

What is climate change related risk?

The Nepal Insurance Authority (NIA) defines climate change as the “increase in temperature of world’s climate system including its atmosphere, ocean, and surface” and defines climate change risk as “a subset of stability risk or physical risk, transition risk and/or liability risk arising from climate change.”

Why is climate change related risk relevant in the Nepalese context?

Nepal is highly vulnerable to climate shocks and climate change. A journal published by IMF in April 2023 mentions that the average temperature in Nepal in the last decade is over 0.6 degrees Celsius higher than the baseline of 1950-1980. The monsoon has become increasingly unpredictable, and the number of climate shocks related to floods, storms, and landslides has steadily risen.

Similarly, the Notre Dame Global Adaptation Index (ND-GAIN Country Index) has scored Nepal as higher vulnerability to climate change (51st most vulnerable country) and lower readiness (116th most ready country) to improve resilience to climate-related impacts.

Also, Nepal is committed to acting on climate change in line with the Paris Agreement. The Paris Agreement sets out a global framework to limit global warming to well below 2°C, and preferably to 1.5°C, compared with pre-industrial levels.

How does MetLife Nepal assess and manage climate change related risk?

MetLife has embedded climate change related risk in its broader risk management framework. Climate change related risks are identified and assessed for impact and likelihood across the relevant short, medium- and long-term time horizons.

Why is MetLife Nepal publishing climate-related disclosures?

Through its climate-change risk related disclosures in annual report, as also required by Nepal Insurance Authority, MetLife aims to enhance transparency about its exposure to climate risks and the impacts on its portfolios.

More broadly, the disclosures enhance awareness and understanding of climate risks across the financial sector and support the transition to a low-carbon economy.

How is MetLife Nepal taking actions to minimize impact of climate change?

MetLife Inc. is targeting Net-zero greenhouse gas emissions for its global operations and General Account investment portfolio by 2050 or sooner¹. To support MetLife Inc.’s global climate commitments, the major initiatives at the country level organized in 2023 include:

- Tree plantation in support of MetLife Inc.’s initiative to plant 5 million trees between 2020 and 2030. (50 tree planted in KaryaBinayak and separately, planting trees in the Bara Municipality in partnership with Arbor Day

¹ The Net Zero commitment applies to GHG emissions from MetLife, Inc.’s global owned and leased offices and vehicle fleets, employee business travel, supply chain and assets in MetLife’s General Account investment portfolio, which includes the general accounts of MetLife, Inc.’s wholly owned insurance company subsidiaries, where reliable data and methodologies are available. While reliable methodologies and data sets pertaining to certain GHG emissions are not available at this time, MetLife is committed to identifying and measuring relevant climate data as methodologies and standards evolve. Emissions are tracked in accordance with the GHG Protocol, unless otherwise directed by regulators. Additional information about MetLife’s General Account investment portfolio is available here: <https://investor.metlife.com/Fact-Sheets/Investment-Fact-Sheet/default.aspx>.

Other References: [Nepal | ND-GAIN Index](#); IMF Journals

Foundation for our MetLife Nepal Legacy Trees program, in which one tree will be planted for every Nepal life insurance claim paid and partnered with Shreejana Development Centre to distribute 4,500 fruit tree saplings to more than two thousand farmers)

- Partnered with Doko Recyclers Private Limited to recycle 9.5 tons of scrap papers for maximum value extraction; saving an estimated 934 cubic feet of landfill site, 209 megawatt hours of energy, 278 kiloliters of water, 15 kiloliters of oil, and 167 trees conserved.
- Events in support of MetLife Inc.'s extraordinary litter pickup program (54 Kg of litters collected and separated as recyclable and non- recyclable for their proper disposal)
- Various other operational initiatives towards reducing carbon emission.

For more information on our Net Zero commitment, associated interim targets and metrics, please read MetLife's 2022 Sustainability Report, available on [metlife.com/sustainability](https://www.metlife.com/sustainability).