

2022

# Environmental, Social, and Governance Report

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# About this Report

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### ESG at Manulife

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In seeking to minimize our environmental footprint, our Environmental, Social, and Governance (ESG) Report is only available in digital format. Additional information on our ESG practices is available in the following publicly available reports:

- [2022 Annual Report](#)
- [2023 Management Information Circular](#)
- [2022 Green Bond Report](#)
- [2022 GRI Index](#)
- [2022 SASB Index](#)

## Scope

The ESG Report describes Manulife's approach, performance, and achievements in relation to our sustainability efforts. The information contained in this report was obtained through stakeholder consultation, internal management review, and a materiality assessment.

## Frameworks

The structure and content of this report are informed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) standards, the Task Force on Climate-related Financial Disclosures (TCFD), the

United Nations Sustainable Development Goals (SDGs), and the Stakeholder Capitalism Metrics published by the International Business Council of the World Economic Forum.

## Audience

We have tailored this report to meet the needs of our many stakeholder groups, with a focus on investors and analysts interested in our ESG policies, programs, practices, and performance. For additional information, please refer to [manulife.com/sustainability](http://manulife.com/sustainability).




## Boundaries

This report largely covers our activities during Manulife's 2022 fiscal year. All facts and figures are as of December 31, 2022, unless stated otherwise. This report includes information from our global operations including Canada, Asia, Europe, and the United States, where we primarily operate as John Hancock. The information in this report is provided on a consolidated basis unless stated otherwise. All dollar amounts are in Canadian currency, unless stated otherwise. Manulife Financial Corporation and its subsidiaries, including The Manufacturers Life Insurance Company, are referred to herein as "we," "our," "Manulife," and the "company." Manulife, Manulife & Stylized M Design, and Stylized M Design are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates, including Manulife Financial Corporation, under license.

## Caution Regarding Forward-looking Statements

This report contains forward-looking statements, which are made pursuant to the "safe harbour" provisions of Canadian provincial securities laws and the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements in this report include statements with respect to Manulife's Impact Agenda, our Climate Action Plan, our journey to net zero, and statements related to other sustainability-related strategies. Although we believe the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include factors identified in the "Caution regarding forward-looking statements" in our 2022 Annual Report and elsewhere in our filings with Canadian and U.S. securities regulators. The forward-looking statements in this report are presented for the purpose of assisting investors and others in understanding our objectives and strategic priorities and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements except as required by law.

## 2022 ESG Ratings<sup>1</sup>

Rating	2022
<sup>2</sup> <b>Sustainability Yearbook Member</b> S&P Global ESG Score 2022	<b>71</b> <b>90<sup>th</sup> percentile</b>
<sup>3</sup> 	CDP: <b>B</b>
<sup>4</sup> 	
<sup>5</sup> 	ESG Risk level: <b>Low Risk</b>

<sup>1</sup> The use by Manulife Financial Corporation of any ESG ranking agency research or affiliate data, and the use of logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Manulife Financial Corporation by the above rating agencies and indices. Services and data are the property of the above rating agencies and indices or its information providers, and are provided 'as-is' and without warranty. Names and logos are trademarks or service marks of the above rating agencies and indices.

<sup>2</sup> As of December 2022, Manulife Financial Corporation is a member of the DJSI North America Index, with a score of 71 that ranked Manulife in the 90th percentile.

<sup>3</sup> As of December 2022, Manulife Financial Corporation received a CDP Climate Change score of B, which represents a Management level disclosure.

<sup>4</sup> As of December 2022, Manulife Financial Corporation received an MSCI ESG Rating of AA.

<sup>5</sup> As of December 2022, Manulife received an ESG Risk Rating of 17.3 and was assessed by Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors.

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# About Manulife

Manulife is a leading international financial services provider, helping people make their decisions *easier* and lives *better*.

With our global headquarters in Toronto, Canada, we provide financial advice and insurance, operating as Manulife across Canada, Asia, and Europe, and primarily as John Hancock in the United States. Through Manulife Investment Management, the global brand for our Global Wealth and Asset Management segment, we serve individuals, institutions, and retirement plan members worldwide. Through our behavioural insurance offerings — Manulife *Vitality*, ManulifeMOVE, and John Hancock Vitality — we support our customers in living healthier, more active lives by rewarding them for making healthy lifestyle choices. We have a storied history dating back more than 160 years.

At the end of 2022, we had more than 40,000 employees, over 116,000 agents, and thousands of distribution partners, serving over 34 million customers. Throughout our history, we have offered products and services that seek to improve health outcomes and provide financial security for our customers and partners. We have been driven to create positive change and stand alongside our communities during good times and bad. We remain committed to being a catalyst for change, pursuing our mission, and taking action to make a positive environmental and social impact.

As the needs of our customers, communities, and environment have evolved, so have we. Our mission and values will drive us to continue improving outcomes and making our world a healthier, more equitable place.

We are also proud of the accomplishments and recognitions received in 2022 by Manulife globally. For more information, visit [Manulife.com](https://www.Manulife.com).

## Our values

Our Values are the guideposts that will help us achieve our bold Mission. They define who we are and how we work together: we are a digital, customer-centric market leader that's leading the change customers demand.



### Own it

We feel empowered to make decisions and take action to deliver our mission.



### Think big

Anything is possible. We can always find a better way.



### Share your humanity

We build a supportive, diverse and thriving workplace.



### Get it done together

We're surrounded by an amazing team. Do it better by working together.



### Obsess about customers

We predict their needs and do everything in our power to satisfy them.



### Do the right thing

We act with integrity and do what we say.

# A Message from Roy Gori



Decisions made *easier*. Lives made *better*. At Manulife, this is our reason for being. It is core to who we are and the journey we are on.

As a global life insurer and asset manager, we understand the intrinsic connections between our environment, human health, and the collective well-being of our customers and communities. To do our part, we've continued to strengthen our ESG efforts through our Impact Agenda, where we have focused global action around the areas where we have the greatest ability to affect change. On behalf of our more than 40,000 colleagues around the world, I'm proud to share our progress with you.

Our Impact Agenda ensures we are staying true to our mission aligned to three interconnected pillars of focus: empowering health and well-being to support the journey towards a better life, driving inclusive economic opportunities to create a more even playing field for all, and accelerating a sustainable future to preserve the planet we all share. This work benefits our business, our planet, and the people who call it home, and I would like to highlight a few actions we've taken to help bring our Agenda to life this year.

Over the past year, we have been steadfast in our commitment to making accelerated progress on our Climate Action Plan. We established science-based targets for our General Account portfolio, with the aim to achieve net zero by 2050. Manulife Investment Management expanded its sustainable investing offerings with the launch of the Global Climate Action strategy in Europe and Asia, and the launch of the Manulife Forest Climate strategy in the U.S. We increased our General Account holdings in renewable energy by \$2.3 billion year-over-year. Additionally, we reduced our paper consumption by 34.6%, driven by our digitization efforts.

In 2022, Manulife contributed \$25.1 million in total community investments globally. We committed \$1 million to the World Central Kitchen (WCK) to support global disaster response, emergency preparedness, and resiliency. WCK's unique model for disaster response not only helps communities around the world immediately recover from disasters, but it also helps establish resilient food systems with community-centred solutions that are critical to sustained health and well-being.

We also built upon an existing strategic partnership with EVERFI, an education technology innovator that designs scalable digital learning solutions to empower students and organizations to instill knowledge on critical topics. Alongside EVERFI, in 2023, we will launch customized learning modules that students and adults can use to learn more about sustainable investing.

In support of our efforts to drive inclusive economic opportunity and accelerate a sustainable future, our new partnership with the National Geographic Society will contribute to safeguard 10 World Heritage Sites from the impacts of climate change. It is also contributing to protect the financial well-being of the communities that depend on these sites for their livelihood, as many serve as a major source of economic resiliency for surrounding communities.

We also continue to make progress on our ambition to promote Diversity, Equity, and Inclusion through expanded hiring commitments and education and community support for organizations helping Black, Indigenous, and People of Colour. We provide mandatory unconscious bias training for all our colleagues. In Canada, we launched the first Legacy Space at our Canadian segment headquarters in Waterloo and our global headquarters in Toronto through the Downie Wenjack's Legacy Space Program as part of our Indigenous Reconciliation journey. In Hong Kong, we now provide life insurance to HIV+ individuals and have made life insurance policies accessible to same sex-partners as part of our mission to build an inclusive and equitable society. Finally, in the U.S., we launched a micro-aggression training pilot for our leaders, which we will be rolling out in 2023 in Canada.

As I look ahead to 2023, we are prioritizing our contributions to a more nature-positive world through the development and scaling of nature-based solutions to climate change resiliency for our clients and in our community. We believe protecting our planet's health is a shared responsibility and that nature and biodiversity loss is an economic issue that requires urgent action. We are investing in nature and making tangible commitments to hold ourselves accountable in driving meaningful change. For example, in 2022, we certified 100% of our U.S. Manulife Investment Management-managed farmland to Leading Harvest's third-party sustainability standard, a year ahead of our target.

I'm proud of the progress and impact Manulife made in 2022, and, together with our global team, I look forward to accelerating our journey and leading our company to do even more in 2023 as we deliver on our mission – Decisions made *easier*. Lives made *better*.

**Roy Gori**  
President and Chief Executive Officer

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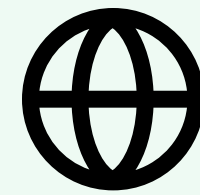
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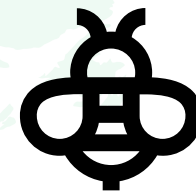
# Global Trends Influencing our Strategy



## Climate Change

Climate change, and the negative impact it can have on the health of people, the planet, and our economy, has been at the forefront of sustainability conversations year after year. Corporations have a significant role to play in transition efforts by managing and mitigating risks and identifying opportunities.

Manulife's Climate Action Plan outlines and underscores our belief in making bold commitments to take action against climate change. We are in a position to make a positive impact through the investments we make, assets we manage, and our day-to-day operations.



## Nature Loss

Nature and biodiversity are degrading faster than any other time in history<sup>6</sup>, driving environmental, economic, and human health challenges. Many believe there is a lack of urgency and awareness related to the role corporations can play in helping to halt and reverse nature loss.

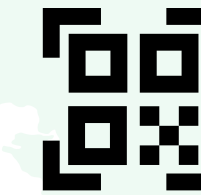
At Manulife, we believe protecting our planet's health is a shared responsibility and that nature loss is an economic crisis. We are contributing to a more nature-positive world by investing in nature and are making tangible commitments to hold ourselves accountable in driving meaningful change.



## Rising Inequity

From extreme weather conditions and human rights issues to political instability and economic uncertainty, various events throughout the year exacerbated rising social and financial inequities experienced by many around the globe.

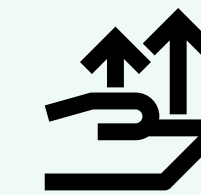
Through the launch of our Impact Agenda, Manulife aims to focus its ESG efforts on programs, partnerships, people, and products/services that will help address health, financial, and environmental inequity. Our commitments against each pillar of our Impact Agenda aim to create healthier, more equitable, and financially prosperous communities and will determine how we do business going forward.



## Digitization

The impacts of the pandemic have presented a need for organizations to adopt new, innovative technologies and prioritize digital transformations to adjust employees' ways of working and remain competitive for high-quality talent and customer attraction and retention.

Manulife continues to make significant progress on our digital journey, investing over \$1 billion since 2018 to boost our digital capabilities. We are guided by a focused, strategic framework that aims to deliver best-in-class customer experiences and create significant value for our shareholders.



## Talent Trends

Labour markets fluctuated significantly during the year, with talent acquisition and retention being impacted by both return-to-office (RTO) trends and economic headwinds. Employees continued to reassess their current work environment as many adjusted to new ways of working, seeking more balanced, meaningful employment opportunities.

Manulife introduced new, customized employee benefits as part of our RTO plans to support our people in navigating a new hybrid-working environment. We hired over 8,000 people globally during 2022 and continue to remain focused on investing in diverse high-quality talent as we see significant growth opportunities in many of the regions in which we operate.

<sup>6</sup> Based on the "The Global Assessment Report on Biodiversity and Ecosystem Services" released by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) in 2019.

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# Our Impact Agenda

Decisions made *easier*.  
Lives made *better*.

At Manulife, these are our reasons for being. They're core to who we are and the journey we're on.

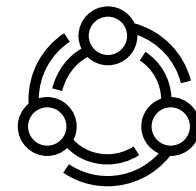
As a health and wealth company, staying true to our purpose is how we create long-term value for our business, our communities, and the planet. It's how we all win.

Through our Impact Agenda, we've committed ourselves and our resources to continue making lives better through three interconnected pillars of focus.



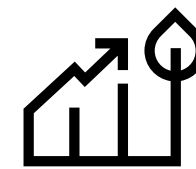
### Empower Sustained Health and Well-being

We're empowering health and well-being to help lay the essential foundation of a good life.



### Drive Inclusive Economic Opportunity

We're driving inclusive economic opportunities to create a more even playing field for all.



### Accelerate a Sustainable Future

We're accelerating a sustainable future to preserve the planet we all share.

United in the pursuit of our common goals, we're building a *better* business to *better* the world.

