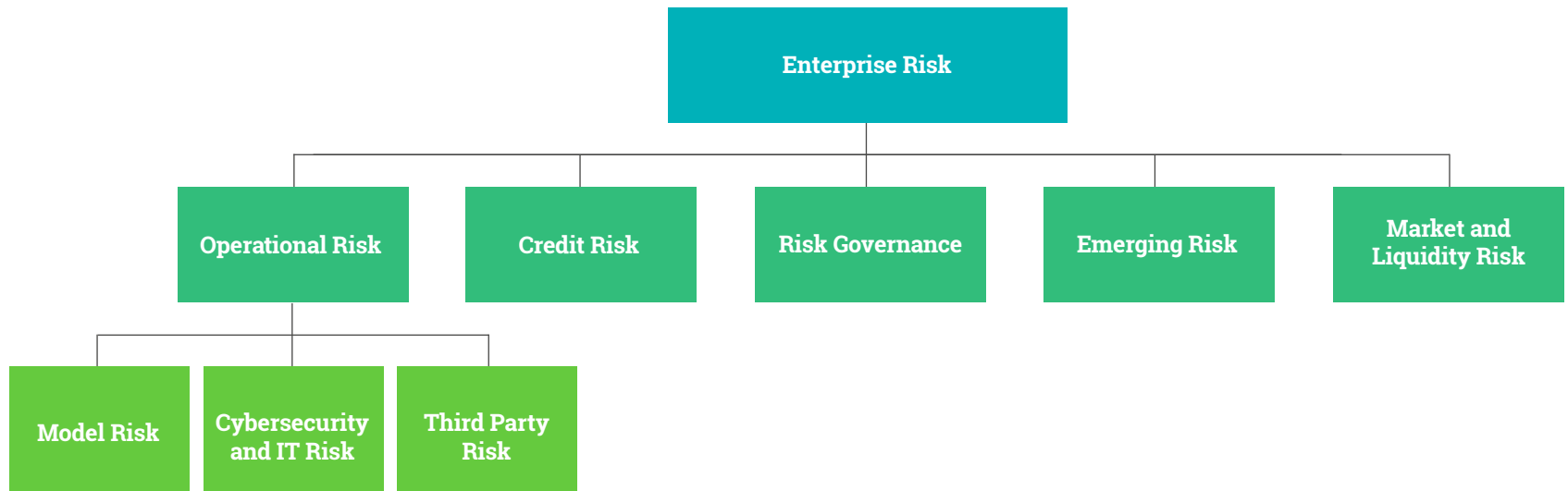
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# Risk Management

## RISK MANAGEMENT AND GOVERNANCE FRAMEWORK

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

As designated by our comprehensive risk governance framework, CRM functions as a structurally independent unit to maintain and oversee multiple risk programs – helping to ensure that appropriate policies, standards, and procedures are embedded in our company’s business and strategic decision-making processes.





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# Risk Management (Continued)

## 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

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



### 1ST LINE

Every Employee  
Perform Risk Management



### 2ND LINE

Risk Partners  
Support Risk Management



### 3RD LINE

Internal Audit  
Validate Risk Management

In 2022, all Brighthouse employees completed the Risk Management Fundamentals course, which is designed to reinforce key risk concepts and operational risk management responsibilities common to all employees, helping to ensure that employees remain vigilant and are empowered to proactively identify and report potential or emerging risks.

## ESG RISK MANAGEMENT

In 2022, Brighthouse Financial and the Office of Sustainability continued to strengthen our sustainability governance practices and strategy by establishing formal ESG policies and procedures, including the integration of documented ESG risks, processes, and controls through our operational risk management program.

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# Our Commitment to Ethics and Integrity

## CODES OF CONDUCT

We strive to adhere to the highest standards of business conduct at all times – 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](#) applicable to directors and all employees.

Annually, all employees are required to review and certify compliance with the Brighthouse Financial Code of Conduct for Employees. Employees also complete more extensive mandatory training on the Code of Conduct on a biennial basis. Additionally, all new employees are required to complete a course that summarizes key points from some of our mandatory training sessions, including on the Code of Conduct, within 30 days of their start date.

## COMPLIANCE PROGRAM

Our Regulatory Risk Management (RRM) Program was established to manage regulatory risk across our company, both within and across company organizations and subsidiaries. The RRM Program is an ongoing, proactive, companywide 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 program are appropriately remediated and reported to senior management

Our Compliance team performs quarterly risk assessments of certain 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.

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# Our Commitment to Ethics and Integrity (Continued)

## EMPLOYEE TRAINING, COMMUNICATION, AND AWARENESS-RAISING

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

In 2022, our Learning and Development team partnered with Compliance, Human Resources, and CRM to administer the following mandatory training courses:

- [Preventing Workplace Harassment](#)
- [Fraud Prevention and Detecting Elder Abuse](#)
- [HIPAA/Privacy](#)
- [Code of Conduct \(certification\)](#)
- [Risk Management Fundamentals](#)
- [Perfect Your Password](#)
- [Office Re-opening Training](#)
- [Annual Compliance Meeting \(for registered employees only\)](#)
- [Regulatory Overview \(for new hires only\)](#)

In addition to business conduct training, Compliance distributes more frequent reminders on key topics to all employees in our company's weekly employee newsletter. Each year, as part of our Ethics Awareness Month program, Compliance also spotlights business ethics topics through a variety of communications and other resources made available to employees.

## REPORTING ILLEGAL OR UNETHICAL BEHAVIOR

Compliance helps ensure employees are well informed about our company's clearly defined reporting and escalation process through fraud and ethics training and regular communications to raise awareness. 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. In addition, the Brighthouse Financial Audit Committee Complaint Procedures allow for internal or external stakeholders to anonymously report allegations to the Chair of our company's Audit Committee.

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# Our Commitment to Ethics and Integrity (Continued)

## CORPORATE CITIZENSHIP

Brighthouse Financial is committed to being a good corporate citizen and trusted partner to our government and regulatory stakeholders.

**Public Policy Engagement:** Brighthouse Financial engages with legislative and regulatory officials to advocate for sound public policy on matters that impact our business, including domestic state regulatory requirements, tax and investment issues, product development and distribution, and issues impacting our clients and customers, such as retirement security, data privacy, and underwriting. We advocate both directly and with the assistance of industry trade associations, such as the American Council of Life Insurers and the Insured Retirement Institute.

Brighthouse Financial does not have a political action committee and does not provide corporate contributions to political campaigns. Our company complies with applicable laws and regulations related to the disclosure of lobbying activity and publicly discloses on a quarterly basis all U.S. federal lobbying activities, including all entities and issues lobbied and related information, such as national trade association membership dues and other tax-exempt expenses. These disclosures can be found on the [U.S. Senate Lobbying Disclosure website](#).

**Tax Strategy:** Brighthouse Financial is committed to being a responsible taxpayer in compliance with all federal and state tax laws and regulations. As a domestic company, most of the taxes paid relate to business activities within the United States. In 2022, we began acquiring state tax credits that are designed to promote activities in communities that align with our corporate values and overall business tax strategy.

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Section 4:

# Sustainable Business Operations



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# Cybersecurity and Data Privacy

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

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.

Our Cybersecurity team conducts oversight and governance activities to ensure that our information assets are adequately protected, including but not limited to our company'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 2022, our Cybersecurity team completed its annual cyber-risk assessment of internal processes and controls in alignment with the U.S. National Institute of Standards and Technology (NIST) Cybersecurity Framework. In addition, a third-party assessed the maturity of our cybersecurity program against the NIST Cybersecurity Framework. The results of these assessments confirmed the rigor of our company's 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 any risk event with the potential to disrupt, damage, or impact assets critical to safeguarding our information security.
- Our cybersecurity and data privacy programs are 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 that they remain vigilant against threats. These include frequent simulations, newsletters, alerts, email reminders, and a mandatory annual cybersecurity awareness training course for all employees. In addition to company policies that we make available to all employees, our awareness training provides clear reporting and escalation processes in the event of suspicious activity.

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## Cybersecurity and Data Privacy (Continued)

### EMPLOYEE TRAINING HIGHLIGHTS IN 2022

- As part of **Cybersecurity Awareness Month**, each year we provide cybersecurity-focused training to all our employees. In 2022, our campaign, **"Perfect Your Password,"** highlighted strategies to manage passwords and build and improve password paraphrases, as well as the importance of passwords to security.
- Over the course of 2022, our Security Awareness Program covered a broad range of topics, including **anti-fraud, money laundering prevention, privacy, phishing, ransomware, and social engineering.**
- During each year, our Cybersecurity team administers periodic phishing campaigns, with a targeted success rate in excess of 90%. Throughout 2022, as we continued to increase the complexity of these campaigns to ensure employee vigilance, **we consistently met this goal.**

### 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 our practices to collect, use, share, and retain consumer data can be found by accessing [our privacy policies](#).

