

Manulife

Type of Engagement: Annual Review

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Introduction

In 2017, Manulife issued a green bond (the “2017 Green Bond”) to finance or refinance low-carbon energy projects. In 2024, Manulife engaged Sustainalytics to review the projects financed with proceeds from the 2017 Green Bond (the “Nominated Projects”) and provide an assessment as to whether the projects meet the use of proceeds criteria and the reporting commitments outlined in the Manulife Green Bond Framework (the “Framework”).¹ Sustainalytics provided a Second-Party Opinion on the Framework in November 2017.² This is Sustainalytics’ seventh annual review of allocation and reporting of the instruments issued under the Framework, following a previous review in October 2018, November 2019, April 2020, May 2021, May 2022,³ and May 2023.⁴

Evaluation Criteria

Sustainalytics evaluated the Nominated Projects based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs as per the Manulife Green Bond Framework 2017.

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Renewable Energy	<p>Development, construction, operation, maintenance, and upgrades of:</p> <ol style="list-style-type: none"> i. Facilities and equipment wholly dedicated to the generation of renewable energy as defined by the International Renewable Energy Agency (IRENA) Statute,⁵ including: <ol style="list-style-type: none"> a. Wind energy b. Solar energy c. Small-scale run-of-river hydro (under 25 Mega Watts)⁶ d. Bioenergy from waste biomass e. Tidal energy 	<ol style="list-style-type: none"> i. Renewable energy generated capacity (MWh) ii. Avoided/reduced carbon emissions (metric tonnes of CO₂)

¹ Manulife, “Green Bond Framework”, (2017), at: https://www.manulife.com/content/dam/corporate/global/en/documents/pas/MFC_GBF_2017_EN.pdf

² Sustainalytics, “Second-Party Opinion, Manulife”, (2017), at:

https://www.manulife.com/content/dam/corporate/global/en/documents/pas/MFC_GB_SPO_2017_EN.pdf

³ Sustainalytics, “Annual Review”, (2022), at: https://www.manulife.com/content/dam/corporate/global/en/documents/pas/MFC_GB_LAS_2022_EN.pdf

⁴ Sustainalytics, “Annual Review”, (2023), at:

https://www.manulife.com/content/dam/corporate/global/en/documents/pas/MFC_GB_LAS_2023_MAY_EN.pdf

⁵ IRENA Statute, (2009), at: [https://www.irena.org/-/media/Files/IRENA/Agency/About-](https://www.irena.org/-/media/Files/IRENA/Agency/About-IRENA/Statute/IRENA_FC_Statute_signed_in_Bonn_26_01_2009_incl_declaration_on_further_authentic_versions.pdf?la=en&hash=635C494208DD405EA8CD2BDB04414FECD40F55F1)

[IRENA/Statute/IRENA_FC_Statute_signed_in_Bonn_26_01_2009_incl_declaration_on_further_authentic_versions.pdf?la=en&hash=635C494208DD405EA8CD2BDB04414FECD40F55F1](https://www.irena.org/-/media/Files/IRENA/Agency/About-IRENA/Statute/IRENA_FC_Statute_signed_in_Bonn_26_01_2009_incl_declaration_on_further_authentic_versions.pdf?la=en&hash=635C494208DD405EA8CD2BDB04414FECD40F55F1)

⁶ Selection criteria of hydropower plants includes an environmental and social impact assessment undertaken by a credible third party to demonstrate no significant risks or controversy surrounding the respective project.

	<p>f. Geothermal energy</p> <p>ii. Transmission infrastructure and other supporting infrastructure wholly dedicated to renewable energy generation facilities including inverters, transformers, energy storage systems and control systems.</p> <p>iii. Production or manufacturing facilities wholly dedicated to equipment, feedstock, or components for renewable energy generation facilities.</p>	
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Issuer’s Responsibility

Manulife is responsible for providing accurate information and documentation relating to the details of the funded projects, including descriptions of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from the Manulife’s 2017 Green Bond. The work undertaken as part of this engagement included collection of documentation from Manulife and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by Manulife. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Manulife.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁷ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Framework. Manulife has disclosed to Sustainalytics that the proceeds from the 2017 Green Bond were fully allocated as of December 2023.

⁷ Sustainalytics’ limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the Nominated Projects to determine alignment with the use of proceeds criteria outlined in the Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the Nominated Projects to determine if impact was reported in line with the KPIs outlined in the Framework.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

Appendix

In 2017, Manulife issued the 2017 Green Bond and raised SGD 497 million, 100% of the proceeds were used to finance or refinance the following projects.

Table 3: Allocation and Reported Impact from the 2017 Green Bond

Use of Proceeds Category	Sub-Category	Location	Reported Environmental Impact ^{8,9}	Net Proceeds Allocated (SGD million) ¹⁰
Renewable Energy	Wind	Canada	<ul style="list-style-type: none"> i. 44,702 metric tonnes of CO₂e emissions avoided ii. 371,087 MWh of installed renewable energy generation capacity 	219
	Solar	US and Canada	<ul style="list-style-type: none"> i. 11,515 metric tonnes of CO₂e emissions avoided ii. 69,094 MWh of installed renewable energy generation capacity 	278
Total Net Proceeds Allocated (SDG million)				497

⁸ Sustainalytics notes that the reported environmental impact represents Manulife's share of impact within the project which is calculated on pro-rated basis.

⁹ Manulife has informed Sustainalytics that the reported environmental impact is aggregated for debt and equity investment.

¹⁰ Amounts have been rounded off to the nearest millions.

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