For more information, visit [Impact Agenda | Sustainability at Manulife](#)

# Impact Agenda Scorecard

- ▶ Making progress
- ▶▶ Accelerating progress
- Achieved

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Focus Area	Commitment	Metric	Target Year	Baseline Year	Baseline	2022 Results	Learn More	Status
<b>Empower Sustained Health and Well-being</b>								
<b>Behavioural Insurance</b>	Innovate and scale our behavioural insurance platform	Qualitative	-	Annual target	-	<b>U.S. GRAiL launch; Canadian market expansion</b>	<a href="#">Behavioural Insurance</a>	▶▶
<b>Employee Well-being</b>	Continue to elevate well-being of our people — providing family friendly and mental health benefits programs	Qualitative	-	Annual target	-	<b>Virtual health coaching</b>	<a href="#">Employee Health and Wellness</a>	▶
<b>Occupational Health and Safety</b>	Expand healthy building certifications for real estate properties managed by Manulife Investment Management	Number of healthy building certifications	-	Annual target	-	<b>10 new buildings certified<sup>7</sup></b>	<a href="#">Occupational Health &amp; Safety</a>	▶▶
<b>Drive Inclusive Economic Opportunity</b>								
<b>Diversity, Equity, and Inclusion</b>	Increase representation of women at the AVP level to 40%	Percentage of women at the AVP level	<b>2023</b>	Annual target	-	<b>37%</b>	<a href="#">Diversity, Equity, and Inclusion</a>	▶▶
	Increase representation of women at the VP+ level to 34%	Percentage of women at the VP+ level	<b>2023</b>	Annual target	-	<b>32%</b>	<a href="#">Diversity, Equity, and Inclusion</a>	▶▶
	Increase racially and ethnically diverse representation at the Director+ level in North America by 30%	Percentage of racially and ethnically diverse representation	<b>2025</b>	2020	-	<b>19%</b>	<a href="#">Diversity, Equity, and Inclusion</a>	▶▶
	Increase disability representation within Asia to 1.5% by 2023 <sup>8</sup>	Percentage of disability representation in Asia	<b>2023</b>	2021	0% <sup>9</sup>	<b>0.8%</b>	<a href="#">Diversity, Equity, and Inclusion</a>	▶▶
<b>Supplier Diversity</b>	Increase spend with diverse suppliers to at least 4% by 2025	Percentage of total spend from diverse suppliers in North America	<b>2025</b>	2020	0.06%	<b>2.16%</b>	<a href="#">Supplier Diversity</a>	▶▶
<b>Financial Inclusion</b>	Reach 1 million learners through our financial capability programs by 2025	Number of financial capability program learners	<b>2025</b>	2022	-	<b>New</b>	<a href="#">Financial Inclusion</a>	▶
<b>Accelerate a Sustainable Future</b>								
<b>Net Zero General Account Investment Portfolio</b>	Net zero financed emissions in our General Account	Progress against financed emissions targets	<b>2050</b>	2019	-	<b>32 MT CO2e<sup>10</sup></b>	<a href="#">ESG in Asset Ownership Our Investments</a>	▶▶
<b>Decarbonization</b>	Reduce absolute scope 1 & 2 emissions 40% by 2035 <sup>11</sup>	Percentage of absolute reduction in total scope 1 & 2 emissions	<b>2035</b>	2019	272,218 tCO2e	<b>11.8% absolute reduction in total scope 1 &amp; 2 GHG emissions<sup>12</sup></b>	<a href="#">Our Operations</a>	▶▶
<b>Sustainable Farmland</b>	Certify 100% of eligible U.S. Manulife Investment Management managed farmland as sustainable	Percentage of total eligible farmland certified as sustainable	<b>2023</b>	Annual target	-	<b>100%</b>	<a href="#">ESG in Asset Management</a>	●
<b>Paper</b>	Reduce paper volume by 35% by 2025 and ensure remaining paper is from sustainable sources	Percentage of absolute reduction in paper volume (page count)	<b>2025</b>	2019	436 million page count	<b>34.6% reduction / 285.2 million page count<sup>13</sup></b>	<a href="#">Our Operations Performance Data</a>	▶▶

<sup>7</sup> Healthy building certifications are third-party certifications focusing on design and operational practices to promote healthier buildings such as Fitwel and WELL certification or equivalent. This does not include certifications focused specifically on the response to viral diseases, such as Fitwel Viral Response. Such certifications, while important and tracked separately, are more narrow in focus as it relates to the health and wellness of our buildings. As of December 31, 2022, Manulife had 16 buildings across our global portfolio that hold a healthy building certifications.

<sup>8</sup> In 2023, we updated this target from our initial 1% goal to increase disability representation within Asia.

<sup>9</sup> Based on employee self-identification.

<sup>10</sup> This figure represents emissions data from 2021 reporting year.

<sup>11</sup> Manulife has developed interim targets as part of our Climate Action Plan in accordance with the methodology for financial institutions outlined by the SBTi. As a result of alignment to SBTi guidance, our target for scope 1 & 2 emissions reduction has been updated to 40% by 2035. Please see 'Our Investments' for more information.

<sup>12</sup> Manulife calculates Greenhouse gas emissions annually and reports cumulatively against the 2019 baseline. 2022 reduction in location-based scope 1 & 2 emissions are driven by changes in the Manulife Investment Management Real Estate and Manulife Investment Management Timberland and Agriculture portfolio and an increase in the use of primary data in Manulife Investment Management Timberland and Agriculture this year.

<sup>13</sup> Utilized assumptions in select markets where actual page count data was not available or incomplete. We will continue to improve data coverage and completeness across all markets.





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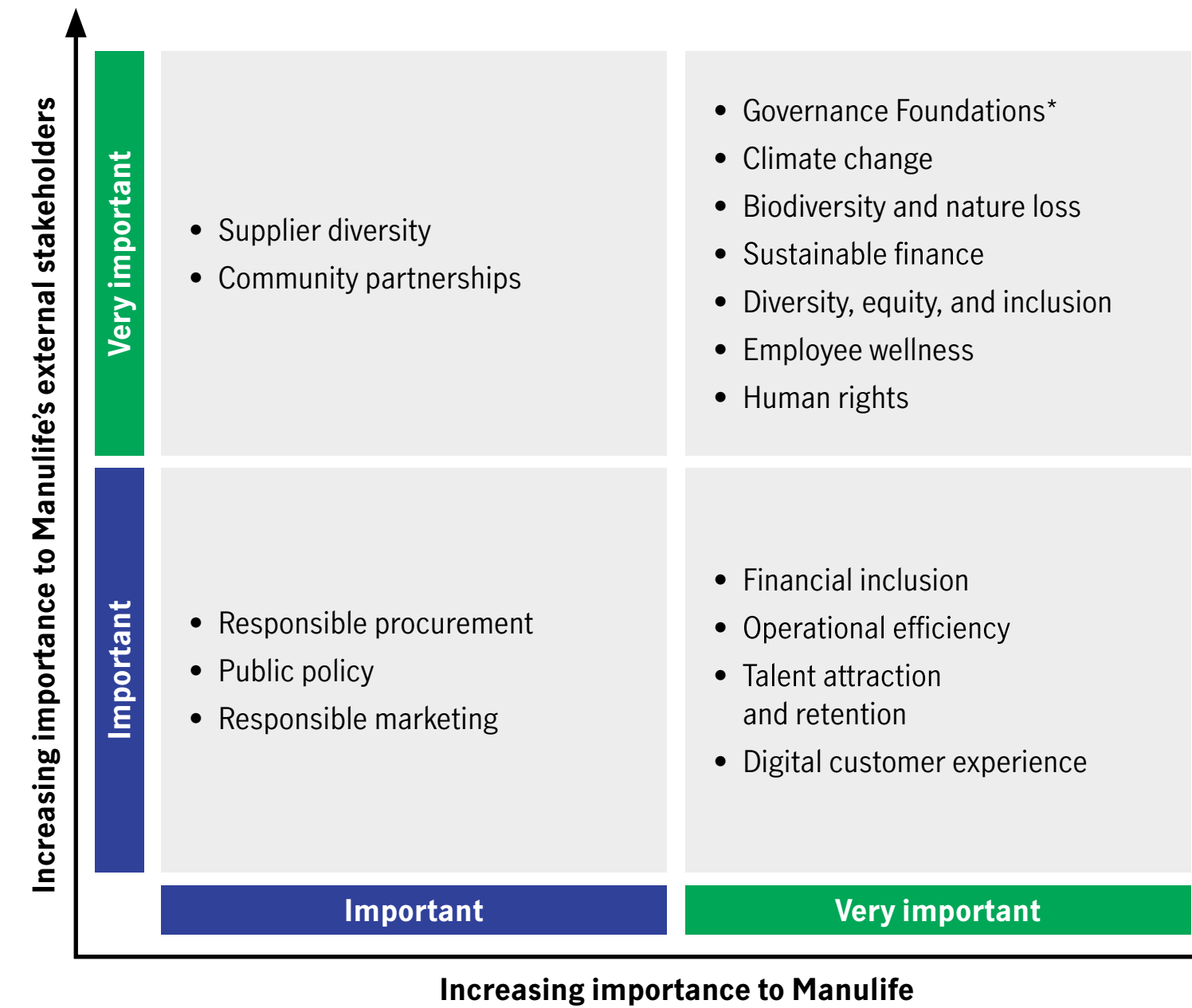
# ESG Material Topics

In 2022, we assessed our key stakeholders' <sup>14</sup> expectations regarding Manulife's ESG strategy and performance. The feedback received confirmed we are on the right track and provided insight into how we can actively address key topics through our business decisions and operations.

The results of our engagement and assessment with stakeholders are communicated in the following matrix, which reflect material ESG topics of increasing importance to Manulife and our external stakeholders and where we are focusing our strategy and resources.

For additional information, please visit [Materiality](#).

<sup>14</sup> Our key stakeholder groups are the following: employees, consumers/customers, shareholders/investors, industry associations, civil society/NGOs, suppliers/vendors, and communities.




**\*Governance Foundations** are those that we identify as fundamental to Manulife's sustainable, strategic success:

- Corporate governance
- Business conduct and ethics
- Data security and privacy
- Risk management

Our Governance Foundations define our focus, and our strong track record as a trusted financial services provider positions us for a successful future.

# Supporting the Sustainable Development Goals

Through our Impact Agenda commitments, we are well-positioned to contribute toward *eleven* UN Sustainable Development Goals (SDGs) that are most relevant to our business and where we believe we have the greatest opportunity to make an *impact*.

SDG	Our Impact	Learn More	SDG	Our Impact	Learn More
 <b>2</b> ZERO HUNGER	<b>Zero hunger</b> We have partnered with industry leaders and community investments partners to provide food security solutions to individuals most in need. Additionally, we support the research and scaling of agricultural solutions through our asset management efforts.	<a href="#">Community Investment – Empower Sustained Health and Well-being</a>	 <b>8</b> DECENT WORK AND ECONOMIC GROWTH	<b>Decent work and economic growth</b> We provide access to employment, promote financial inclusivity, and support education targeting underrepresented communities through our corporate and community investment initiatives.	<a href="#">Impact Agenda</a> <a href="#">Community Investment</a> <a href="#">Financial Inclusion</a>
 <b>3</b> GOOD HEALTH AND WELL-BEING	<b>Good health and well-being</b> As a leading life insurer, we promote and foster an environment in which our employees, customers, and local community members are empowered to live healthy lives, both physically and mentally, through our products and services.	<a href="#">Community Investment Wellness, Health and Safety</a> <a href="#">Customer experience and well-being</a>	 <b>10</b> REDUCED INEQUALITIES	<b>Reduced inequalities</b> We provide increasingly digitized and accessible products and services within our operating markets, aiming to reduce and remove barriers to increase economic opportunity for our client base. Within our organization, a well-connected and strong network of Employee Resource Groups champion our diversity, equity, and inclusion values and culture.	<a href="#">Community Investment</a> <a href="#">Financial Inclusion</a> <a href="#">Diversity, Equity, and Inclusion</a>
 <b>5</b> GENDER EQUALITY	<b>Gender equality</b> We aspire to create an inclusive and safe workplace culture through our diversity, equity, and inclusion efforts. We help remove barriers by empowering women within our organization, our communities, and our customers by providing resources and opportunities to support them. We also encourage gender representation on public company boards through our stewardship activities in our asset management business.	<a href="#">Impact Agenda Diversity, Equity, and Inclusion</a>	 <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES	<b>Sustainable cities and communities</b> We are committed to supporting and strengthening the local and indigenous communities where we work and live. We provide employment opportunities, share public use of our land, and support local causes and events.	<a href="#">Community Investment</a>
 <b>6</b> CLEAN WATER AND SANITATION	<b>Clean water and sanitation</b> We protect and improve watersheds and sensitive lands by adhering to strict water and land management policies and best practices. We offer an investment product that focuses on companies tackling water-related challenge <sup>15</sup> .	<a href="#">Environmental Nature and Biodiversity</a>	 <b>13</b> CLIMATE ACTION	<b>Climate action</b> We are taking steps to reduce our environmental footprint by incorporating climate considerations into our decision-making processes, asset operations and management, and the development of our financial products and services. Through Manulife Investment Management, we offer climate-focused public equity and public bond investment strategies.	<a href="#">Environmental Climate Action Plan</a>
 <b>7</b> AFFORDABLE AND CLEAN ENERGY	<b>Affordable and clean energy</b> We manage, invest in, and provide products that support sustainable energy resources, solutions, and technologies aimed towards the transition to net zero. Manulife Investment Management's Climate Bond and Climate Equity investment strategies are focused in part on providing climate solutions to clients.	<a href="#">Environmental</a>	 <b>15</b> LIFE ON LAND	<b>Life on land</b> We operate sustainable timberland and agriculture assets and invest in nature-based solutions to support healthy systems and protect sensitive land and biodiversity. This includes a Timberland and Agriculture Deforestation Policy.	<a href="#">Environmental</a>
			 <b>17</b> PARTNERSHIPS FOR THE GOALS	<b>Partnership for the goals</b> We work and engage with partners, stakeholders, and peers to understand and influence change within our industries and areas of expertise. We believe collaborative work and continuous engagement helps better inform and drive our sustainability efforts.	<a href="#">Partnerships Engagements</a> <a href="#">Public Policy</a> <a href="#">ESG at Manulife</a>

<sup>15</sup> This product is offered in limited jurisdictions and is not available to all investors globally.

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# ESG at Manulife

## ESG Governance

Our sustainability governance framework enables us to achieve our sustainability objectives across our global franchise, facilitating easier and more strategic decision-making within the context of our business objectives.

Oversight of our ESG framework is part of the mandate of our Board of Directors' Corporate Governance and Nominating Committee (CGNC). The CGNC reviews the progress made on our sustainability strategy and stays informed of ESG trends, risks, and opportunities through management engagement and reporting. As of February 28, 2023, members of the CGNC include the Chair of the Board and six other independent Board members.

Experience in and an understanding of ESG matters are also considered essential characteristics because of the importance of ESG to Manulife and the Board's role in overseeing Manulife's ESG framework. Directors are expected to have a

significant knowledge and understanding of ESG issues relevant to and based on their respective experiences in their professional careers or as a corporate director. Board members gain experience through ongoing education sessions and reports on ESG strategy, trends, risks, and opportunities and all members are encouraged to attend sessions on ESG matters at meetings of the CGNC. Sustainability experts upskill and educate our Board on current and emerging issues, topics and regulations that are relevant to our business and operations.