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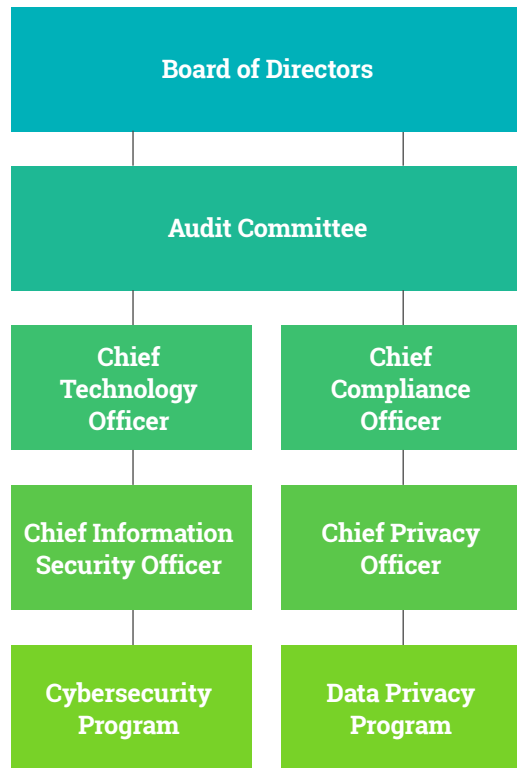
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# Cybersecurity and Data Privacy (Continued)

## OVERSIGHT OF CYBERSECURITY AND DATA PRIVACY PROGRAMS



The Audit Committee and/or the Board generally meet on a quarterly basis with our Chief Technology Officer (CTO) and/or Chief Information Security Officer (CISO) to review our information technology and cybersecurity risk profile and to discuss our activities to manage those risks.

In addition, our Chief Compliance Officer regularly reports to the Audit Committee and/or the Board regarding the Company's compliance with applicable regulations relating to information technology and cybersecurity.



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# Responsible Investments

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

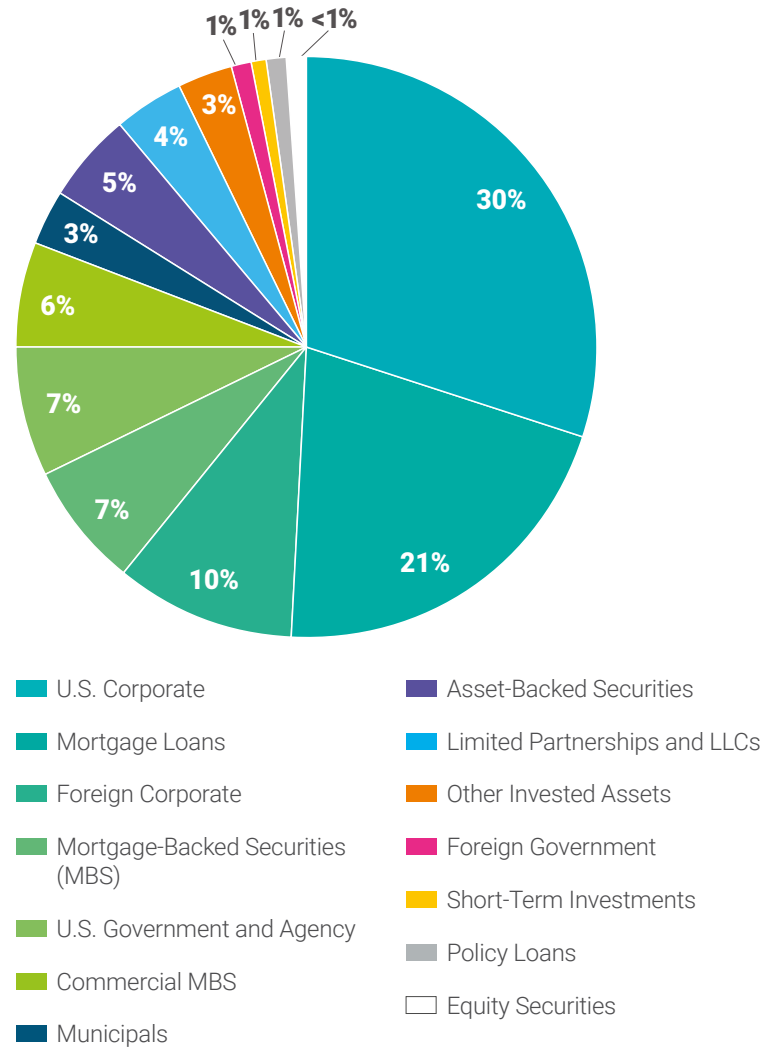
## FOUNDATIONS OF OUR INVESTMENT STRATEGY

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

As of December 31, 2022, our general account portfolio held more than \$109 billion in total invested assets.

## GENERAL ACCOUNT

Portfolio Composition by Asset Class<sup>7</sup>



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# 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 our investments are managed to risk/return expectations.

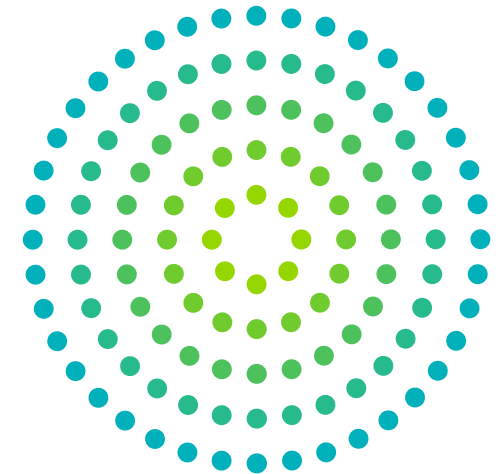
## OUR APPROACH TO ESG

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 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.

The Brighthouse Financial Investments team oversees our company's ESG Investment Policy applicable to our general account assets, which includes guidelines for external managers that align with our company's ESG objective; reporting requirements for external managers to include relevant ESG and climate-related data metrics in quarterly and annual performance reviews; and an ESG exclusions list, prohibiting investment in certain issuers and industries deemed inconsistent with our responsible investment goals.

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.

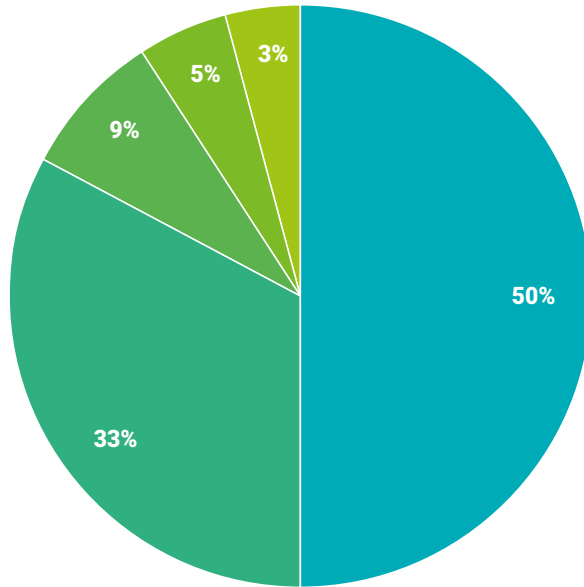
In 2022, we held \$7.7 billion in ESG-related and impact investments across our general account portfolio, representing a decrease of \$1.1 billion from 2021, primarily driven by changes in interest rates. However, the total investments in ESG-related and impact investments increased year-over-year on a book value basis.



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# Responsible Investments (Continued)

## ESG AND IMPACT INVESTMENTS



- Municipal Bonds <sup>8</sup>, \$3.84B
- Green and Sustainable Investments <sup>9</sup>, \$2.51B
- Infrastructure <sup>10</sup>, \$681M
- Impact Investments <sup>11</sup>, \$398M
- Renewables <sup>12</sup>, \$269M



## 2022 HIGHLIGHTS

Reflecting our company’s ongoing commitment to ESG integration and sustainable investment, in 2022, the Brighthouse Financial Investments team took additional steps to strengthen and formalize our approach to ESG. This includes the introduction of enhanced internal procedures for the disclosure and oversight of our responsible investments.

Beginning in 2021, Brighthouse Financial established an impact investment target of \$100 million to be allocated toward women and minority-led or focused alternative investment funds over three years. As of December 2022, 88% of this initial commitment had been met.

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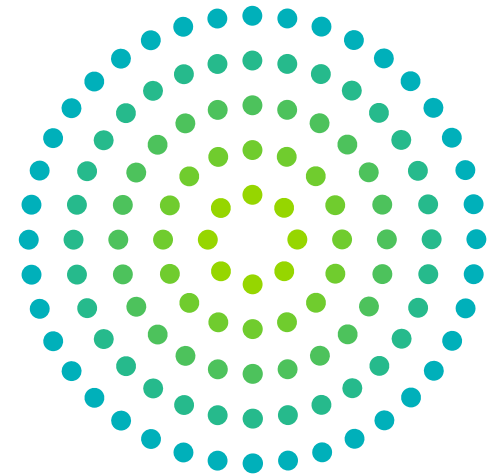
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# Supplier Diversity

The Bighthouse Financial Supplier Diversity Program is designed 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/or 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 a **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



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## Supplier Diversity (Continued)

### PROMOTING A SUSTAINABLE PIPELINE OF DIVERSE SUPPLIERS

To broaden our impact in 2022, we expanded our engagement activities through:

- Organizational sponsorships of diverse supplier membership councils to support diverse businesses in need of mentoring and/or certification assistance. Our 2022 memberships include:
  - **National Minority Supplier Development Council**
  - **Women's Business Enterprise National Council**
  - **National LGBT Chamber of Commerce**
  - **National Veteran Business Development Council**
- Our continued partnership with the Diversity Information Resources supplier database.
- Attendance at local matchmaking events where we presented business opportunities to diverse suppliers, answered questions about our contracting process, and established new connections with diverse suppliers interested in future opportunities.

- Quarterly business reviews held by our Procurement team with internal partners to discuss supplier diversity, evaluate diverse spend, and compare diverse spend with other business areas.
- Communications with our large base of traditional, non-diverse suppliers to request transparent reporting on any diversity initiatives.

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Section 5:

# People



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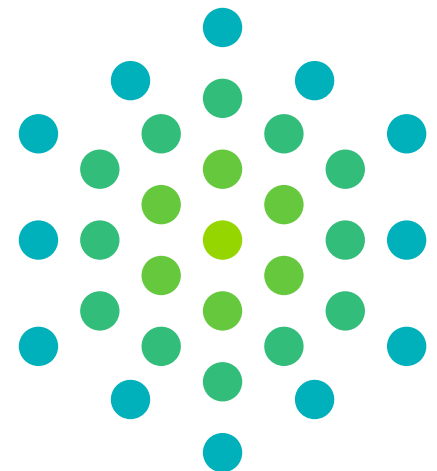
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## Being a Great Place to Work

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. Our workplace strategy helps ensure that Bighthouse Financial remains an employer of choice and a great a place to work by focusing on the following:

- Maintaining a strong culture by driving engagement and responding to feedback in a way that optimizes our employees' experience
- Fostering our employees' well-being with competitive pay, benefits, and resources that can positively impact their and their families' physical, mental, and financial health
- Investing in our employees' professional development through opportunities for continuous learning and training, as well as tools and other resources designed to build and enhance skills



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## Being a Great Place to Work (Continued)

### CULTURE AND ENGAGEMENT

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

Throughout the year, we hold a variety of events and issue a wide range of communications to help ensure that our employees remain engaged and well-connected to our company and each other. These include quarterly Town Hall meetings, podcasts from our CEO, companywide discussions with members of our leadership team, recognitions of heritage months, celebrations of DEI through panel discussions and other forums, and a weekly newsletter for employees to learn about company news and events.

Our Culture Action Committee comprises a group of employees from each of our company's business units who help monitor our company's culture and employee engagement feedback. The insights gathered by this committee assist us with developing and implementing plans to preserve and enhance our culture.

Our DEI Council, which is comprised of representatives from across our company, is responsible for creating and sponsoring programs and development opportunities with the aim of fostering a culture of inclusivity at our company.



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## Being a Great Place to Work (Continued)

### CULTURE AND ENGAGEMENT (CONTINUED)

In 2022, we set out to respond to feedback specifically pertaining to:

- **Professional growth and career advancement:** In partnership with our Learning and Development team, the Culture Action Committee set up Career Forum calls, on which our business units shared information about what it's like to work on each of their teams. These calls provided employees with greater insight into the work that goes on across our company, helping employees to identify potential areas of growth.
- **Work-life balance initiatives to mitigate burnout:** The committee worked with our Learning and Development team to educate employees about adjusting default ending times for meetings as a technique to help them get to back-to-back meetings on time, as well as a way to reset and prepare themselves between meetings. Our company also established the Fridays before Memorial Day and Labor Day as permanent days off for employees.
- **Maintained focus on DEI:** Committee members partnered with DEI Council members to include DEI in team-building activities and other employee gatherings. Members encouraged employees to engage with and join ENGs, as well as take advantage of our monthly DEI informational resources made available on our intranet.



### KEY HIGHLIGHTS IN 2022

91%

of employees participated in our annual employee engagement survey.

94%

of employees indicated that they are proud to work at Brighthouse Financial.

93%

of employees consider Brighthouse Financial to be an inclusive workplace.

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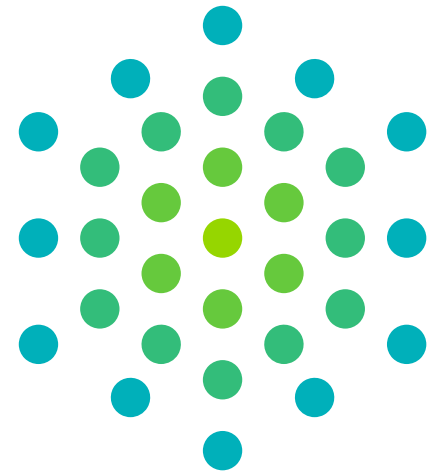
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## Being a Great Place to Work (Continued)

### OUR TALENT STRATEGY

Bighthouse Financial is focused on building a strong talent pipeline with an emphasis on the training and development of employees through various programs. This has allowed us to enhance our talent management strategy with a heavy focus on cross-training that leads to greater mobility. In 2022, we experienced an annual voluntary turnover rate of 12%. Through our cross-training initiatives, however, we have seen a greater number of opportunities for internal mobility within our company, with approximately 34% of new open roles filled by existing employees in 2022. Additionally, our flexible, hybrid work model has enabled us to expand our recruiting strategy to a national scale. By recruiting nationally and reducing the number of requirements for our roles, we have been able to attract a more diverse range of applicants to our open positions.



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## Being a Great Place to Work (Continued)

### LEARNING, DEVELOPMENT, AND ADVANCEMENT

As part of our efforts to maintain a highly skilled, competitive workforce, we invest in creating strategic opportunities for employees to build and strengthen skills, grow as leaders, and advance in their careers.

Our learning and development strategy is built on fostering knowledge and driving performance at the individual and company level. We offer a diverse range of innovative programming and resources to promote a culture of continuous learning and development – empowering employees to 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.
- Our **Learning Library** helps employees learn business, software, technology, creative, and other skills to achieve personal and professional goals. The online learning platform provides access to on-demand, high-quality courses taught by recognized industry experts, with an emphasis on right-size learning.
- Our **Learning Hour Series** provides employees with opportunities to participate in live, virtually facilitated learning sessions each month. These optional sessions are designed to enhance employees' understanding of our corporate strategy and culture while providing the opportunity to improve practical skills.
- Our **Management Workshop Program** helps leaders build the mindset, skills, and habits needed to succeed at our company. Participants learn how to create an engaging work environment, embrace diversity, promote inclusion and belonging, and grow and develop talent to enable high performance.
- Our **Emerging Talent Development Program** is a customized program for selected high performers to ignite growth, encourage career reflection, and challenge themselves to think about the skills needed to succeed. The program provides participants with new insights, tools, experiences, and relationships to help shape their journey and career progression.
- Our **Leadership Excellence and Development Program** is a customized, long-term development journey designed to enable participants to improve their self-awareness while strengthening their leadership competencies. Program components include executive coaching, emotional-intelligence readiness, personal leadership vision and development planning, and executive-presence and presentation training.
- Our **Employee Orientation and Immersion Program** introduces all new employees to our company, mission, and culture, providing a comprehensive overview of our business departments and products. This program is intended to ensure that employees have the insights and tools needed to make meaningful contributions and succeed at our company.

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## Being a Great Place to Work (Continued)

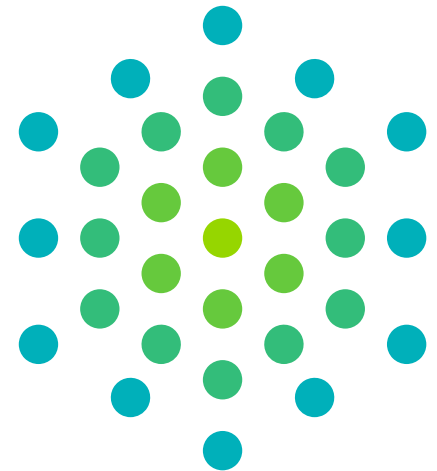
### PERFORMANCE MANAGEMENT AND FEEDBACK

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

In addition, each year our employees collaborate with their managers to plan, designate, monitor, and review progress against employees' goals. As part of our annual review process, employees also undergo a 360-degree assessment, comprised of feedback from both their managers and business partners across the organization, and then meet with their managers to discuss their overall 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



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# Being a Great Place to Work (Continued)

## EMPLOYEE WELL-BEING

We know that our employees are what set us apart. For that reason, we're dedicated to supporting our employees' well-being each and every day – both at work and at home.