Starting in 2023, members of the CGNC will participate in at least one externally facilitated ESG-related education session every two years. The sessions may be external courses or externally facilitated sessions tailored to cover issues relevant to Manulife and open to all Board members.

The CGNC's oversight of our ESG framework complements the work of the Executive Sustainability Council (ESC). The ESC consists of our Global Chief Sustainability Officer (CSO) along with nine members of our Executive Leadership

Team (ELT), including our Chief Executive Officer (CEO). The Chair position, currently held by our Global Chief Marketing Officer, is held on a two-year rotational basis. The ESC meets monthly and is responsible for establishing the enterprise's sustainability ambition, guiding the development and execution of the sustainability strategy, and providing recommendations and direction on matters related to ESG. In addition to the ESC, within our asset management business we have business segment level committees that execute asset-class-specific sustainability objectives.

The CSO chairs Manulife's ESG Centre of Expertise (CoE), which consists of corporate function and business unit sustainability leads tasked with integrating sustainability into our business practices. This group's responsibilities include leading the development and implementation of the sustainability strategy. Additionally, the CoE ensures integration of sustainability into business unit strategies, policies, and procedures.

The CoE also shares information, builds knowledge across functions and business units, advises on sustainability matters, and provides support and capacity building to business units. Manulife's Legal and Compliance ESG CoE also supports the ESC, by sharing information and advice relating to ESG activities across Manulife.

Starting in 2023, members of the CGNC will participate in at least one externally facilitated ESG-related education session every two years.

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Manulife’s Global Climate Change Taskforce consists of representatives from multiple businesses and functional areas. It drives the development of the climate strategy, risk management activities on climate-related matters, performance tracking, and disclosures. The Climate Change Taskforce supports execution of Manulife’s Climate Action Plan and includes business segment representation.

In 2022, Manulife established the ESG Leaders Group consisting of senior leaders from multiple businesses and functional areas who are accountable for driving change and progress on Manulife’s Impact Agenda and broader ESG performance. This body meets monthly to discuss the implementation of new practices and emerging industry trends.

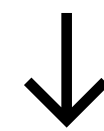


**Board of Directors**



**Executive Sustainability Council**

Oversees ESG and sustainability strategy and disclosures



**ESG Centre of Expertise**

Discusses and aligns on sustainability-related matters



**Climate Change Taskforce**

Develops and drives the Climate Action Plan

**Board Risk Committee**

**Corporate Governance & Nominating Committee**

**Management Resources & Compensation Committee**

**Audit Committee**

**Meets monthly**

Chief Financial Officer	Chief Human Resources Officer	Chief Investment Officer	Chief Marketing Officer — Chair	Chief Operations Officer	Chief Risk Officer	Chief Sustainability Officer	General Counsel	President and CEO	President and CEO, Manulife Investment Management
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**Meets monthly**

Corporate Sustainability	Group Finance	Group Risk Management	General Account	Manulife Investment Management Public Markets	Manulife Investment Management Real Estate	Manulife Investment Management Infrastructure
Government Affairs	Global Procurement and Supplier Diversity	Global Communications	Legal and Compliance	Manulife Investment Management Private Equity and Credit	Manulife Investment Management Timberland and Agriculture	Global Human Resources

**Meets monthly**

Corporate Sustainability	Group Finance	Group Risk Management	General Account	Corporate Real Estate	Global Compliance
Manulife Investment Management Infrastructure	Manulife Investment Management Private Equity and Credit	Manulife Investment Management Timberland and Agriculture	Manulife Investment Management Public Markets	Manulife Investment Management Real Estate	

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**Climate Risk Governance**

Climate-related risks are governed at various levels across the enterprise. In addition to the roles of the CGNC, ESC, CoE, and Climate Change Taskforce, the Executive Risk Committee (ERC) and the Board's Risk Committee (BRC) consider climate-related risks and opportunities through the ongoing monitoring and reporting of emerging risks.

- The BRC oversees the management of our principal risks and our programs, policies, and procedures to manage those risks. The BRC approves the company's risk appetite and enterprise-wide risk limits and monitors our overall risk profile, including key and emerging risks and risk management activities.
- As part of its mandate, the ERC is responsible for:
  - Ensuring the implementation and effectiveness of environmental risk management frameworks and policies, as well as tools and metrics that monitor exposures to environmental risk.
  - Considering climate-related risks and opportunities through the ongoing monitoring and reporting of emerging risks.

The ERC is supported by several oversight sub-committees that are increasingly considering climate-related risks and opportunities as part of longer-term business strategy and day-to-day risk oversight activities.

- **Credit Committee** – establishes credit risk policies and risk management standards of practice, oversees the credit risk management program, and monitors Manulife's overall credit risk profile and approves large individual credits and investments.



- **Product Oversight Committee** – oversees insurance risk and reviews risks in new product and new business reinsurance initiatives, and monitors product design, new product pricing, and insurance risk exposures and trends.
- **Global Asset Liability Committee** – oversees market and liquidity risk for insurance products, hedging, and asset liability management programs and strategies. The committee also monitors market risk profile, risk exposures, risk mitigation activities, and compliance with related policies.
- **Operational Risk Committee** – oversees operational risk appetite, exposures and associated governance, risk processes, risk management activities, and compliance with related policies.
- **Segment-specific Risk Committees** – oversees mandates like the ERC, but with a specific focus at a segment level.

Oversight functions and teams, which include Global Risk Management, facilitate ongoing monitoring of our principal risks through practices such as risk assessment reviews, stress testing and scenario analysis, and controls testing. Oversight functions also work to integrate climate-related risks into existing risk and regulatory compliance frameworks and develop or enhancement internal guidelines, standards of practice, and other processes to provide more effective oversight.

Audit Services provide independent assurance to ensure there is a demonstrated awareness of the risks inherent in the business, controls are effective and appropriate relative to the risks inherent in the business, and risk mitigation programs and oversight functions are effective in managing risks.



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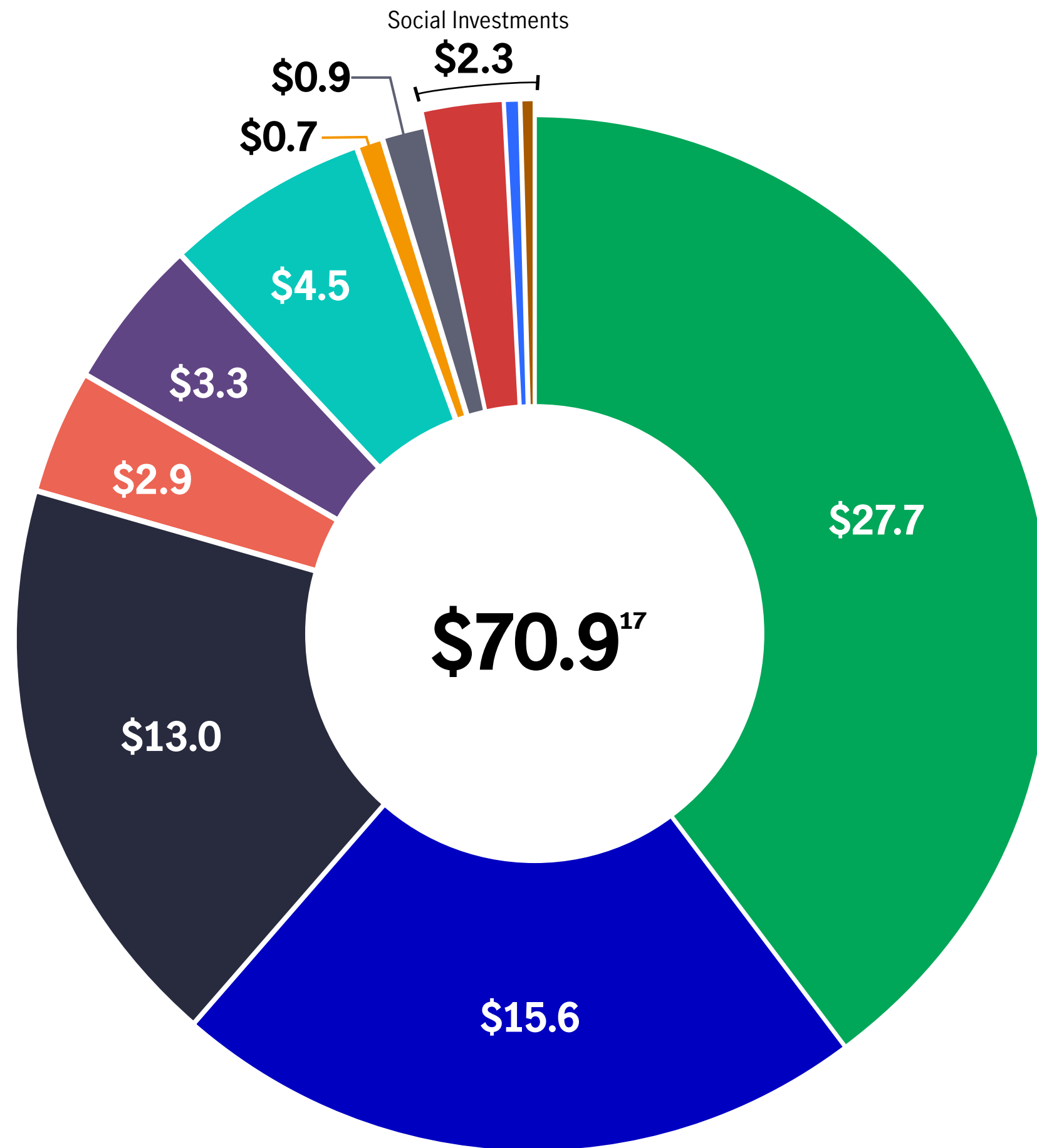
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# Sustainable Investing

## Sustainable Investments at Manulife (\$ billions)<sup>16</sup>



### Green Investments: \$68.6 billions

- **\$27.7 B, Green buildings**  
 Direct equity investments and commercial mortgages, backed by green building certifications Leadership in Energy and Environmental Design (LEED), Buildings Owners and Managers Association (BOMA Best), and Energy Star. Residential mortgages are not relevant to Manulife at this time and are excluded.
- **\$15.6 B, Sustainably managed timberlands**  
 Private assets operated by Manulife subsidiary Manulife Investment Management Timberland and Agriculture and private placements certified to Forest Stewardship Council (FSC®) and Programme for the Endorsement of Forest Certification (PEFC) standards.
- **\$13.0 B, Renewable energy**  
 Private debt and equity financing of energy from renewable sources (solar, wind, geothermal, waste biomass, hydroenergy) and energy storage in batteries (for Manulife Investment Management private third-party investments only).
- **\$2.9 B, Energy efficiency**  
 Private debt financing of energy efficiency upgrades at U.S. government sites.
- **\$3.3 B, Clean transportation**  
 Private debt financing of electrified transport and mass public transit.
- **\$4.5 B, Sustainably managed farmlands**  
 Private assets operated by Manulife subsidiary Manulife Investment Management Timberland and Agriculture and certified to the Leading Harvest Standard.
- **\$0.7 B, Sustainable water management**  
 Private debt financing of water recycling and purification businesses.
- **\$0.9 B, Green bond investments**  
 Public and private green bond investments in renewable energy, energy efficiency, clean transport, and sustainably managed forests.

### Social Investments: \$2.3 billions

- **\$1.9 B, Access to affordable healthcare**  
 Free or substantially subsidized and/or non-profit facilities that provide accessible and affordable healthcare regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line, or households with income below 80% of the area median income (AMI). Investments correspond to (i) General Account (GA) private investments related to the construction of healthcare facilities in Canada, the U.S., and the U.K and (ii) GA private investments in non-profit Canadian hospitals and non-profit long-term-care facilities.
- **\$0.2 B, Access to affordable education**  
 Free or substantially subsidized and/or non-profit institutions that provide accessible and affordable education regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line, or households with income below 80% of the AMI. Investments correspond to GA private investments in non-profit school boards (K12 Education) in Canada and the U.S.
- **\$0.2 B, Access to affordable housing**  
 Housing at or below 80% of average market rent or that meet national/regional affordable housing definitions. Investments correspond to GA private equity investments in affordable multi-family real estate within the U.S. in accordance with local/regional standards (pro-rate amount taken for affordable portion).

<sup>16</sup> Includes General Account and third-party client assets managed by Manulife Investment Managements private markets business.

<sup>17</sup> Sustainable investments include green investments (General Account and Manulife Investment Management third-party private investments) and social investments (General Account private investments), as determined by Manulife's Sustainable Bond Framework and the International Capital Market Association's Green Bond Principles (2017). Data excludes public securities, with the exception of green bonds. Data prior to FY21 excludes third-party investments.

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# ESG in Asset Management<sup>18</sup>

Manulife Investment Management values and actively supports the robust integration of sustainability principles across our investment approaches and active ownership activities. This holds true across asset classes, geographies, and our business identities, whether we are acting as asset operators, equity holders, or debt holders. We aim to deliver strong risk-adjusted investment returns for our clients over time, while helping realize a sustainable trajectory for the global economy.<sup>19</sup>

## Supporting Our Clients

We are committed to a program of ongoing education on sustainability as we understand the importance of increasing knowledge, understanding, and awareness of ESG risks and opportunities that are material to financial outcomes. In 2022, we implemented the Manulife Investment Management Sustainable Investing Academy, an education curriculum that covers a range of key sustainability topics. The education program was made available to institutional investors in Canada, with the current objective of expanding to other markets in the future.

## Sustainability as Standard

Our sustainable investing teams prepare annual sustainable investment goals to drive financial value creation and better sustainability outcomes. Individual team members have oversight and responsibility for the goal accomplishment. For example, goals for our private asset class investments teams include enhancing tools to integrate ESG factors throughout the investment life cycle and providing support to the development of new and existing products. Similarly, goals for our public markets investments teams include increasing impact of engagements, ESG integration success measures, system enhancements, and structured training sessions. Initially, the goals are presented by the sustainable investing teams to the respective private markets and public sustainable investment committees, which are composed of functional leads from legal, compliance, risk, and investment teams, for review and input. These goals are then reviewed continuously through execution of work plans, and the sustainable investing teams report activities and progress of the business plans to their respective committees. These goals are prioritized based on the impact they will have on the overall investment processes and the firm's objective to achieve ongoing excellence in ESG integration. Our group of dedicated sustainable investment professionals reinforces and strengthens ESG integration and stewardship activities across our investment teams and asset classes.

## Private Markets

In Real Assets, we are frequently both the asset manager and operator, which we believe positions us well to influence sustainable business practices and identify related concerns.

For example, where we invest and operate assets in our real estate, timberland, and agriculture portfolios, we seek to raise the bar of sustainable investing and stewardship, while enhancing the value of our assets and having a positive impact on all our stakeholders. In our infrastructure, private equity, and credit investments, we focus on building strong relationships with companies, sponsors, and co-investors, which enables a meaningful approach to sustainability and enhances our influence over key assets and portfolio companies.

Our strategies integrate ESG factors throughout the investment lifecycle:

1. We use our sustainable investing due diligence process, based on a combination of external resources including the SASB, the Principles for Responsible Investing (PRI), and our own internal expertise.
2. We document sustainable investing due diligence in an investment memorandum that is evaluated during the investment committee approval process.

3. We continue to monitor material aspects that might affect an asset or company, including ESG factors, once an investment is made.
4. We communicate ESG-related information regularly to our investors through our quarterly reports, at annual general meetings, or on an ad hoc basis when requested by investors.

## Managing Forests and Farms

Our agriculture and timberland businesses exist to create value through the sustainable management of natural resource investments, as outlined in our [Timberland and Agriculture Sustainable Investing Framework](#). As stewards of these natural capital assets, we recognize their intrinsic value far exceeds the commercial value of the land and the harvest alone.

Our foundational principle is that good stewardship is good business, and we reflect this in the way we manage our investments with three major sustainability priorities in mind: climate, nature, and people. We take a data-driven approach that relies on measuring and monitoring the actions we take in support of our sustainability priorities. Core to this approach is independent assurance that we conform to credible third-party sustainability standards.

<sup>18</sup> The activities, policies, and processes of Manulife Investment Management described in this ESG Report are descriptive of practices of certain of our internal investment teams in our Private Markets and Public Markets business units, some of whom manage assets on behalf of the Manulife General Account. This Report does not reflect the investment activities or practices of non-affiliated asset managers who manage Manulife Investment Management-sponsored funds on our behalf.

<sup>19</sup> Integration is based on Manulife Investment Management's Proprietary Integration Progression Levels (IPL), which measures investment teams progress in ESG integration. We look to incorporate material ESG considerations throughout the stages of our investment and asset ownership lifecycles, taking into account the characteristics of the asset class and investment process in question, as well as industry and geography, among other factors. Each investment team operates in different markets and with different nuances to its approach to investing. Accordingly, each team integrates ESG factors into its investment process in a manner that best aligns with its investment approach.

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In our timberland operations, we continue to manage 100% of our global forests to achieve independent third-party sustainability certifications under the Sustainable Forestry Initiative® (SFI®) and/or Forest Stewardship Council® (FSC®). Within Australia and New Zealand, some of our forests carry dual FSC® and PEFC (Programme for the Endorsement of Forest Certification) certifications.

In our operations, we were an early mover in third-party sustainable forest certification and have managed certified sustainable timberland investments for over two decades. Until recently, the agriculture sector lacked a sustainability standard that could work across different crop types, production systems, scales, and geographies. In 2017, we began collaborating with leading environmental organizations and farmland owners and managers to help develop such a standard.<sup>20</sup> The Leading Harvest Farmland Management Standard is now growing rapidly. In 2021, our agriculture business became the first to have our entire U.S. agriculture platform certified under this standard. As Leading Harvest expands to other countries where we operate, we intend to seek certification in Australia, Canada, and Chile as well, addressing considerations from biodiversity to water, soil health to conservation value, and indigenous peoples' rights to training and education.

**67 million square feet** of Manulife Investment Management Real Estate **is certified** under a sustainable building certification, representing over 82% of our global portfolio.<sup>21</sup>

At the end of 2022, 100% of our U.S. farmland was certified under Leading Harvest, in addition to other sustainable agriculture standards on a case-by-case basis (i.e., Global GAP, USDA GAP, Lodi, SAI-FSA). We are also participating in a Leading Harvest pilot certification program at our Australian farm properties.

Our timberland and agriculture operations teams regularly conduct stewardship projects that benefit the environment and communities in which we operate. In 2022, we conducted projects ranging from partnerships with local high schools to building and placing raptor boxes on our farms for natural rodent control, to partnerships with environmental non-governmental organizations (NGOs) to widen streams and enhance salmon spawning.

## Offering Sustainable Real Estate Investments

Our real estate platform develops and manages commercial real estate for our clients around the globe. The portfolio includes office, industrial, retail, and multi-family space strategically located in major markets. Our [Real Estate Sustainable Investing Framework](#) outlines our approach, which is based on responsible property investment and aligns with global standards and benchmarks, including GRESB. We incorporate

ESG considerations across the entire real estate value chain, from construction and acquisition of an asset through all aspects of asset management. These practices are supported by resources such as our proprietary Sustainable Investing and Implementation Guide and our proprietary Sustainable Building Standards.

## Investing in Infrastructure

Our infrastructure group is committed to the responsible stewardship of client capital, in line with our [Infrastructure Sustainable Investing Framework](#), which outlines our approach to sustainable investing. This framework, along with our ESG Implementation Guide, provides a series of processes and checklists that our investment team uses to integrate ESG considerations across the investment process and applies this framework to all fund investments. Our investment team employs a materiality-based approach to ESG due diligence that is based on our own industry expertise as well as external resources from SASB and PRI.

As active owners seeking to create long-term value through good governance of ESG, we typically seek to oversee and monitor an investment through board representation, protective controls, shareholder engagement with our partners, or a combination of these. This enables our team to share our views regarding key decisions related to relevant sustainability risks and opportunities. We work with our investment partners to monitor the material ESG factors for the investment, including annual ESG data collection from our portfolio companies focused on the material ESG metrics for our investments, aligned with

the ESG Data Convergence Initiative framework and GRESB assessments. The quantitative ESG data we collect from our portfolio companies and qualitative insights on each asset's sustainability performance are shared with our investors through regular reporting.

Our Sustainable Investing team works closely with our investment team, partners, and portfolio companies throughout the investment lifecycle to support due diligence, monitoring, and reporting efforts. We actively partner with our portfolio companies on their ESG journeys by supporting their submission to GRESB, to establish baseline approaches to ESG factors, better understand their ESG profiles, and identify opportunities for continuous improvement of our portfolio companies' ESG performance.

## Enhancing Private Equity and Credit

Our private equity and credit group is committed to sustainable investing and management of our clients' assets as outlined in our [Private Equity and Credit Sustainable Investing Framework](#). Sustainable investing is particularly important for private equity in view of our focus on creating long-term value and building strong relationships with general partners (GPs), sponsors, and company management. Within private credit, assessing material ESG risks can help us make more informed investment decisions. Profiling potential material risks and opportunities related to ESG factors across all assets is critical to preserving and enhancing the value of our investments.

<sup>20</sup> Manulife Investment Management has a member on the Leading Harvest Board of Directors, as part of the Economic Chamber.

<sup>21</sup> Calculated based on square footage of the gross floor area of properties in the global portfolio. Totals from different certification standards do not sum as properties with multiple certifications are only counted once.



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Our private equity and credit teams conduct an ESG assessment of each investment as part of their due diligence and incorporate findings into their fundamental analysis. The outcomes of our sustainable investing due diligence are documented in the final investment memorandum, which is presented during the investment committee approval process. Sustainable investment documentation in the investment memorandum includes a summary of material sustainability factors, identification and discussion of risks, areas for improvement, areas not assessed, and areas in which the portfolio company is already well advanced.

Once an investment is made, our teams work closely with their investment partners to monitor all material items that might affect the investment or company, including material sustainability factors. The investment teams leverage a variety of tools such as shareholder rights, board representation, and our broader relationships with investment partners, who typically control the underlying portfolio companies, to ensure material sustainability issues are not overlooked.

Over 90% of our assets under management in public equity and public fixed-income strategies were integrating ESG factors under our proprietary integration assessment framework.<sup>22</sup>

## Public Markets

We believe organizations with strong environmental, social, and governance characteristics generally make better investments. Companies that prioritize sustainable business practices are usually more future-ready, resilient, and efficient. We execute integration of ESG factors across our products through multiple channels including investment research, data, risk reporting, and active ownership.

In public markets, our strategies integrate ESG factors across different public asset classes. As a preliminary step in our process, we receive and review ESG scores, ratings, and data from several external data vendors, which creates a more comprehensive third-party assessment of constituents.

Given our boutique investment framework, each investment team operates in specific markets, considering different nuances in their investment approach. Accordingly, each team integrates ESG factors into its investment process in a manner that best aligns with its investment approach. Each team bears responsibility for the evaluation of ESG factors throughout the due diligence and decision-making processes in the pursuit of risk-adjusted returns and capital preservation, with ESG integration in fixed-income, listed equity, and multi-asset solutions.

### Fixed income

- Our approach to fixed-income ESG integration is adapted to identify the material issues within each industry. In addition to the materiality of ESG risks, our investment professionals seek to assess the timing of likely impacts.

### Listed equity

- In addition to using internal and external ESG data to identify higher- and lower-risk stocks, our teams actively engage with company management to assess a company's exposure and potentially help enhance its resiliency against different types of ESG risks. This insight can help shape the teams' modeling and define sensitivities around their estimates of fair value.

### Asset allocation

- We believe value can be attained through targeted integration. Our asset allocation team achieved our highest level of ESG integration<sup>15</sup> in 2022 and uses a framework for evaluating aspects of ESG risk and opportunity that aligns with their investment process. The framework consists of several activities including macroeconomic analyses of ESG topics and incorporation of ESG adjustments and scenarios into economic and fundamental market inputs driving asset class forecasts.

## Engaging as Active Owners

Ongoing engagement with portfolio companies is an essential part of how we seek to enhance the resiliency of our clients' assets, including where we manage assets on behalf of the Manulife General

Account. Our engagement also strives to achieve real change in addressing key sustainability issues such as climate change. As investors, we play a critical role in encouraging companies to adopt sustainable business practices that promote stable, long-term growth and reduce the potential impact of material sustainability risks over time, which we believe, in turn, creates financial value.

We see collaboration with other stakeholders as a powerful tool to encourage iterative development of sustainable operating environments. We can amplify our voice by joining with peers to engage issuers, but also to enable systemic change by influencing development of robust disclosure frameworks and standards. This includes using our influence during proxy voting when considering shareholder and management proposals.

## Offering Sustainable Thematic Strategies

We continue to develop our suite of thematic sustainable investment products, which currently includes our Sustainable Asia Bond Strategy, Sustainable Asia Equity Strategy, Climate Action Bond Strategy, and Climate Action Equity Strategy. These strategies use proprietary screening techniques and stewardship practices to offer investments in line with sustainability criteria.

We have also developed the capabilities to offer sustainability-aligned exclusions and screens on client request to support their sustainability needs and execute on specific investment policies.

<sup>22</sup> Integration is based on Manulife Investment Management's Proprietary Integration Progression Levels (IPL), which measures investment teams progress in ESG integration. We look to incorporate material ESG considerations throughout the stages of our investment and asset ownership lifecycles, taking into account the characteristics of the asset class and investment process in question, as well as industry and geography, among other factors. Each investment team operates in different markets and with different nuances to its approach to investing. Accordingly, each team integrates ESG factors into its investment process in a manner that best aligns with its investment approach.

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# ESG in Asset Ownership

## Managing Our Own Portfolio of Investments

Manulife’s General Account consists of our company’s own assets, which largely support our policyholder liabilities in Canada, the U.S., and Asia. We believe that delivering strong-risk adjusted returns includes the consideration of ESG-related risks and opportunities in our investment processes.

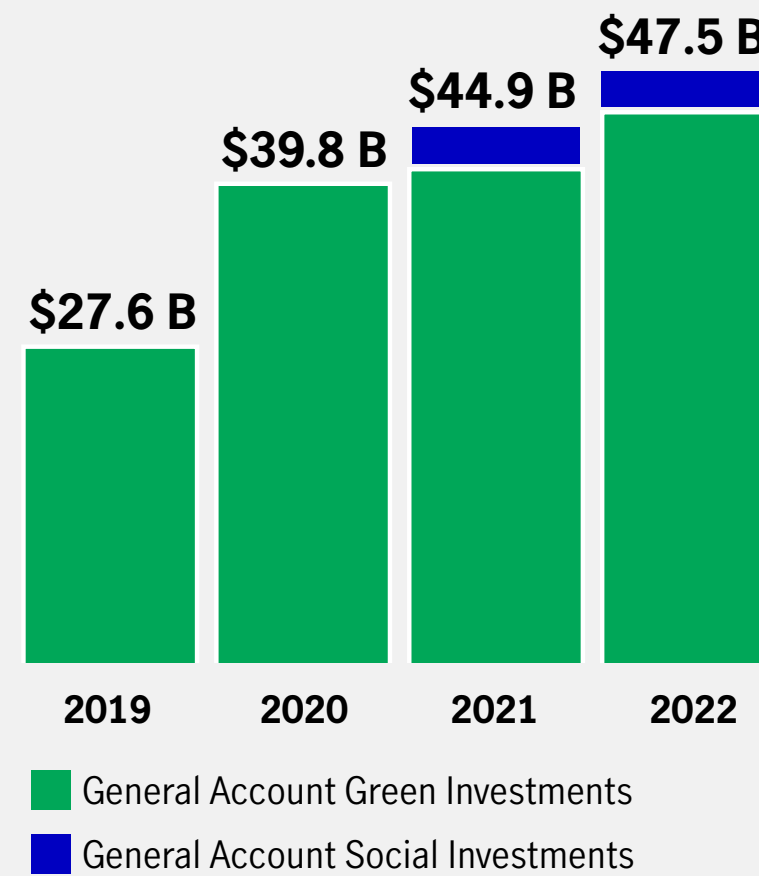
## Integrating ESG Factors into Investment Decisions

The Manulife General Account maintains its own ESG Governance and has developed ESG Investment Guidelines for its investment mandates, which include requirements to:

- Consider and screen ESG risks and opportunities material to specific investments and assess their relevance.
- Monitor material ESG issues at the issuer level as part of ongoing investment surveillance.
- Discuss material ESG risks in investment reviews and approval materials.