### Compensation and Benefits:

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 starting with a **minimum of 20 days, 13 company holidays**, and additional days allotted for military leave, 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 **non-discretionary annual contribution**, and the option to participate in our Employee Stock Purchase Plan
- In June 2022, employees at the Director level and below received a **2% base salary increase** to help them offset the impacts of inflation and other macroeconomic factors

### Holistic Well-Being:

Our well-being program, Live Brighter, offers a wide range of resources to help employees navigate the moving parts of day-to-day life.

- 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, which provides confidential counseling and support services to help employees manage personal issues like stress and depression at no cost. Employees and their families have access to unlimited sessions, which are available 24/7
- Financial counseling services, which offer one-on-one coaching sessions to motivate, educate, and guide employees to financial wellness at no cost

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# Being a Great Place to Work (Continued)

## EMPLOYEE WELL-BEING (CONTINUED)

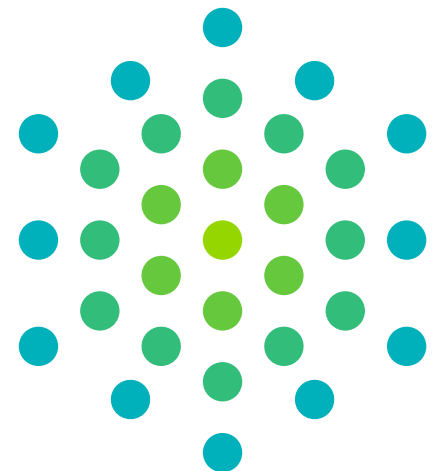
### Work-Life Balance:

We prioritize the well-being of our employees and remain committed to further enhancing how we do so. Our 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 and Surrogacy Assistance to support employees in their journey to becoming a new parent
- Back-Up Care to provide childcare options as a safety net for when regular arrangements fall through
- Family Support Services offering tools and discounts to more easily navigate caregiving needs like nanny placement services, childcare, and elder care planning resources

### Flexible, Hybrid Work Model:

We offer our employees a flexible, hybrid work model, which gives them the freedom to work anywhere in the U.S. Through outreach and engagement, we provide digital training resources, tips, and tools to help employees enhance productivity, connect and collaborate, and avoid burnout. Also, in 2022, we began providing employees with a monthly stipend to help cover expenses that may be incurred while working remotely.



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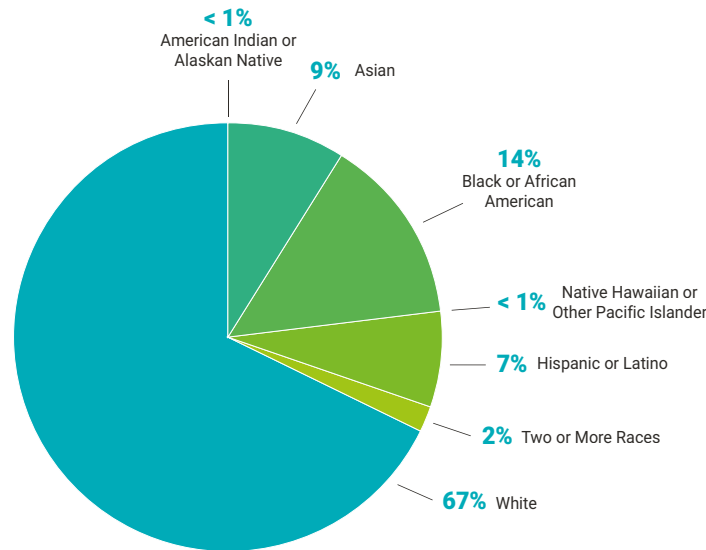
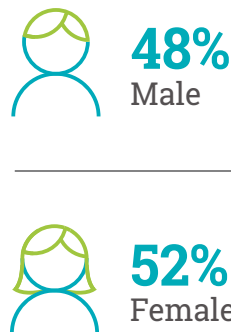
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# Advancing Diversity, Equity, and Inclusion

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 create an environment where all employees can reach their full potential.

## 2022 EMPLOYEE DEMOGRAPHIC DATA

Our employee demographic data provides valuable insight into the demographics of our workforce.<sup>13</sup>



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# Advancing Diversity, Equity, and Inclusion (Continued)

## 2022 EMPLOYEE DEMOGRAPHIC DATA

	Executive or Senior Level Officials and Managers	First/Mid-Level Officials and Managers	Professionals	Sales Workers	Administrative Support
<b>Male</b>	57%	52%	43%	74%	18%
<b>Female</b>	43%	48%	57%	26%	82%
<b>% of Total Population</b>	1%	26%	45%	17%	11%



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# Advancing Diversity, Equity, and Inclusion (Continued)

## 2022 EMPLOYEE DEMOGRAPHIC DATA

	Executive or Senior Level Officials and Managers	First/Mid-Level Officials and Managers	Professionals	Sales Workers	Administrative Support
American Indian or Alaskan Native	–	–	–	–	1%
Asian	7%	10%	11%	4%	6%
Black or African American	7%	7%	19%	8%	21%
Hispanic or Latino	–	4%	9%	5%	11%
Native Hawaiian or Other Pacific Island	–	–	–	–	–
Two or More Races	7%	2%	2%	3%	3%
White	79%	77%	58%	79%	59%
% of Total Population	1%	26%	45%	17%	11%

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# Advancing Diversity, Equity, and Inclusion (Continued)

## CORPORATE PROGRAM AND ENGAGEMENT

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 DEI 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.

### Key Highlights

**Employee Network Groups (ENGs):** At the start of 2022, Brighthouse Financial launched our inaugural ENGs, which are intended to provide a forum for employees to discuss relevant professional and personal topics, enhance employee engagement, and create an even more inclusive workplace in our flexible, hybrid work environment.

All Brighthouse Financial employees, regardless of their identity, are welcome to join any of our ENGs:

- Asian American Pacific Islander (AAPI) ENG
- Black and African American ENG
- BrightAbilities ENG
- Hispanic or Latino/a/e/x American (HOLA) ENG
- Pride ENG
- Veterans ENG
- Women's ENG

Throughout 2022, our ENGs created frameworks for heritage month events, identified co-leaders and committee leaders, discussed resources topical to each group identity, and held meaningful conversations about identity topics.

**Continuing Employee Education on DEI:** We leverage our company intranet to educate employees on important heritage months and celebrations as highlighted by our ENGs. In 2022, some of our ENGs chose to educate on AAPI Heritage Month, Autism Acceptance Month, Black History Month, Latin American Heritage Month, Juneteenth, Pride Month, Native American Heritage Month, Veterans Day, Women's Equality Day, and Women's History Month.

**Continued Companywide Training Initiatives:** We launched our third DEI-focused training course for all employees. In 2022, the training focused on creating psychologically safe spaces in the workplace. In addition, DEI Council members continued hosting supplemental training sessions for specific teams upon request.

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# Advancing Diversity, Equity, and Inclusion (Continued)

## TALENT ATTRACTION AND RECRUITMENT

We encourage inclusive slates of candidates for open positions and are focused on developing a strong pipeline of internal talent.

Our approach to attracting and recruiting employees who possess a broad range of experience, skills, and perspectives includes:

- 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



## KEY HIGHLIGHTS IN 2022

- Our Talent Acquisition team currently partners with 40 historically Black colleges and universities (HBCUs) to expand engagement and promote open roles across a wider audience of diverse candidates and emerging talent.
- In collaboration with Johnson C. Smith University (JCSU) and the International Association of Black Actuaries, we are continuing to develop an actuarial sciences curriculum for the JCSU math department.
- Throughout 2022, we continued to partner with a range of diverse professional organizations, which include:
  - Association of Latino Professionals for America
  - Financial Women's Association
  - Hispanic Alliance for Career Enhancement
  - InHerSight
  - International Association of Black Actuaries
  - National Association of Black Accountants
  - Network of Actuarial Women and Allies
  - Organization of Latino Actuaries

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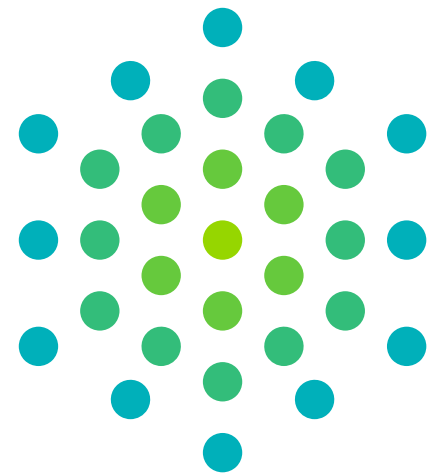
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# Advancing Diversity, Equity, and Inclusion (Continued)

## PAY EQUITY

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

We partner with a third-party consultant to conduct annual pay equity reviews – ensuring 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 that gender, race, ethnicity, age, and other dimensions of diversity are not determinants of any variations in pay. Further reflecting our commitment to fair and equitable pay, we disclose salary ranges within Bighthouse Financial job postings for all open positions.