These guidelines are complemented by several additional policies that contribute to the General Account’s overall risk management and governance structure with respect to its investment activities, such as the General Account’s Environmental Risk Policy, Anti-Money Laundering and Anti-Terrorist Financing Policy, Code of Business Conduct and Ethics, and the Global Reputation Risk Policy.

## We continue to grow our portfolio of sustainable investments in our General Account



**11.7% of our General Account portfolio is held in sustainable investments**

### General Account Green Investments (\$ billions)

**\$19.3 B, Green buildings**

Direct equity investments and commercial mortgages, backed by green building certifications Leadership in Energy and Environmental Design (LEED), Buildings Owners and Managers Association (BOMA Best), and Energy Star. Residential mortgages are not relevant to Manulife at this time and are excluded.

**\$11.1 B, Renewable energy**

Private debt and equity financing of energy from renewable sources (solar, wind, geothermal, waste biomass, hydroenergy).

**\$4.8 B, Sustainably managed timberlands**

Private timberland assets operated by Manulife subsidiary Manulife Investment Management Timberland and Agriculture and certified to the Leading Harvest Standard.

**\$2.9 B, Energy efficiency**

Private debt financing of energy efficiency upgrades at U.S. government sites.

**\$3.3 B, Clean transportation**

Private debt financing of electrified transport and mass public transit.

**\$2.0 B, Sustainably managed agriculture**

Private agriculture assets operated by Manulife subsidiary Manulife Investment Management Timberland and Agriculture and private placements certified to Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) standards.

**\$0.7 B, Sustainable management of water resources**

Private debt financing of water recycling and purification businesses.

**\$0.9 B, Green bonds**

Private debt and equity investments; public securities excluded with the exception of several green bond investments.

### General Account Social Investments (\$ billions)

**\$1.9 B, Access to affordable healthcare**

Free or substantially subsidized and/or non-profit facilities that provide accessible and affordable healthcare regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line, or households with income below 80% of the AMI. Investments correspond to (i) GA private investments related to the construction of healthcare facilities in Canada, U.S., and the U.K and (ii) GA private investments in non-profit Canadian hospitals and non-profit long-term-care facilities.

**\$0.2 B, Access to affordable education**

Free or substantially subsidized and/or non-profit institutions that provide accessible and affordable education regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line, or households with income below 80% of the AMI. Investments correspond to GA private investments in non-profit school boards (K12 Education) in Canada and the U.S.

**\$0.2 B, Access to affordable housing**

Housing at or below 80% of average market rent or that meet national/regional affordable housing definitions. Investments correspond to GA private equity investments in affordable multi-family real estate within the US in accordance with local/regional standards (pro-rate amount taken for affordable portion).

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**General Account ESG Investment Guidelines**

As we aim to achieve attractive risk-adjusted returns on our General Account assets, our processes seek to ensure screening and consideration of ESG factors by integrating the evaluation of these factors throughout the due-diligence and decision-making processes.

As an asset owner, our investment decision-making is steered by a set of guidelines that provide direction to investment professionals regarding the integration of ESG considerations into investment decisions and ownership practices specific to the general investment account assets.

Recognizing that ESG factors throughout can affect investment performance, properly assessing and effectively managing these issues can mitigate negative investment outcomes, protecting returns and leading to higher long-term sustainable performance. Our investing approach, which contemplates staying invested through economic cycles, makes it particularly important that all factors that can materially impact the performance of an asset or an organization over varying time horizons be carefully considered, including ESG factors.

Regarding the assessment of an investment's ESG-related risks, the perceived materiality of the impacts can affect consideration of the economic benefits/costs of the investment, how the investment is viewed in relation to other investment opportunities, and whether the investment may improve short-, medium-, or long-term portfolio sustainability.



In broad terms, the approach General Account analysts may take to consider ESG factors include:

- **Integration:** Analysts integrate ESG factors into investment analysis and decision-making processes, and the emphasis will be where a portfolio company's management of these risks relative to industry norms is material to the credit rating, value, or risk/return profile of the investment.
- **Collaboration:** Analysts are encouraged to collaborate with like-minded organizations and investors to exchange information, share best practices, and advance the discussion.
- **Education:** This is a rapidly evolving area, and as such General Account analysts will seek to adapt their capabilities and practices, as the investment community expands its knowledge and deepens its understanding of ESG issues.

In reviewing potential and existing investments, General Account analysts consider ESG factors that are material to an investment. They do this by considering and screening ESG risks and opportunities material to the specific investment and assessing their relevance, as appropriate.

We also include a discussion of material ESG risks and opportunities in investment reviews and approval materials. This can include, but is not limited, to:

- **Environmental Factors:**
  - Holding and complying with applicable environmental permits
  - Impact on climate change
  - Environmental degradation/waste and pollution
  - Protected sites/species
  - Unsustainable practices/resource depletion
- **Social Factors:**
  - Human rights
  - Working conditions
  - Diversity, equity, and inclusion
- **Governance factors:**
  - Anti-bribery and anti-corruption
  - Corporate governance
  - Product safety and quality
  - Executive pay

Monitoring material ESG issues at, and encouraging ESG awareness by, the borrower as appropriate is viewed as a critical part of general ongoing investment surveillance. In some cases, this may present a challenge as many of our investments are in companies/assets that are privately held, where no public information may be relied on.

**Implementing ESG Investment Guidelines**

With the implementation of ESG Investment Guidelines, analysts are expected to integrate ESG factors into their investment analysis and decision-making processes. The General Account's ESG Investment Guidelines are principles-based and updated on a regular basis. They were last updated in December 2022 to enhance clarity and interpretability, including refinements to the universe of potential ESG factors for consideration by analysts.

To support the implementation of the ESG investment guidelines, in 2022, North American GA investment teams piloted a methodology for internal ESG Impact Scoring. This involved sector teams developing issuer and sector-level ESG Impact Scores. Impact Scores for sectors and issuers were determined by investment teams in consultation with Manulife's credit risk group. These scores are intended to facilitate the identification and discussion of ESG risks and opportunities in investment reviews and approval materials. Continuous improvement and further rollout of the scoring methodology is anticipated as analysts improve their understanding of relevant ESG factors and access and availability of data improves.

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**Green Bond Issuances**

We were the first global life insurer to issue a green bond in 2017 with an inaugural issuance in Singapore and have since issued green bonds in Canada (2018) and in the U.S. (2022). With three issuances to date, our total outstanding green bond issuance amounts to \$2 billion. Sample investments include solar and wind energy in the U.S. and Canada as well as sustainably managed forests. In 2022, we updated our [Sustainable Bond Framework](#). For more information, refer to our [Green Bond Report](#).

**Building on Best Practices**

Manulife’s General Account is an active participant in a variety of industry groups. This includes the Private Placement Industry Association, with whom we have actively worked to develop an ESG-oriented questionnaire for integration in due diligence materials of new private placements. In addition, this year we conducted a second annual survey of industry peer ESG best practices. Results were consolidated and anonymized to share back with survey respondents and used to share insights on industry level progress and leading practices.

As a member of the Geneva Association, Manulife’s General Account is participating in a newly convened expert advisory committee on de-risking and investing in new technologies for net zero transition. This initiative seeks to understand avenues to mobilize and demonstrate opportunities for the insurance industry to de-risk and invest in climate technologies for decarbonization, unlocking capital and insurance solutions at critical early stages of development for these technologies.

In 2022, we made the following enhancements to our approach:

- Began the development of an ESG database in collaboration with the internal Advanced Analytics team, with the intent of providing a comprehensive platform for tracking and reporting key ESG metrics across the General Account’s investment portfolio.
- Introduced ESG factors into Commercial Mortgages questionnaires to better understand property-level factors such as infrastructure needs and energy uses.
- Grew the dedicated General Account ESG team in Asia to support better integration and understanding of the diversity of ESG activities occurring in the region.



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# Partnerships and Engagements

## Manulife is a Member of Several Global Sustainability Networks

To continue our work to protect and preserve the environment, empower health and well-being, and drive inclusive economic opportunity in the communities where we live and work, we collaborate with other like-minded organizations that feel passionately about our causes. Our strategy is to work together with those from diverse backgrounds and in different industries. It is a well-rounded approach that checks off proactive milestones, so we are all held accountable in our journey towards a sustainable future.

### Climate Action 100+

In 2017, Manulife Investment Management was a founding member of Climate Action 100+. As of February 2023, it is made up of 700 investors from around the globe representing US\$68 trillion in investor capital. Climate Action 100+ focuses on the world's largest corporate greenhouse gas (GHG) emitters. In 2022, we continued to see notable climate action from investee companies targeted through Climate Action 100+ outreach. We engaged with the industry associations involved in Climate Action 100+ to enhance the investor expectations on meaningful climate action. In 2022, we also took on a lead role in collaborative engagements with systematically important issuers. As an example of the influence we are able to make, one of our

engagements with an issuer resulted in that issuer now adopting mid-term targets and providing reasonable assurance for emissions data.

### Sustainable Finance Action Council

The Sustainable Finance Action Council (SFAC) serves as a centre of expertise, partnership, and dialogue on sustainable finance issues in Canada and internationally. The SFAC's principal mandate is to make recommendations on critical market infrastructure needed to attract and scale sustainable finance in Canada, including: enhanced assessment and disclosure of climate risks and opportunities; better access to climate data and analytics; and common standards for sustainable and low carbon investments. Our Chief Risk Officer is a member of SFAC.

### Task Force on Climate-related Financial Disclosures

We have been a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) since November 2017 and are committed to adopting and aligning our disclosures to the TCFD recommendations. Our climate-related disclosure, including our position on climate change and our strategy to support the transition to a low carbon economy, can be found on page 36 of this ESG Report.

### Accounting4Sustainability (A4S) CFO Leadership Network

A4S is the finance network promoting sustainability integration into strategy and decision-making. We are a founding member, and our Chief Financial Officer is an active participant on the A4S CFO Leadership Network: Canadian Chapter.

### Principles for Responsible Investment

The Principles for Responsible Investment (PRI) works with more than 7,000 signatories in over 60 countries to promote responsible investment practices. Manulife Investment Management has been a signatory since 2015 and is an active member of various working groups, including the Sovereign Bond Advisory Committees, Infrastructure Advisory Committee, Fixed Income Advisory Committee, and Real Estate Advisory Committee. Our annual submission to the PRI reports on Manulife Investment Management's activities and progress in implementing the PRI's principles according to the PRI's reporting framework. Manulife Investment Management's commitment to sustainability was supported by its latest PRI assessment across a range of investment and stewardship modules.<sup>23</sup>

<sup>23</sup> Manulife Investment Management is a signatory to the UNPRI and pays a signatory fee calculated based on AUM as reported in the PRI's 2021 Annual Reporting and Assessment Framework, published in September 2022. It is compulsory for signatories to report on their responsible investment activities annually. The PRI assesses a signatory's activities according to its assessment methodology and its output includes the [PRI Assessment Report](#) and [Transparency Report](#) from which this summary scorecard was sourced. Visit the [PRI website](#) for details and assessment methodology.

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**Business Ambition for 1.5**

In 2021, Manulife committed to the Business Ambition for 1.5 degrees, which is led by the Science Based Targets initiative (SBTi) in partnership with the UN Global Compact and the We Mean Business Coalition. The campaign’s objective is to align companies to commit to set ambitious science-based emissions reduction targets.

**Stakeholder Capitalism Metrics Initiative**

Led by the World Economic Forum (WEF), the Stakeholder Capitalism Metrics initiative promotes alignment among existing ESG frameworks and establishes a set of metrics that enhances comparability and consistency. It includes 21 core and 34 expanded metrics and disclosures focused around four themes: Principles of Governance, Planet, People, and Prosperity.

**United Nations Global Compact**

In 2022, Manulife became a signatory of the UN Global Compact (UNGC), a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies and to report on the implementation. In 2023, Manulife is participating in UNGC’s inaugural Business Human Rights Accelerator.

**ESG Data Convergence Initiative**

The ESG Data Convergence Initiative is an open partnership of private equity stakeholders committed to streamlining the private investment industry’s historically fragmented approach to collecting and reporting ESG data. Manulife Investment Management supports and participates in this initiative, and we have aligned our annual reporting to this initiative for our Private Equity and Credit, and Infrastructure businesses.

**The Canadian Sustainability Standards Board**

Manulife Investment Management is a member of The Canadian Sustainability Standards Board (CSSB) which works with the International Sustainability Standards Board (ISSB) to support the uptake of ISSB standards in Canada, highlight key issues for the Canadian context, and facilitate interoperability between ISSB standards and any forthcoming CSSB standards.

**World Business Council for Sustainable Development**

The World Business Council for Sustainable Development (WBCSD) is the premier global, CEO-led community of over 200 of the world’s leading sustainable businesses working collectively to accelerate the transition to a sustainable world. Manulife Investment Management has been a member since 2019.

**The International Sustainability Standards Board**

The International Sustainability Standards Board (ISSB) was formed in November 2021 by the trustees of the International Financial Reporting Standards (IFRS) Foundation. The ISSB is developing standards that will result in a comprehensive global baseline of sustainability disclosures focused on the needs of investors and the financial markets. Manulife has been a member of the ISSB Investor Advisory Group (IIAG) since 2019 and became a member of the ISSB Technical Reference Group in 2022. We continue to monitor the evolution of the standards and we may evolve our reporting as new standards materialize.

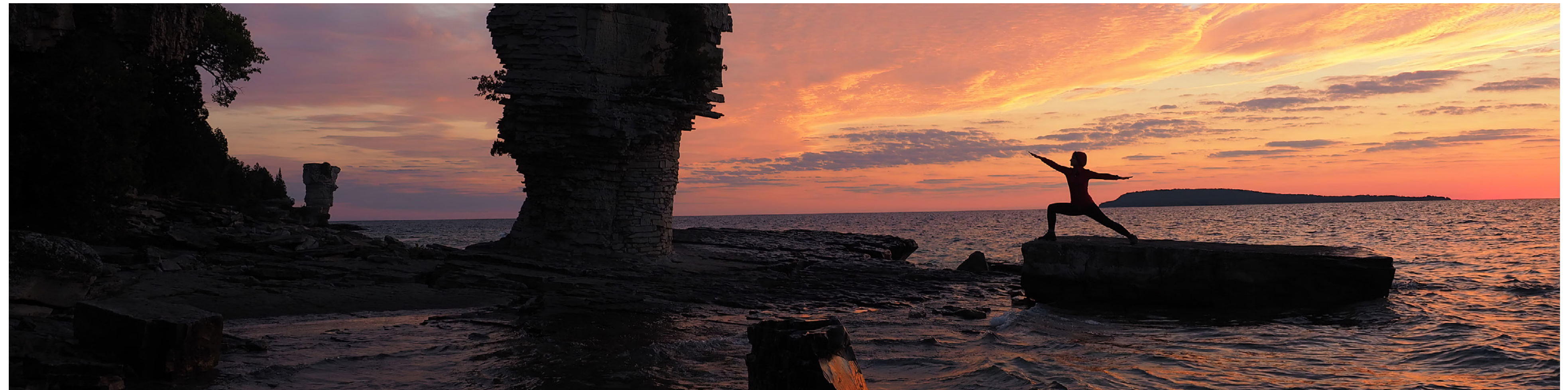


Photo captured by our colleague: Vanya Kavrakova, Canada

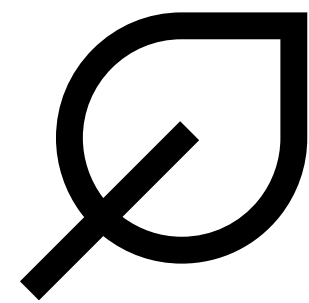
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# Environmental

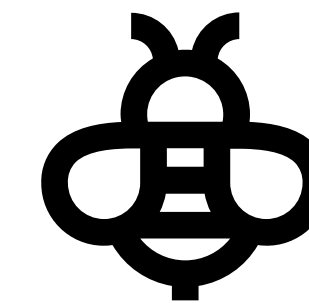
## Performance Highlights



**\$68.6 billion**  
in **green investments** at  
Manulife company-wide



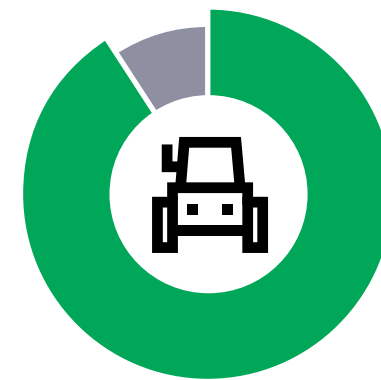
**98%** of Manulife Investment  
Management-managed **farms**  
use **regenerative practices**



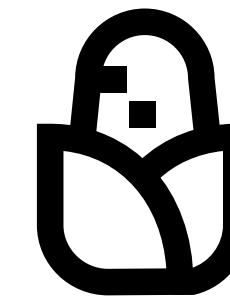
**4 million bees**  
are sheltered in 81 urban beehives  
on 52 Manulife Investment  
Management properties and pollinate  
over 1,470 square kilometres



**1.3 billion trees**  
**planted** by Manulife Investment  
Management **since 1985**



**91%** of Manulife Investment  
Management **farmland**  
**is third-party certified as**  
**sustainably managed**



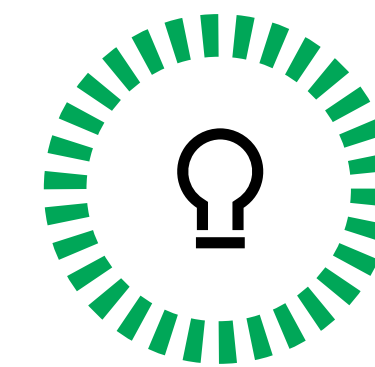
**3,600 pounds**  
of vegetables, edible flowers, and  
herbs were harvested from our  
12 urban farms. All the produce  
was donated to local food banks.



**479k acres**  
**of land protected** by our  
Sensitive Lands program



**82%** of Manulife Investment  
Management's real estate  
investment portfolio is certified to  
a **green building certification**



**100%** of Manulife Bank ATMs  
are **powered by green energy**  
provided by Bullfrog Power

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# Climate Action Plan

## Our Journey to Net Zero

We are taking steps to reduce our environmental footprint, support the transition to a low carbon economy, and invest in climate change mitigation and resilience. Our business can make an impact through the investments we make and the ways in which we manage assets on behalf of our clients, including timberland, agriculture, and real estate. We acknowledge the serious threats posed by climate change to our business, society, and the livelihoods of the communities in which we operate. We also recognize the value of nature and the necessary betterment and protection of biodiversity.

Our effort to combat climate change is embedded across our business strategy. We are taking steps to becoming a net zero company through:

- **Our operations:** Real estate, timberland, and agriculture investment property operations and day-to-day business activities across Manulife’s business segments.
- **Our investments:** Asset ownership under the management of the General Account.
- **Our products and services:** Life and health insurance, and asset management and investment strategies on behalf of clients.

Our Climate Change Statement summarizes our approach and more information can be found at [Manulife.com/climate](https://www.manulife.com/climate), which further outlines our commitments, across our operations, investments, products and services.



<sup>24</sup> We are net zero in our operations as at December 31, 2022. This includes the following emissions categories: scope 1, scope 2, and select scope 3 emissions categories in our operations (paper use, data centres, waste, business travel, corporate leased properties).

<sup>25</sup> Our commitment to emissions reductions apply to any properties where we have operational control. Manulife has developed interim targets as part of our Climate Action Plan in accordance with the methodology for financial institutions outlined by the SBTi. As a result of alignment to SBTi guidance, our target for scope 1 & 2 emissions reduction has been updated to 40% by 2035.

## Our Operations

### Summary of Our Approach

- Our vast natural resource holdings enable us to realize net zero emissions in our operations<sup>24</sup>, and we have committed to reduce absolute emissions (scope 1 & 2) by 40% by 2035<sup>25</sup>.
- We take action to minimize our operational footprint and reduce operating costs by preparing our businesses for a sustainable path forward.
- We actively look for opportunities to work more effectively across our value chain to reduce Manulife’s broader emissions footprint, through aspects such as sustainable procurement and green leases.

[Learn more: Our Operations](#)

### Reducing our Carbon Footprint

Keeping our real estate, timberland, and agriculture operating takes energy. This year, we continued to deepen our understanding of our GHG emissions and assessed decarbonization opportunities across our properties.

### Timberland and Agriculture Investment Properties

We are proud of the climate benefits of the carbon removals from our forests and farms and continue to go beyond carbon removal in pursuit of our emissions reduction goals.

In 2022, we identified levers to reduce GHG emissions across our global timberland and agriculture portfolio:

- Held sessions with timberland and agriculture senior leadership to discuss and socialize the decarbonization imperative.

- Co-led a WBCSD Forest Solutions Groups project culminating in a report, Forest Sector Net-Zero Roadmap Phase I: Enabling the transition to a net-zero economy. This industry-wide collaboration by leading sustainable forestry companies identified most emissions reduction opportunities in the downstream value chain in processing and manufacturing as opposed to forest production, where levers include those we already practice (e.g., precision forestry, fire prevention measures) or those still relatively immature (e.g., fuel switching).
- Invested in improving emissions data acquisition processes and accuracy to improve signal-to-noise ratio (i.e., tightening estimates and refining methodologies so that year-over-year changes can be measured more accurately).



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We are currently piloting decarbonization technologies in select markets:

- **Timberland:** Joint project in New Zealand to trial a hydrogen-powered truck transporting logs from forest to port. The electricity required to produce 'green' hydrogen is generated from renewables, which comprise 80% of New Zealand's power generation. Hydrogen is seen as more appropriate fuel source for heavy machinery than electric, as batteries would make loaded trucks too heavy for many roads in New Zealand. We believe that as this technology matures, we could significantly reduce the scope 1 & 3 emissions associated with the management of our timberland operations.
- **Agriculture:** The incorporation of biochar (carbon-rich material remaining after burning biomass in absence of oxygen) into the soils of fruit orchards in the Pacific Northwest is gaining traction commercially and may enable permanent carbon storage in soils and improve soil health and moisture. This technology could potentially reduce the need for fertilizers and pesticides, as well as the emissions associated with their manufacture and application. Biochar's emissions reduction potential is poorly understood but may be significant, and we aim to understand its benefits through this trial project.

In 2023, we will continue to make progress towards decarbonization by achieving higher confidence levels for all scope 1 & 2 emissions estimates, with well-documented, non-technical, and easily accessible

methodological explanations for their calculation. We will also continue to develop an asset-specific decarbonization menu for the most significant emitters in both timberland and agriculture.

## Real Estate<sup>26</sup>

To ensure we are accountable to all stakeholders, we report on our performance using globally accepted standards and disclosure frameworks, including PRI real estate module and GRESB Real Estate Assessment. We leverage internal proprietary tools such as our Sustainable Building Standards and external data management platforms to enable continuous monitoring of ESG performance across our global portfolio.

In 2017, we set five-year reduction targets for energy (10%), water (7.5%), and waste diversion (60%). In 2022, we surpassed our energy targets, achieving a five-year reduction of 23.7%<sup>27,28</sup>. We also achieved a 4.5%<sup>29,30</sup> water consumption reduction compared to our 2017 baseline. Many employees were largely working from home since 2020, so an increase in generated waste for 2022 was anticipated as employees returned to office. Our total waste generation has decreased by 5% compared with 2020, while maintaining a diversion rate of 48%. This, however, falls short of our five-year target of 60% waste diversion for 2022. We will continue to make waste management a priority and look for opportunities to increase diversion and reduce waste generation across our portfolio.

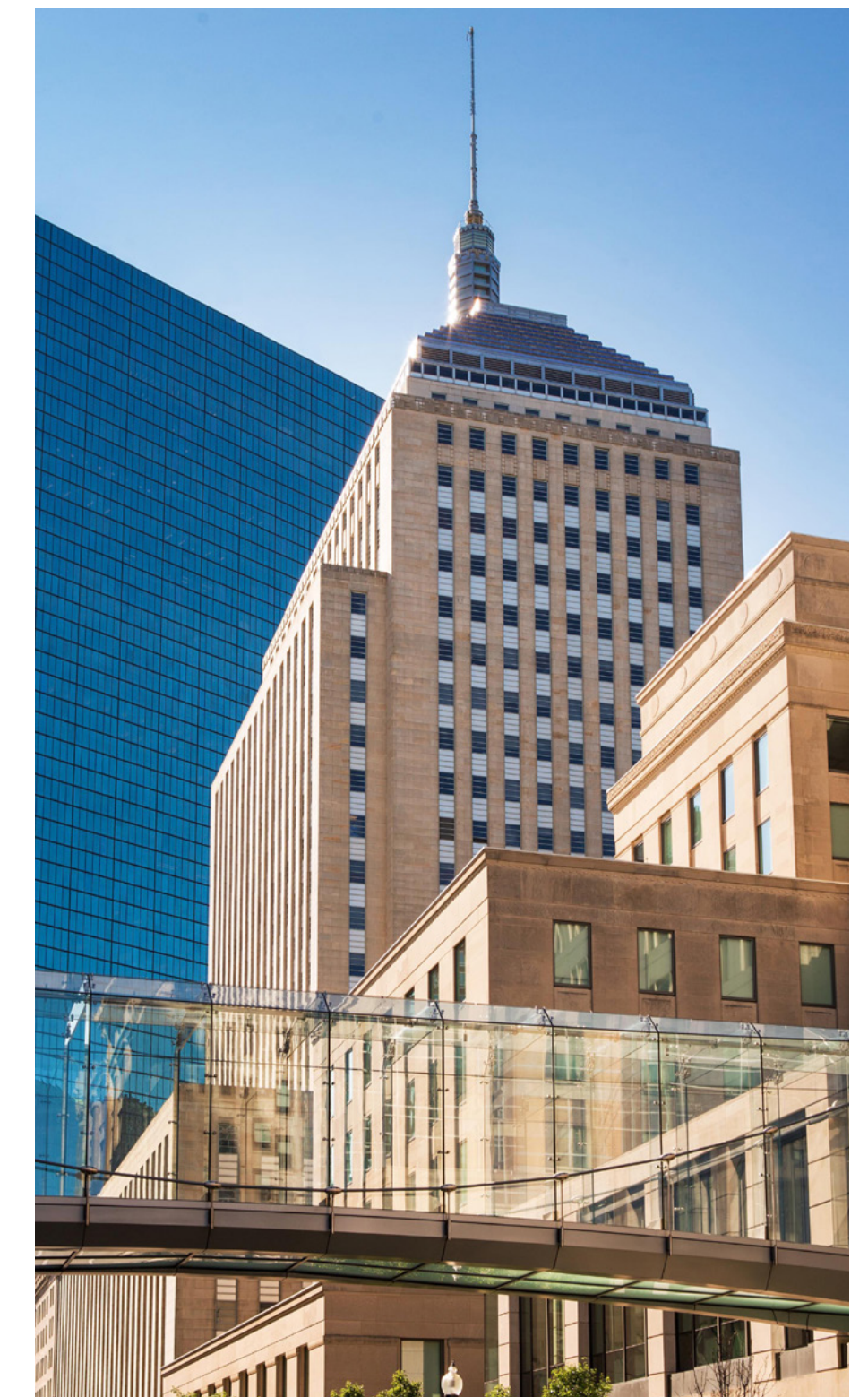
We have set a GHG reduction target for our global real estate portfolio of 80% by 2050, using 2018 as the baseline<sup>31</sup>. As of 2022, over 81%<sup>32,33</sup> of our global portfolio carries a green building certification. Across our global portfolio, we have energy reduction, water use, waste diversion, and GHG emissions reduction targets. We report on metrics and targets on an annual basis in our publicly available Real Estate Sustainability Report.

In 2022, we continued to identify emissions reduction levers across our global real estate portfolio:

- Our internally created Carbon Management Working Group developed the GHG Management and Planning Standard to help asset management and property operations teams to create property specific emissions reduction plans. The GHG Management and Planning Standard includes a GHG 101 webinar designed for property managers and building operations teams to provide education on addressing greenhouse gases in building operations.
- We introduced guidance and proprietary tools to help each asset build their decarbonization plan and budget. These asset-level plans aim to support meeting our long-term GHG emissions reductions target by identifying asset-level reductions. Emissions reduction plans will include asset-specific equipment inventories and direction to assess each property's GHG reduction opportunities and the outputs can be included in OPEX and CAPEX annual budgets.

- In addition to developing in-house tools to guide GHG emissions reductions, some properties have leveraged third-party certification to demonstrate their efforts to decarbonization. 980 Howe, Vancouver, and Maison Manuvie, Montreal, achieved a 'Zero Carbon Building' certification from the Canada Green Building Council.