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## Supporting Our Communities

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

The Bighthouse Financial Foundation, a non-profit organization, was established in 2017 with the mission to improve the financial security, culture, and opportunities afforded to communities in which Bighthouse Financial employees live and work by providing resources and support to other non-profit organizations which further that mission.

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



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# Supporting Our Communities (Continued)

## Brighthouse Scholar Connections, Inc.

We established Brighthouse Scholar Connections, Inc., a non-profit organization which provides scholarships to expand educational opportunities for students who are members of historically underrepresented or underserved populations. Employees have the opportunity to serve as mentors for students who have been awarded scholarships.

## Organization Spotlight

In 2022, Brighthouse Financial employees served as tutors in partnership with Heart Math Tutoring, an organization that fosters the academic success of students studying math by providing one-on-one, volunteer-delivered tutoring sessions during the school day. The Brighthouse Financial Foundation awarded Heart Math Tutoring a \$60,000 grant to support the organization's tutoring program, directly impacting students from the Charlotte area.

## Donor of the Year

The Brighthouse Financial Foundation was named Donor of the Year by Carolina Youth Coalition, an organization whose mission is to nurture and propel high-achieving, under-resourced students to and through college.

## Investing in Our Future

In partnership with the National Veteran Business Development Council (NVBDC), Brighthouse Financial has helped fund scholarships in support of NVBDC's 2023 Junior Reserve Officer Training Corps campaign. Our contribution will assist NVBDC in providing individual scholarships in the amount of \$2,500 each to cadets from across all 50 U.S. states.



## 2022 IMPACT HIGHLIGHTS

- We donated over 600 laptops to **E2D**, an organization which is dedicated to providing digital access and computer training to underserved children and families in the Charlotte region.
- Returning to in-person volunteering activities following the onset of the COVID-19 pandemic, Brighthouse Financial employees helped families in need of affordable housing by participating in **Habitat for Humanity** builds in Charlotte, Boston, and Tampa.
- In partnership with **Classroom Central**, Brighthouse Financial employees helped students start the school year with a backpack filled with supplies by serving as volunteers in Classroom Central's Backpacks & Basics program.
- Our employees helped families in need during the holiday season by participating in food drives in Charlotte and Tampa and by helping pack meal boxes with the **Greater Boston Food Bank**.

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Section 6:

# Helping People Achieve Financial Security



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# Responsible Product Governance

We create streamlined annuity and life insurance products that are designed to uphold three core pillars:



**Simplicity:** Securing a financial future is too important to be complicated. We focus on breaking down complex concepts for our customers and providing them with easy-to-understand language.



**Transparency:** While our customers want to add a level of security and benefits to their portfolio, we believe that they should also be able to understand what our products cost and why. By being committed to pricing transparency, we strive to help our customers understand what they get for their money.



**Value:** We are dedicated to delivering more value every day to financial professionals and our customers, who have worked hard for what they have earned. That's why our products are built to provide our customers with innovative solutions today for what they want out of tomorrow.

## OUR PRODUCT STRATEGY

**Designing Our Products:** Our products are designed to help people achieve financial security and protect what they have earned and ensure it lasts. We seek to develop innovative solutions that respond to changing trends and key financial challenges in saving for retirement, such as market volatility and rising health care costs.

**Innovation and Enhancements:** As we continue to deliver on our mission to help people achieve financial security, we constantly look for ways to enhance our product suite to better meet the evolving needs of consumers. Direct feedback from consumers and financial professionals serves as a key input into our product development strategy, enabling us to launch products and product enhancements that provide clients with even more choice and flexibility.

**Life Insurance Underwriting:** We are committed to underwriting practices that foster the responsible use of customer data. For our life insurance business, we generally use noninvasive techniques to collect applicant data, determine eligibility, and communicate underwriting decisions typically within 24 hours. Through this innovative, accelerated approach, we provide an accessible, simple, and convenient experience for customers.



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# Responsible Product Governance (Continued)

## ADVANCING FINANCIAL SECURITY WITH ACCESSIBLE PRODUCTS

To ensure that we continue to deliver innovative products that respond to consumers' changing needs, we remain committed to embedding adaptability into our product development strategy.

In 2022, we launched a new annuity product, and we also introduced new annuity product features, enhancements, and investment options – updating our annuity product portfolio to better address the different stages of an individual's journey to financial security.

## Brighthouse Shield Level Pay Plus® Annuities

- We launched **Brighthouse Shield Level Pay Plus® Annuities**, a registered index-linked annuity product that is designed to help strengthen clients' retirement portfolios by helping meet an important need in retirement planning – guaranteed lifetime income. Shield Level Pay Plus also provides customers with the flexibility to meet their needs and goals by offering many of the same features of our flagship Brighthouse Shield® Level Annuities, including participation in market growth opportunities combined with a level of protection against market volatility.

## Brighthouse Financial Variable Annuities

- Our variable annuities provide flexible investment options for customers to build a diversified portfolio in alignment with their individual investment strategy and help to weather unpredictable market conditions. We offer two ways to build a diversified portfolio:
  1. Asset Allocation Portfolios designed to deliver a professionally managed asset allocation portfolio that can provide automatic diversification
  2. Individual Investment Options offering the flexibility to choose investment options that align with an individual's goals
- In 2022, we introduced generally more favorable rates for our variable annuities with the optional **FlexChoice Access** living benefit rider to turn a portion of clients' retirement savings into guaranteed income for life.
- In 2022, we expanded our individual investment options to include the **Janus Henderson Global Sustainable Equity Portfolio** – providing additional flexibility and choice to our customers. The Global Sustainable Equity Portfolio is a sustainability-themed fund option that seeks to achieve long-term compounding growth while contributing to positive environmental or social change.

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# Responsible Product Governance (Continued)

## PRODUCT MARKETING, COMMUNICATION, AND EDUCATION

**Information About Our Products:** In developing our advertising and branded communications, we seek to convey information accurately as well as present a comprehensive perspective of our products' benefits and risks. Additionally, in our disclosures to customers, we aim to reduce complexity by 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 at the category level
- ✔ The value proposition of specific products based on customer need
- ✔ Clear terms and definitions
- ✔ Fair and transparent fee structures
- ✔ Disclosure of product risks
- ✔ Historical performance data

**Transparent Marketing and Communications:** We develop our marketing and product materials in compliance with regulatory requirements, coordinating with internal and external partners to review, approve, and file content prior to use by customers.

**Financial Education:** We believe that promoting financial literacy and education is fundamental to delivering on our mission to help people achieve financial security. We provide a robust online library of educational resources and tools that are designed to help address consumers' top concerns as they near retirement, empowering them to make informed decisions about key financial topics so they can prepare for their future with confidence.

In 2022, we published articles, whitepapers, and resource videos covering key financial planning topics on our website and social media platforms, such as:

- Planning for Retirement with Guaranteed Income
- Long-Term Care Coverage Options
- Timing Retirement Income Withdrawals

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# Building Enduring Relationships

## OUR COMMITMENT TO FINANCIAL PROFESSIONALS

We engage in responsive and open dialogue with the financial professionals who sell our products, providing them with updated content and timely support when needed so that they can succeed. Acknowledging financial professionals' expertise, we also leverage their feedback as a key input in the creation of our new product materials, resources, and tools. Our resources are designed to enhance financial professional-customer interactions and help financial professionals:

- **Communicate product benefits in an accessible way** through client testimonials and real-life examples of how our products can positively impact customers' lives
- **Facilitate two-way conversations** with clients to help personalize and tailor content to each individual's journey, including by providing financial professionals with interactive worksheets to help customers view their own financial situation in action
- **Address new needs and evolving trends** through e-servicing, accessible digital platforms, and regularly updated FAQs

**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 clients are pursuing financial security or simply navigating our website. By designing our digital platforms and user experiences to be straightforward, we help ensure that customers can access our products and resources with ease.

**Partner Engagement:** Through the Brighthouse Financial Insights Panel, we bring together leading experts from fields as varied as economics, consumer psychology, client behavior, and future trends to help financial professionals have productive conversations with their clients. In 2022, panel discussions addressed a diverse range of salient topics in retirement planning, including Women in Retirement, Retaining and Growing Client Relationships, and Helping Clients Navigate Through Volatile and Uncertain Markets.