In 2023, we will continue to make progress towards decarbonization by increasing the number of properties with individual GHG reduction plans, focusing on the highest emitters, and guiding the real estate development team to build low carbon or net zero new developments.



<sup>26</sup> Manulife Investment Management is a signatory to the Principles for Responsible Investment (PRI). For more information [www.unpri.org](http://www.unpri.org).

<sup>27</sup> Energy data includes electricity, natural gas, heating oil and steam consumption.

<sup>28</sup> 2017-2019 energy intensity is normalized for weather, occupancy (where data is available) and extraordinary use. 2020-2022 Energy intensity is only normalized for weather and extraordinary use due to the impact of COVID-19 on occupancy normalization. 2017-2021 values restated due to data updates.

<sup>29</sup> 2017-2021 values restated due to data updates.

<sup>30</sup> 2017-2019 water intensity is normalized for occupancy (where data is available) and extraordinary use. 2020-2022 water intensity is only normalized for extraordinary use due to the impact of COVID-19 on occupancy normalization.

<sup>31</sup> Intensity-based target is for Scope 1 & 2 emissions under operational control.

<sup>32</sup> Based on assets that are direct equity investments and Manulife Investment Management has asset management control on.

<sup>33</sup> Data is as of December 31, 2022. Based on square footage or building size of the gross floor area (GFA) of properties in the global portfolio. Totals from different certification standards do not sum as properties with multiple certifications are only counted once. Certifications are provided by LEED, Energy Star Certification or BOMA BEST, GBCA Greenstar, BCA Green Mark, NABERS, Casbee, BOMA360, Fitwel.



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## Occupied Corporate Real Estate

Manulife occupies a significant number of leased premises around the globe. Where we occupy buildings managed by Manulife Investment Management, we leverage the strengths of our property managers. Our Corporate Real Estate team works closely to ensure GHG reduction strategies form part of the capital planning for our corporate sites.

### Green leases

We have begun utilizing green leases at eight offices across the globe including Canada, the U.S., and the Philippines. Aspects we may consider in green and sustainable leases include:

- Green building certifications such as LEED, BOMA BEST, and CASBEE
- Energy Performance Rating such as Energy Star Certifications
- Wellness Certifications such as WELL or Fitwell
- Landlord transparency and accessibility of utility data, including historical utility data and current consumption profiles
- Sustainability program and details of targets set
- Building energy efficiency measures
- Health and well-being information such as walkability score, IAQ Programs, Amenities
- Waste management
- Accessibility and alternative transportation
- Emergency preparedness and business continuity

In addition, we have reduced our overall office footprint at multiple Canadian locations through lease terminations or via our space reduction strategies. In total, we saw space reduction of 84,038 square feet across our offices in Toronto, Calgary, Winnipeg, Montreal, and Vancouver.

### Energy efficient products and designs

In 2022, we managed multiple renovation projects in Asia and North America, where we were able to fit our spaces with energy efficient design and recycle and reuse existing products. During the renovation projects at our Canadian segment headquarters in Waterloo, Canada, we were able to recycle 90% of the furniture and carpets. In our Hong Kong office, we recycled 200,000 square feet and reused another 2,000 square feet of carpet. In our Cambodia office, we incorporated LED lighting and control replacements into our upgrades. We continue to focus on waste management and reduction across our offices globally and build partnerships with service providers such as food vendors that use recyclable and biodegradable products in our office cafes.

For additional details on our real estate, timberland and agriculture asset management activities, please refer to the [ESG at Manulife](#) section.

## Purchased Goods and Services

As part of our sustainability efforts, we have integrated paper reduction and digitization as a core requirement in print Request for Proposals (RFP). For instance, in June 2022, we released a print RFP where suppliers responded with digitization adoption programs, which were evaluated with the relevant business units. Procurement works with business units to evaluate and develop implementation plans especially for proposals with low-cost implementation.

Inclusion of paper reduction programs as core business requirements in print RFPs involve committing to utilizing paper from sustainable sources. We define sustainable sources of paper as being either certified by one of the two leading certification programs or containing 25% or more recycled content. The certification programs include The Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI).

As a signatory to the Sustainable IT Pledge, we are committed to cutting emissions from digital technologies. We integrate sustainability in the procurement process and through lifecycle management. We work proactively with vendors to ensure our hardware is in production service until end-of-life and ensure we properly dispose of all hardware. We also leverage virtual server and storage infrastructure to minimize the overall hardware footprint of our operations.

Where Manulife utilizes branded merchandise for global internal or external campaigns, guidelines are provided to support incorporation of sustainability in the procurement process through our [Merchandise Tip Sheet](#). This includes

avoiding branding of disposable items, focusing on recyclable content, and reducing excess packaging.

In 2022, we made the following enhancements to our approach:

- **Stakeholder Engagement:** We engaged procurement stakeholders in North America and Asia to align on a global paper data collection process and align on the categories and suppliers for data collection.
- **Supplier Buy-in:** We organized one-on-one meetings with print suppliers to educate and gain their buy-in to provide quarterly paper usage reports.
- **Data Centres:** This year, we successfully removed end-of-life hardware within our data centres. In 2023, we will continue to review our Network IT equipment life cycle and plan on reducing further as we move towards upgraded hardware, which will be more efficient.

For additional information on responsible supply chain management, please refer to [Supplier Diversity](#).



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**Manulife Bank**

As a digital bank, we make it easy for customers to manage their day-to-day finances through mobile, online, and telephone banking. Additionally, Manulife Bank continues its multi-year association with Bullfrog Power, Canada’s leading green energy provider, to generate 100% green electricity for our network of automated teller machines (ATMs) across Canada. Manulife Bank is a member of THE EXCHANGE® Network<sup>34</sup>, one of Canada’s largest networks of ATMs, making it easy for customers to find an ATM in their neighbourhood.



<sup>34</sup> Fiserv EFT is the owner of THE EXCHANGE® trademark and its associated rights. Fiserv EFT has granted FICANEX® the exclusive right to use, market and sublicense THE EXCHANGE® trademark and the intellectual property rights associated with the operation of THE EXCHANGE® Network throughout Canada. Manulife Bank is an authorized user of the mark.

**Summary of Manulife's Global Emissions<sup>35</sup>**

Manulife's operational emissions <sup>35</sup>	2022	2021	2020
<b>Total Scope 1 emissions (tCO2e)</b>	<b>121,418</b>	162,749	150,672
Manulife Investment Management Real Estate	<b>39,149</b>	35,642	37,285
Manulife Investment Management Timberland and Agriculture	<b>82,269</b>	127,107	113,387
Timberland	<b>49,138</b>	80,035	76,753
Agriculture	<b>33,131</b>	47,072	36,634
<b>Total Scope 2 emissions (tCO2e), location-based</b>	<b>118,710</b>	124,076	128,155
Manulife Investment Management Real Estate	<b>99,775</b>	106,154	117,978
Manulife Investment Management Timberland and Agriculture	<b>18,935</b>	17,922	10,177
Timberland	-	-	-
Agriculture	<b>18,935</b>	17,922	10,177
<b>Total Scope 2 emissions (tCO2e), market-based</b>	<b>109,250</b>	109,442	113,249
Manulife Investment Management Real Estate	<b>90,315</b>	91,520	103,072
Manulife Investment Management Timberland and Agriculture	<b>18,935</b>	17,922	10,177
Timberland	-	-	-
Agriculture	<b>18,935</b>	17,922	10,177

Manulife's operational emissions <sup>35</sup>	2022	2021	2020
<b>Scope 3 emissions (tCO2e)<sup>36</sup></b>			
Manulife Investment Management Timberland and Agriculture	<b>675,537</b>	391,014	359,186
Tenant leased properties <sup>37</sup>	<b>193,092</b>	195,684	199,569
Contractor fuel use <sup>38</sup>	<b>482,445</b>	195,330	159,617
Corporate Real Estate leased properties	<b>30,994</b>	-	-
Purchased goods and services – Other <sup>39</sup>	<b>1,003,493</b>	6,570	8,445
Purchased goods and services – Paper	<b>4,547</b>	5,649	5,696
Purchased goods and services – Third-party data centres electricity use <sup>40</sup>	<b>100</b>	921	2,749
Capital goods – IT Infrastructure	<b>24,139</b>	-	-
Waste <sup>41</sup>	<b>1,982</b>	1,416	1,751
Business travel	<b>6,464</b>	1,974	6,044
<b>Emissions intensity (Scope 1 &amp; 2)</b>			
Manulife Investment Management Real Estate (kgCO2e/sq. ft)	<b>2.3</b>	3.1	3.4
Manulife Investment Management Timberland (MtCO2e/net acre)	<b>0.091</b>	0.019	-
Manulife Investment Management Agriculture (MtCO2e/net acre)	<b>0.15</b>	0.17	-

For more information, please refer to our [Performance Data](#) section.

<sup>35</sup> Manulife Greenhouse gas emissions are calculated using methodologies consistent with the Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (2015, revised edition), GHG Protocol: Scope 2 Guidance (2015), GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) and Technical Guidance for Calculating Scope 3 Emissions (2013) as appropriate. Manulife regularly reviews and enhances our protocols for accounting of GHG emissions across the business on an ongoing basis.

<sup>36</sup> Manulife continues to evolve our Scope 3 emissions accounting methodologies and improve data coverage to include all categories.

<sup>37</sup> Emissions are attributed to Timberland and Agriculture properties leased to third-parties. Excludes properties leased to Manulife and Manulife Investment Management Real Estate properties where tenants manage consumption, as processes for data collection and management remain under development.

<sup>38</sup> Emissions are attributed to fuel used by contractors' equipment on Manulife Timberland and Agriculture properties. 2022 figure also includes emissions from contractors' shipping and hauling activities.

<sup>39</sup> Year-over-year comparison for Scope 3 emissions for Purchased Goods and Services category may not be possible due change in calculation methodology.

<sup>40</sup> Global average Power Usage Effectiveness (PUE) is factored in while calculating the total electricity use by third-party data centres.

<sup>41</sup> Excludes waste and recycling managed directly by tenants and waste from Timberland and Agriculture operations.

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# Our Investments

## Summary of Our Approach

- We are committed to net zero financed emissions within our General Account's investment portfolio by 2050.
- We have established short-term science-based targets covering 42% of our AUM, including power generation project finance and listed debt and equity.
- We are seeking new opportunities to continue to grow our \$45.2 billion portfolio of green investments.

[Learn more: Our Investments](#)



## Working Towards a Net Zero Portfolio

Our General Account consists of our company's own assets, which support our policyholder liabilities. Manulife invests substantial capital in both public and private markets, and as such, we believe we can play a critical role as an enabler of the transition to net zero. In 2022, we continued to lay the groundwork of our net zero investment capabilities and:

- Committed to a net zero investment portfolio by 2050 and developed portfolio science-based targets in accordance with the SBTi methodology, covering over 42% of our portfolio.
- Continued to work to grow our portfolio of green investments to \$45.2 billion in 2022, such as renewable energy, energy-efficient real estate, and sustainable forestry and agriculture.
- Furthered efforts to capture additional climate-related information regarding high-emitting sectors such as oil and gas and identify avenues for portfolio management activities that contribute to real-world decarbonization.
- Evaluated listed equities and bonds for alignment to the goals of the Paris Agreement as part of the science-based target-setting process, with a baseline portfolio temperature alignment score established.
- Initiated an analysis of decarbonization trajectories of specific asset classes within our portfolio to inform the development of transition plans for the portfolio.
- Initiated development of a carbon fundamentals training program for investment analysts and portfolio managers.

Our General Account plays a critical role in the achievement of our climate ambitions. In accordance with our ESG Guidelines, the General Account incorporates climate-related considerations throughout the investment cycle.

To understand our contributions to climate change and mitigation, we capture key performance metrics that reflect the scope and scale of our investments and provide decision-useful information for portfolio managers. This includes accounting for financed emissions, our portfolio's alignment to global warming pathways, and our investments in high-emitting and low, carbon green investments. Our accounting methodologies are informed by the requirements of the Partnership for Carbon Accounting Financials, the recommendations of the TCFD, the guidance provided by the SBTi for financial institutions, and by leveraging S&P Trucost environmental data.

## Making the Transition to Net Zero

Manulife has developed our targets in accordance with the methodology for financial institutions outlined by the SBTi, in combination with Partnership for Carbon Accounting Financials (PCAF) methodologies for emissions accounting. The methods and assumptions underlying our targets follow the guidance established by the SBTi, which draw on the best available science-based pathways for limiting warming to well below 2 degrees Celsius, as established by the Paris Agreement.

As a result of alignment to SBTi guidance, a combination of sector-specific and asset-class specific targets have been established for the financed emissions of our General Account.

Manulife commits its General Account to achieve science-based targets in alternative long-duration assets (real estate, timberland, and agriculture) electricity generation finance, and listed debt and equity (corporate instruments). Manulife's portfolio targets cover 42% of its total General Account investment and lending activities by invested assets.

<b>1. Alternative Long Duration Assets</b>	A reduction in the absolute emissions of our owned real estate, timberland, and agriculture assets is expected through achievement of Manulife's target to reduce scope 1 & 2 emissions by 40% by 2035 (see <a href="#">Our Operations</a> section for additional information).
<b>2. Power Generation Project Finance</b>	72% reduction in per kWh emissions intensity from project financing activities by 2035 or in line with a 2035 IEA target intensity.
<b>3. Financed emissions (listed debt and equity)</b>	<ul style="list-style-type: none"> <li>• Reduce temperature score from 2.9 degrees in 2019 to 2.5 degrees in 2027 based on issuer's total value chain activities (Scope 1, 2, &amp; 3 emissions)</li> <li>• Reducing temperature from 2.7 degrees in 2019 to 2.3 degrees by 2027, based on issuer's operational activities (Scope 1 &amp; 2 emissions)</li> </ul>

## Alternative Long Duration Assets – Timberland, Agriculture, and Real Estate

**Target:** A reduction in the absolute emissions of our owned real estate, timberland, and agriculture assets is expected through achievement of Manulife's scope 1 & 2 emissions target.

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## Power Generation Project Finance<sup>42</sup>

**Target:** 72% reduction in per kWh emissions intensity from project finance activities by 2035 or in line with a 2035 IEA target intensity of 0.14 kgCO<sub>2</sub>e/kWh.