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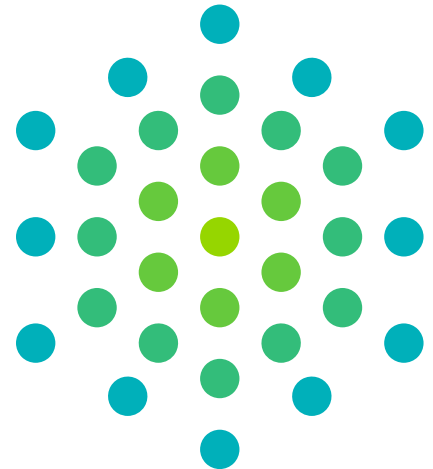
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## Building Enduring Relationships (Continued)

### OUR COMMITMENT TO CUSTOMERS

We hold ourselves to high standards for service and continuously seek to enhance the experience of financial professionals and our customers. As part of that commitment, we engage with financial professionals and our customers to collect their feedback on our performance, including through market research, customer satisfaction surveys, and two-way communication between financial professionals and our sales support staff. We use such feedback to further streamline, simplify, and increase the value of our offerings by improving the ease of completing transactions for our financial professionals. Also, our sales support professionals, quality assurance team members, online support designers, and call center managers work together to share information about our customers' experiences to simplify those experiences and create more value for all our stakeholders.



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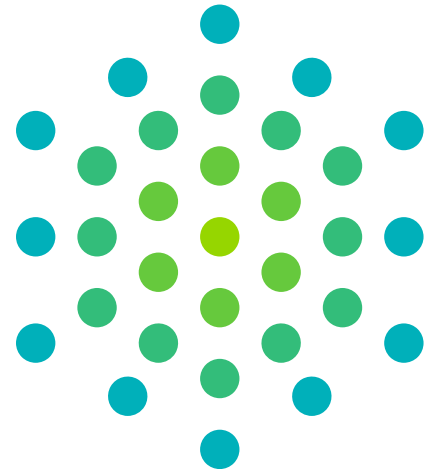
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# Driving Diversity, Equity, and Inclusion in the Financial Services Industry

## REACHING DIVERSE AUDIENCES

At Bighthouse Financial, we are committed to helping more people across diverse communities achieve financial security and ensuring that our products meet the financial needs of diverse audiences. In addition, we remain focused on increasing representation across the financial services industry. Our strategy to achieve these goals centers on:

- Inclusive opportunities which lead to more diversity among licensed financial professionals, wholesalers, and within our marketing materials, and
- Awareness and education about retirement needs and product solutions across diverse communities



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# Driving Diversity, Equity, and Inclusion in the Financial Services Industry (Continued)

## EXTERNAL PARTNERING

We recognize the importance of doing our part to help drive DEI within our industry. In collaboration with other leading financial services organizations and industry resource groups, we aim to advance DEI through inclusive recruitment, sponsorship programs, and organizational partnering.

**Coalition for Equity in Wholesaling:** Joining forces with other leading financial services firms and industry resource groups, Brighthouse Financial is a proud member of the Coalition for Equity in Wholesaling, which aims to advance DEI among insurance wholesalers. Brighthouse Financial leaders serve as representatives on the Coalition’s Board of Directors and subcommittees.

In 2022, Brighthouse Financial leaders contributed to efforts to establish the Coalition’s organizational structure as a tax-exempt IRC Section 501(c)(6); launching its Board of Directors; and introducing its signature programming, “The Power of Wholesaling and Sales Leadership Speaker Series.”

**Association for Wholesaling Diversity:** Brighthouse Financial is proud to be a Titanium Sponsor for the Association for Wholesaling Diversity (AWD). Throughout 2022, Brighthouse Financial AWD members participated in initiatives to increase network referrals and continue to build a strong pipeline of talent for future opportunities.

Activities included attendance at the AWD Annual Conference, participation in select member committee meetings, and highlighting the Brighthouse Financial brand through AWD events and communications. Our company is honored that, at the 2022 AWD Annual Conference, we were presented with AWD’s 2021 Partner of the Year award.

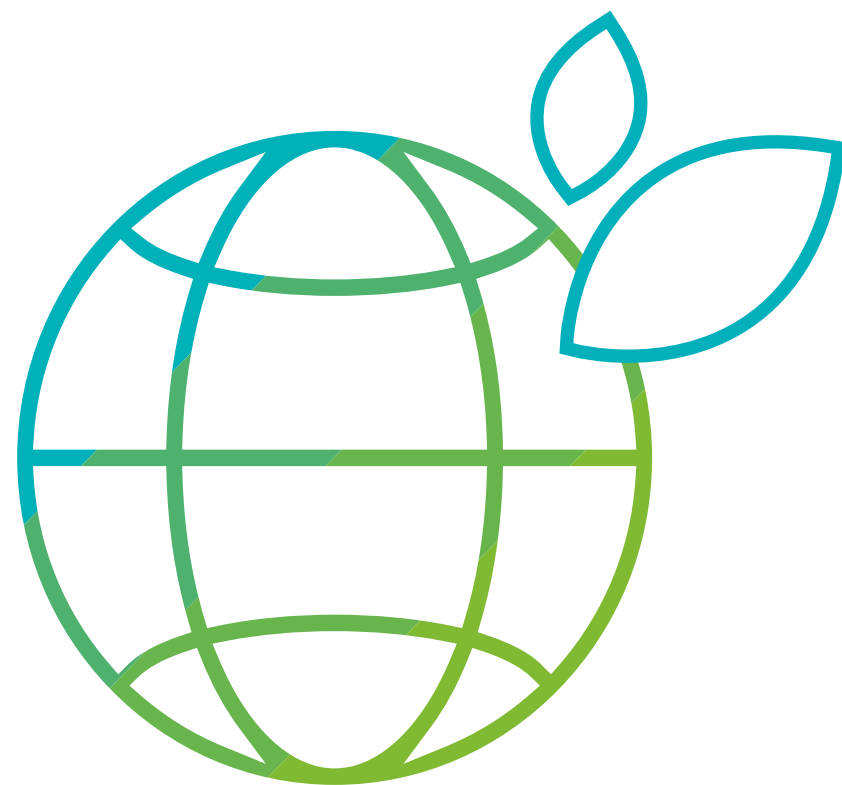
**American College of Financial Services:** Our company is proud to continue to support the American College of Financial Services, which specializes in educating leading financial advisors. In 2022, our support of the college included:

- Serving as Gold sponsor of the college’s Conference of African American Financial Professionals
- Serving as Leadership Circle Sponsor for the American College of Financial Services Center for Economic Empowerment and Equality (Center), contributing toward organizational efforts to close the nation’s racial wealth gap
- Brighthouse Financial sales leaders and one corporate sponsor participated in the Center’s inaugural Black Executive Leadership Program

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Section 7:

# Climate Change and the Environment



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# Climate Governance

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

## BOARD OVERSIGHT

Because climate issues can manifest as business risks in many ways, 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 and Committees, we aim to promote more effective risk management for material climate-related issues. For more information, see [Sustainability Governance](#).

## MANAGEMENT-LEVEL ENGAGEMENT

Throughout 2022, business leaders from across the organization engaged with senior management to address material climate-related issues facing our company. Discussions with the Senior Leadership Team, Operational Risk Committee, and Balance Sheet Committee varied in cadence and format, covering topics including:

- Regulatory activity to establish mandatory climate-related disclosures
- Physical climate-related risks to the operational continuity of our business
- Potential implications of climate-related transition risks to our investment portfolio
- Data governance and integrity for climate-related metrics



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# Climate Risk Management, Strategy, and Resilience

Throughout 2022, we continued to execute a focused approach to adequately identifying and managing material climate-related risks to our company and our investment portfolio, as well as the environmental impact of our operations. Efforts centered on:

- Increasing resilience against climate-related physical and transition risks
- Improving institutional capacity for climate risk planning and management through targeted education and awareness-raising initiatives
- Acting as corporate environmental stewards to promote the sustainability of our planet

## IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

Brighthouse Financial established an internal Climate Risk Working Group (CRWG) in 2021 comprised of representatives from our company's Investments, Corporate Risk Management, and Sustainability teams. Leveraging the latest research insights, data analytics tools, and subject matter experts, CRWG members work cross-functionally to continuously strengthen the company's understanding of the evolving climate risk landscape – including developing climate change concepts; existing and emerging climate-related financial risks (both physical and transition) within the context of our company and the insurance industry; and potential implications associated with those risks.

In 2021, the CRWG collaborated with relevant business departments to complete our company's [first climate risk assessment](#) (see page 56 thereof). This preliminary assessment was performed in alignment with the Taskforce on Climate-related Financial Disclosures (TCFD) framework guidance and identifies material climate-related risks across our company's operational value chain as well as to our investment portfolio.

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# Climate Risk Management, Strategy, and Resilience (Continued)

## OPERATIONAL RESILIENCE AGAINST CLIMATE-RELATED RISKS

We consider and integrate physical climate risk factors into our business resilience strategy and related programs. The Business Continuity Program, Disaster Recovery Program, and Crisis Management Program establish processes intended to reduce, mitigate, manage, and respond to potential external risks identified across our operational value chain – including those which may damage or negatively impact the safety of our employees, physical infrastructure assets, or the operational continuity of our business.

Though physical climate risks such as extreme weather and natural disasters represent a business continuity risk to our company, we believe that our flexible, hybrid work model and our broad geographical footprint reduce our vulnerability to severe impacts from acute, near-term physical climate risk events. 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 backup systems and power supplies.

In late September 2022, Hurricane Ian made landfall in southwest Florida, causing widespread physical devastation to the region after intensifying to a Category 5 storm. In response to early warnings, Brighthouse Financial leadership and our Local Crisis Management team took immediate action to carry out emergency procedures at our Tampa office location. Through our critical response efforts, we ensured that any potentially impacted employees were safe and accounted for, secured all physical systems and processes, and improved our business continuity plans to better address relocating work to alternate locations in response to impactful events such as hurricanes.

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# Climate Risk Management, Strategy, and Resilience (Continued)

## INTERNAL TRAINING, EDUCATION, AND AWARENESS-RAISING

In 2022, members of the Office of Sustainability and other leaders from across Brighthouse Financial hosted a companywide learning hour, “Climate Risk and the Insurance Industry.” This live, virtual session served to provide all employees with a strong foundational understanding of the climate risk landscape – helping to build a more effective first line of defense against climate-related risks to our company across various business functions. Learning topics covered basic climate change concepts; evolving risk drivers; types of climate-related financial risk as well as specific examples of how such risks can manifest as business risks; and potential risk-related impacts within the context of our company and industry.

## EXTERNAL ENGAGEMENT AND COLLABORATION

We regularly participate in multi-stakeholder dialogue and initiatives dedicated to mobilizing and sharing knowledge, resources, and tools for the effective management of climate-related risks to our company. This includes participation in industry conferences and events focused on driving climate progress across the financial services sector; engaging with climate risk experts and industry leaders to gain insights on best practices and strengthen internal capabilities; ongoing training and education; and, through our trade association working groups, collaborating with industry peers in regulatory consultation processes.

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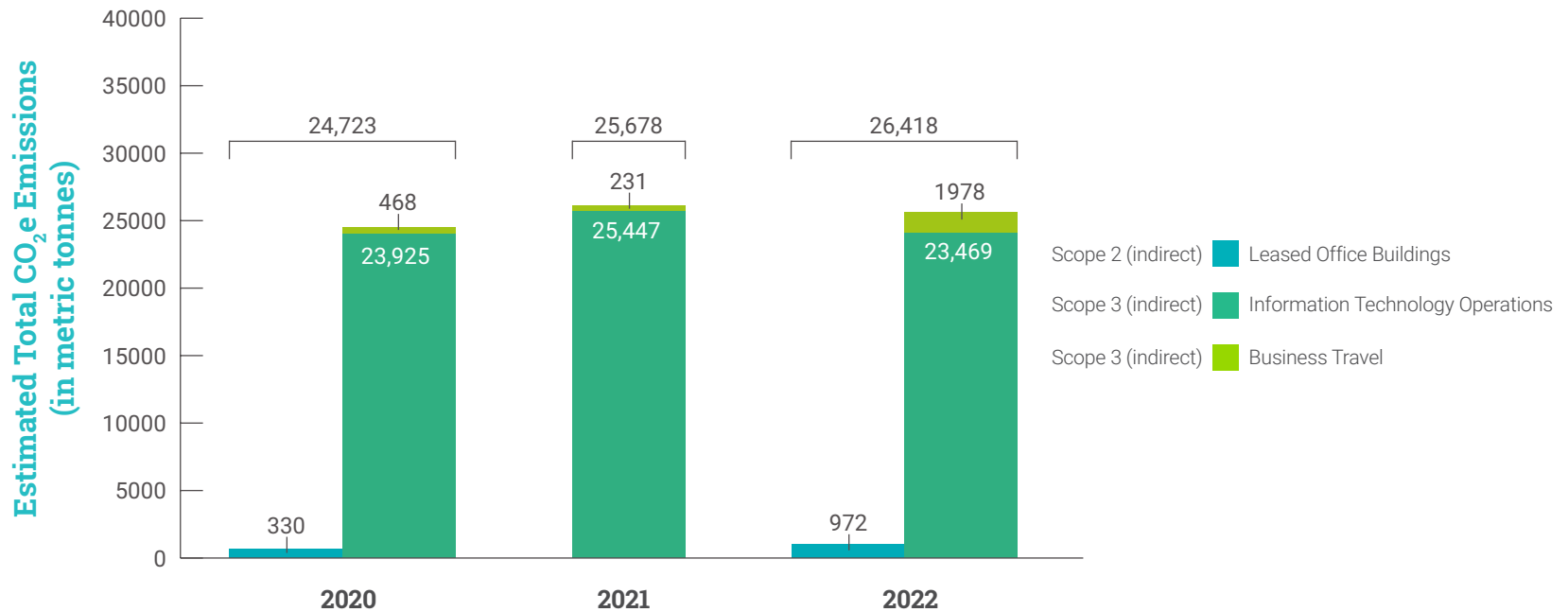
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# Corporate Footprint

Our approach to environmental stewardship begins with knowledge and transparency. Last year, we developed Brighthouse Financial’s first annual Greenhouse Gas (GHG) Inventory, marking a critical step in our efforts to understand and account for the environmental impact of our corporate operations. We are committed to continuing to measure and disclose our corporate footprint on an annual basis, enabling stakeholders to understand our operational impact over time.

## GHG INVENTORY



Brighthouse Financial does not produce Scope 1 emissions, as all material emissions-generating activities that are critical to our upstream operations are performed using leased assets or by contracted vendors.

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# Corporate Footprint (Continued)

## METHODOLOGY OVERVIEW

To promote consistency in publicly reported emissions data, the Brighthouse Financial 2022 Greenhouse Gas (GHG) Inventory was prepared in accordance with the GHG Protocol (GHGP) Corporate Standard, the most widely recognized global standard used for carbon accounting and disclosure.

**Inventory Boundary:** This inventory includes GHG emissions which have resulted from the upstream activities most critical to our corporate operations. Relevant emissions sources were determined using the “financial control approach” as the inventory’s organizational boundary.

**Data Limitations:** Brighthouse Financial strives to continuously enhance the quality and transparency of our company’s ESG-related data and disclosures, including our annual carbon footprint.

To the best of our ability, we prioritize GHG data accuracy and reliability through the consistent application of GHGP accounting standards and calculation methodologies. In some cases, however, value chain emissions can be difficult to quantify due to challenges in data availability and measurement uncertainty. As a result, the underlying data used to calculate certain Scope 2 and Scope 3 category emissions represent estimations based on the following assumptions.

### Scope 2 (indirect)

- **Purchased Electricity emissions** stemming from our corporate offices were calculated using a location-based approach, applying the U.S. Environmental Protection Agency (EPA) - eGRID 2021 State emissions factor to total energy consumption in kilowatt-hours (kWh). Operating solely in the U.S., our company leases all our corporate office space. Because we do not directly oversee our company’s utility or energy usage, total kWh consumed was estimated using the U.S. Energy Information Agency’s (EIA) Commercial Buildings Energy Consumption Survey 2018 estimation calculator.

### Scope 3 (indirect)

- **Business Travel emissions** were calculated using a distance-based approach, applying U.S. EPA Emissions Factor Hub 2020 emissions factors to the total miles traveled per mode of transport (commercial air, rental car, and personal vehicle).
- **IT emissions** were calculated using a spend-based approach, applying the U.S. EPA EEIO Factors 2.0.1-411 AR5 to the company’s total annual spend on contracted vendor operations and infrastructure providing data processing, hosting, and related services.

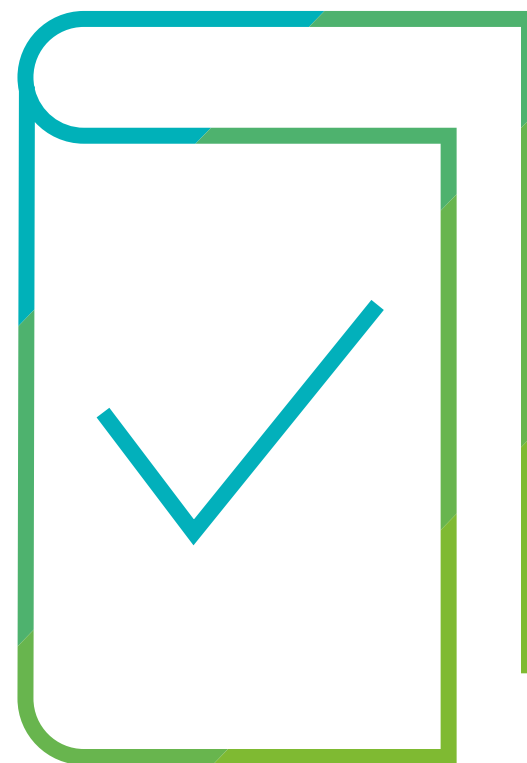
The Intergovernmental Panel on Climate Change Fourth Assessment Report (AR4) Global Warming Potential Set was applied to all measurements.

Certain 2020 and 2021 GHG data measurements originally disclosed in the Brighthouse Financial 2021 Corporate Sustainability Report have been recalculated using more accurate emissions factors.

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Section 8:

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## About This Report



### Reporting Period:

All facts and figures included within this report reflect Bighthouse Financial, Inc. activities, events, and/or impacts occurring between January 1, 2022 to December 31, 2022, unless stated otherwise.



### Frequency:

Bighthouse Financial aims to provide updates to stakeholders regarding its sustainability progress and commitments annually.



### Defining Report Content and Boundaries:

This report contains content and data in alignment with our company's sustainability strategy and relevant reporting standards and frameworks, including the Sustainability Accounting Standards Board (SASB) standards and Taskforce on Climate-related Financial Disclosures (TCFD) framework. As outlined in our ESG Strategic Framework, the Office of Sustainability completes a comprehensive, data-driven ESG materiality assessment every three years, helping to ensure we identify, prioritize, and respond to the topics most relevant to our company and stakeholders.



### Contact:

[sustainability@bighthousefinancial.com](mailto:sustainability@bighthousefinancial.com)



### Date of Publication:

September 29, 2023

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# 2022 Stakeholder Engagement

Stakeholder	Engagement Methods	Topics of Interest
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Public consultations</li> <li>• Regulatory disclosures and survey responses</li> <li>• Industry trade association working groups</li> <li>• Continuous monitoring of regulatory landscape</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Governance, Risk Management, Strategy, and Disclosure</li> <li>• Talent Strategy</li> <li>• Diversity, Equity, and Inclusion</li> <li>• Cybersecurity Governance</li> <li>• Consumer Data Privacy and Protection</li> <li>• Responsible Investment</li> <li>• Business Ethics and Compliance</li> </ul>
<b>Institutional Investors and Shareholders</b>	<ul style="list-style-type: none"> <li>• Off-cycle engagement calls, at least annually</li> <li>• Annual Report and Proxy Statement</li> <li>• Annual General Meeting</li> <li>• ESG data requests and surveys</li> </ul>	<ul style="list-style-type: none"> <li>• ESG Governance, Strategy, and Reporting</li> <li>• Diversity, Equity, and Inclusion</li> <li>• Talent Strategy</li> <li>• Executive Compensation</li> <li>• Corporate Governance Standards</li> <li>• Business Ethics and Compliance</li> <li>• Climate Governance, Risk Management, Strategy, and Disclosure</li> <li>• Cybersecurity Governance</li> <li>• Product Accessibility and Communications</li> <li>• Sustainable Finance</li> <li>• Responsible Investment</li> <li>• Supplier Engagement</li> </ul>



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## 2022 Stakeholder Engagement (Continued)

Stakeholder	Engagement Methods	Topics of Interest
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employee engagement and pulse surveys</li> <li>• Employee Network Groups (ENGs)</li> <li>• Mentorship and leadership training</li> <li>• Performance reviews and feedback</li> <li>• DEI corporate programming</li> <li>• Regular company-wide communications and events, including weekly newsletters, virtual town halls, and podcasts</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity, Equity, and Inclusion</li> <li>• Hybrid Work Environment</li> <li>• Workplace Culture</li> <li>• Talent Strategy</li> <li>• Learning and Development</li> <li>• Employee Well-being</li> </ul>
<b>Distribution Partners and our Customers</b>	<ul style="list-style-type: none"> <li>• Feedback forums and panel discussions</li> <li>• Marketing-driven surveys and focus groups</li> <li>• Experience and satisfaction surveys</li> <li>• Customer call center engagements</li> </ul>	<ul style="list-style-type: none"> <li>• Product Accessibility and Communications</li> <li>• Product Innovation</li> <li>• Financial Education</li> <li>• Business Ethics and Compliance</li> <li>• Diversity, Equity, and Inclusion</li> </ul>
<b>Local Communities and NGOs</b>	<ul style="list-style-type: none"> <li>• Outreach and networking with HBCUs</li> <li>• Membership and participation in diverse professional organization events</li> <li>• Diverse supplier organization memberships</li> <li>• Direct engagement, donations, and employee volunteerism with local non-profits</li> <li>• Participation in sustainability industry events</li> <li>• Research and evaluation of ESG frameworks</li> </ul>	<ul style="list-style-type: none"> <li>• Community Investment</li> <li>• Local Education and Career Development</li> <li>• Diversity, Equity, and Inclusion</li> <li>• Talent Strategy</li> <li>• ESG Strategy, Governance, and Disclosure</li> <li>• Product Accessibility and Communications</li> <li>• Financial Education</li> </ul>

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# 2022 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	<b>Annuities:</b> 1,375,476 <b>Life Insurance:</b> 1,105,701
Transparent Information and Fair Advice for Customers	Total amount of monetary losses as a result 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. We do not disclose monetary losses from legal proceedings. Information regarding material litigation and regulatory matters can be found in <a href="#">BHF 2022 Form 10-K: Contingencies, Commitments and Guarantees (Note 15)</a> .
	Complaints to claims ratio	FN-IN-270a.2	Brighthouse Financial does not report this specific metric.
	Customer retention rate	FN-IN-270a.3	Brighthouse Financial does not report this specific metric. For information regarding our approach to customer engagement and satisfaction, see <a href="#">Our Commitment to Customers</a> .
	Description of approach to informing customers about products	FN-IN-270a.4	See <a href="#">Product Marketing, Communication, and Education</a> .

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## 2022 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 <a href="#">Responsible Investments</a> .
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	FN-IN-410a.2	See <a href="#">“Our Approach to ESG” in Responsible Investments</a> .
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 <a href="#">BHF 2022 Form 10-K</a> for information regarding the use of derivative instruments.
	Total fair value of securities lending collateral assets	FN-IN-550a.2	See <a href="#">BHF 2022 Form 10-K</a> 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 <a href="#">BHF 2022 Form 10-K</a> .

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# 2022 Taskforce 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

● See [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.

● See [Climate Risk Management, Strategy, and Resilience](#).

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# 2022 Taskforce 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.

● See [Climate Risk Management, Strategy, and Resilience](#).

**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 (GHG) emissions, and the related risks.

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

● See [Corporate Footprint](#)

● 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 company and investment portfolio.

<sup>1</sup> Ranked by 2022 admitted assets. Best's Review®: Top 200 U.S. Life/Health Insurers. AM Best, 2023.

<sup>2</sup> Ranked by 2022 admitted assets. Best's Review®: Top 200 U.S. Life/Health Insurers. AM Best, 2023.

<sup>3</sup> As of December 31, 2022.

<sup>4</sup> As of September 30, 2022.

<sup>5</sup> As of December 31, 2022.

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<sup>7</sup> All amounts and percentages based on GAAP carrying value as of December 31, 2022; does not include \$4.1 billion in cash and cash equivalents. Totals may not sum to 100% due to rounding.

<sup>8</sup> **Green, Social and Sustainable** designated assets represent any security that has a publicly available classification that is ESG-related or any deal that is identified by the external managers related to the classifications of Green bonds, Social bonds, Sustainability bonds, Sustainability-linked bonds, LEED certified properties, BREEAM certified investments, or PACE loans.

<sup>9</sup> Assets designated as **Impact Investments** represent investments that focus on the social aspects of ESG, which includes social housing deals and alternative investments related to sustainable growth and employment, improving health outcomes, and gender and racial equality.

<sup>10</sup> **Infrastructure** designated assets represent private investments that provide access to essential services such as health, education, sustainable water, or waste treatment.

<sup>11</sup> **Municipal Bonds** are included within ESG-related investments because they are deemed socially responsible, as the proceeds from these offerings are used to help fund key community projects across the country. Projects may include bridges, transit, education, healthcare, etc. or be more general.

<sup>12</sup> **Renewable** designated assets represent investments that focus on climate change mitigation, including wind, solar, and energy efficiency equipment (home improvement).

<sup>13</sup> Employee demographic data was collected and reported in accordance with 2022 U.S. Equal Employment Opportunity Commission requirements.

The information provided in this report reflects the approach to ESG and sustainability by Brighthouse Financial as of December 31, 2022, 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.

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

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