Manulife's General Account has a long history of financing key infrastructure and power generation projects in North America, Asia, and Europe. This includes \$11.12 billion in financing to renewable energy, including wind and solar.

**Transition activities:** The power generation sector is a critical and central enabler of the decarbonization of all other sectors. With increased electrification of aspects such as road transport, demands on our electrical grids are expected to grow substantially in the transition to a low carbon economy. It is for this reason, the sector, and project financing activities specifically, are an area of focus for science-based pathways to net zero. Electricity is generated by a diverse mix of energy sources, and geography and technology play important roles in defining the conditions for financial viability of projects utilizing cleaner energy sources – projects can range from conversions of coal facilities to natural gas to development of new wind farms.

Manulife has already taken advantage of the opportunities presented by clean energy, as reflected in the already low emissions intensity of our project finance portfolio. Nonetheless, we continue to view the sector as a significant target for investment, with supportive public policies such as the Inflation Reduction Act in North America enhancing the financial viability of clean energy positions. We maintain our focus on projects that displace lower efficiency energy sources like coal that best match the long-term liabilities of our business model. We are also implementing restrictions on the financing of thermal coal, with the recognition that all viable science-based pathways depend on abatement of emissions from thermal coal and a move towards fuels with lower emission intensities. Going forward, Manulife will cease new project financing to thermal coal mining and unabated coal-fired power generation across all jurisdictions in which we operate, with specific exceptions for projects that are intended to reduce or replace coal consumption. In addition, we will reduce exposure to thermal coal miners and utilities lacking credible plans to decarbonize in North America and Europe.

## Listed Debt and Equity, Excluding Sovereign Bonds, in All Other Sectors

**Target:** Reducing temperature from 2.9 degrees in 2019 to 2.5 degrees by 2027, based on issuer's total value chain activities (Scope 1, 2, & 3 emissions).

**Target:** Reducing temperature from 2.7 degrees in 2019 to 2.3 degrees<sup>43</sup> by 2027, based on issuer's operational activities (Scope 1 & 2 emissions).

As a global business, we operate in a highly regulated environment that limits our risk appetite and focuses our portfolio on fixed-income strategies. Listed securities, debt, and equity form a significant component of our asset mix. In some cases, Manulife may be a passive investor, utilizing indexing strategies that optimize our risk adjusted returns. In these instances, our ability to influence investment decisions may be limited.

**Transition activities:** Utilizing a temperature score approach for our listed debt and equity positions reflects the diverse sectoral mix of this portfolio, enabling us to balance our portfolio across sectors with a single unifying metric. For the purpose of target-setting, Manulife has utilized SBTi's temperature scoring methodology, which assigns a temperature score to issuers based on how fast and how far those issuers have committed to decarbonizing their portfolio. As a measure of the future ambition and commitments of the companies in which we invest, it is a forward-looking metric that can be translated into qualitative measures for our analysts to incorporate into their existing coverage of issuers. This is important considering ongoing limitations to accessing reliable emissions disclosures by issuers. While they are not without their limitations, temperature scores provide another avenue for us to consider alignment to science-based pathways for warming, to complement our ongoing work to monitor the real performance of companies against their commitments through financed emissions footprinting. We will continue to seek opportunities to invest in listed issuers that have made robust and credible emissions commitments, in alignment with the best available science-based pathways. Although our avenues for engagement

may be limited for fixed-income instruments, the General Account is in the process of assessing issuer engagement strategies that can benefit our temperature score and, more importantly, contribute to real world decarbonization.

These targets represent approximately 42% of our total General Account invested assets, including our direct real estate, agriculture, and timberland holdings managed by Manulife Investment Management, through 100% coverage of our operational emissions in Manulife's operational target. A notable asset class exclusion is sovereign bonds, which represent 19% of our baseline invested assets, for which no specific financial institution-oriented target-setting guidance is available and accounting methodologies remain under development.

Manulife has selected a 2019 base year for target-setting, as 2020 and 2021 were atypical due to the COVID-19 pandemic and associated restrictions.

## Financing the Transition

Achievement of our goals to decarbonize our financed emissions relies on many factors. The scientific basis of global pathways to limit warming that underly the SBTi's approach requires an unprecedented scale of cooperation and collaboration among actors. First and foremost, we rely on the ability of policymakers to drive significant and transformative interventions in the real economy.

<sup>42</sup> Project finance is defined in accordance with SBTi's FI guidance, as an on-balance sheet loan or equity (private) with known use of proceeds that are designated for a clearly defined activity or set of activities, such as the construction of a gas-fired power plant, a wind or solar project, or energy efficiency projects.

<sup>43</sup> Based on the well-below 2 degree pathway and timeframe defined by the SBTi in its Financial Institution Guidance version 1.0 published February 2022."

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In particular, this means targeted interventions to drive accelerated grid decarbonization by electric utilities, which will benefit the emissions profiles of all sectors. Secondly, we need access to reliable, credible, and timely information from our issuers on their own efforts to decarbonize. Finally, we depend on the support of Manulife investors, clients, peers, and regulators, who understand the urgency of global climate efforts and encourage a sustained focus on our Climate Action Plan.

Science-based targets support our alignment to credible pathways to net zero. We expect that not only these pathways but also the best metrics against which to measure our alignment may evolve over time, based on the factors outlined above. And we intend to adapt our targets accordingly to reflect changes in the real economy and the best available information from our issuers, standards setting organizations such as the SBTi, and convening bodies such as the Intergovernmental Panel on Climate Change (IPCC).

**Investing in Green and Transition Solutions**

We believe that decarbonization of high-emitting sectors takes capital, oversight, and investments in solutions. To this end we have investment teams specifically focused on evaluating and funding entities that support established and emerging energy transition solutions like hydrogen, carbon capture, and others. This work complements our long experience as an investor in renewables, energy efficiency, and clean transportation.

For example, Manulife’s General Account was an anchor investor in Vietnam’s first onshore green bond issued by a leading local financial institution. The certified green bond followed the International Capital Markets Association (ICMA) principles and quarantined its proceeds for renewable energy

financing purposes. This investment introduced the green bond concept into Vietnam’s financial sector, providing an actionable framework for how ESG integration and green investment can be effectively utilized in the local market. The local financial institution’s financing of the solar sector was used to help to reduce the country’s carbon emission intensity, as well as the national grid’s dependence on fossil fuels.

Our commitment to invest in solutions that help our environment does not end at carbon. Our \$45.2 billion portfolio of green investments includes forests and farms and assets to sustainably manage water resources.

Manulife's portfolio emissions	2022	2021	2020
Estimated listed equity and debt portfolio emissions (MT CO2e) <sup>44</sup>	-	29.0	32.0
Estimated weighted average carbon intensity (WACI) (tCO2e/mCAD) <sup>45</sup>	-	730	678
Listed equity	-	225	258
Fixed income	-	788	729

<sup>44</sup> For the purpose of reporting, Manulife utilized a Trucost methodology for compilation of publicly available data and therefore, incorporates scope 1, 2, and Scope 3 - upstream emissions (where significant to the sector). Emissions are reported per the Partnership for Carbon Accounting Financials (PCAF), utilizing the Global GHG Accounting and Reporting Standard for the Financial Industry. Due to the nature of publicly available emissions disclosure across industries, data lags by one fiscal year and represents a specific point-in-time based on data availability from data providers. Data is not externally assured and may be adjusted in future publications due to changes in the organizational portfolio, in addition to improvements in availability, controls, and quality of data.

<sup>45</sup> Indicates the carbon intensity of money invested, providing a measure of responsibility for emissions and contribution to climate change. Due to market forces and changes in market capitalisation, year-on-year performance comparison may be challenging.

**Our Products and Services**

**Summary of Our Approach**

- We understand the intrinsic connection between our environment and human health and are accelerating the development of innovative products that meet customer demand and create a more sustainable future.
- We offer products and services that address the issues of climate change and offer nature-based solutions to mitigate climate change through investment in natural capital, like forests and farms.
- We believe in safeguarding forests, wetlands, and natural habitats through our asset management and asset ownership activities.

 [Learn more: Our Products and Services](#)

**Manulife Investment Management**

**Our beliefs**

As an asset manager and a steward of our clients’ investments, sustainable investing is integral to our business and culture. We believe a commitment to sustainable investing is a necessary condition for investors to be successful over meaningful time horizons. We also recognize that our clients’ needs in this area are expanding and that their own stakeholders are demanding a formal adoption of sustainable investing practices. Our commitment to sound practices is consistent with our responsibility to help clients achieve their goals.

With a culture steeped in careful and objective analysis, knowledge sharing, and global collaboration, we see clearly why sustainability principles should inform our investment practices

from the bottom up. In our view, sustainability and stewardship drive financial value and help us build strong relationships with our stakeholders, from clients and employees to tenants, borrowers, and investment partners.

**What we offer**

Our sustainable investing capabilities are broad, ranging from ESG integration to impact investing. In some cases, we can tailor these capabilities to our clients’ needs:

- We seek to support our clients’ needs through our sustainability and investment expertise across a broad range of asset classes.
- We continuously seek to enhance our product offerings and our reporting in line with industry standards and best practices.
- We take a consultative approach to meeting our clients’ sustainability objectives.
- We host sustainability education and training for our employees, clients, and other industry participants.

Where our clients include sustainable investing considerations or screening requirements in their investment guidelines or mandates, we will evaluate their parameters and determine if we’re able to offer a version of the strategy customized to those guidelines.

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Our approach to sustainable investing rests on three pillars: **integration, stewardship, and collaboration**. While their expressions may vary by asset class and investment team, each pillar is fundamental to our investment approach and forms the basis on which we pursue our sustainability objectives and those of our clients.

**Integration**

We combine active investment management with a deep understanding and integrated analysis of sustainability issues. Our integration practices grow from the unique philosophies and approaches of our investment teams across asset classes. Each team’s approach is informed by the global and regional perspectives of our dedicated sustainability professionals. This support extends across the investment, product, and asset class lifecycles and includes:

- Analysis of sustainability risks and opportunities
- Development of tools to aid sustainable investing
- Engagement with management teams and/or a company’s Board of Directors regarding management of sustainability risks and opportunities
- Training and education on sustainability matters
- Guidance on exercising rights associated with an asset class
- Internal assessments of our ESG integration efforts

**Stewardship**

We believe that good stewardship is fundamentally linked to good investing and is therefore an essential part of how we seek to enhance the resiliency of our clients’ assets as well as the markets on which they depend.

In our management of timberland, agriculture, and real estate, our sustainability priorities are woven into our operations. Throughout the investment lifecycle of these asset classes, as well as in our infrastructure and private equity and credit portfolios, we continuously engage with our co-investors, investees, and business partners to encourage best practices, and we seek to monitor available ESG-related data to help ensure the efficacy of our approach.

In public equities and fixed income, one aspect of our stewardship efforts is to engage with company management. We use our findings from these engagements to help determine intrinsic valuation, and we also collaborate with issuers through these conversations to encourage best practices related to issuer-specific sustainability factors.

**Collaboration**

Around the globe, we participate in a wide variety of discussions with industry peers, non-profits, NGOs, and other global entities. This work allows us to expand the scope of our sustainability-focused activity while helping us build more resilient portfolios.



**Private Markets**

Manulife Investment Management became a signatory to the ESG Data Convergence Initiative in April 2022, an industry-led initiative to increase transparency and standardization of ESG reporting from private companies. Becoming a signatory to the ESG Data Convergence Initiative supports our regular ESG data collection and reporting efforts, as it provides a standardized framework and set of metrics that can be tracked across our investments and shared with investors to help inform benchmarking across core ESG metrics. As a signatory to the Initiative, we aligned our sustainable investing reporting questionnaire with the Initiative’s assessment framework to contribute to achieving the Initiative’s objectives. Within our Private Equity and Credit strategies, we use our annual sustainable investing data collecting and reporting efforts to measure and monitor performance across a set of core metrics, such as GHG emissions (scope 1, 2, & 3), workforce and board-level diversity, and health and safety, to name a few.

In 2022, we engaged a third-party provider to establish a baseline of our emissions for our infrastructure and private equity and credit portfolio. Given limited data available for private markets, we relied on GICS-level emissions factors to estimate emissions for our investments. Going forward, we plan on refining our carbon footprint estimation methodology and data by leveraging the reported GHG emissions we gather from our portfolio companies on an annual basis. We aim to review the GHG emissions of our portfolio companies and identify methods to incorporate this data with the estimates to calculate a more robust carbon footprint for our infrastructure portfolio.

**Timberland and Agriculture**

We seek to limit the impacts of climate change by responsibly using and managing land, creating carbon sequestration opportunities with our forests and farms, and mitigating climate change through investing in renewables and energy efficiency. During the year, we launched or progressed on several initiatives to offer new and improved timberland and agriculture products and services to our clients.

**Nature-positive ecosystem**

In 2022, working in partnership with the Delphi Group, we mapped the landscape of opportunities for nature action and released the Nature-positive ecosystem<sup>46</sup>, a practical guide to major initiatives focused on protecting and restoring nature.

As members of the World Business Council for Sustainable Development (WBSCD), we collaborate with other members to advance sustainable development. Last year, we co-led a project with other forest sector companies to develop the Forest Sector Nature-Positive Roadmap.

**Launched the Manulife Forest Climate Strategy**

In 2022, we structured and launched capital-raising activities for our Manulife Forest Climate Strategy, which will promote climate change mitigation by investing in sustainably managed forests that prioritize carbon sequestration. The core of the investment thesis is centred on the timberlands being used primarily to store carbon and to generate high-quality, high-integrity carbon credits.

<sup>46</sup> For additional information regarding Manulife Investment Management’s ESG investment capabilities for institutional investors only, please visit [www.manulifeim.institutional/sustainability](http://www.manulifeim.institutional/sustainability).

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**Ecosystem Services Market Consortium**

During the year, Manulife Investment Management joined the Ecosystem Services Market Consortium (ESMC) and partnered with ESMC as well as the U.S. Cotton Trust Protocol and Forum for the Future to launch the ‘Eco-Harvest’ pilot project in Alabama, Arkansas, Texas, and Tennessee. The project will work with cotton farmers, including some of our own tenants, to generate high quality carbon credits for corporate buyers.

**World Economic Forum’s Trillion Trees initiative**

Manulife partnered with 1t.org and the World Economic Forum’s Trillion Trees initiative to provide nature-based solutions to mitigate climate change and partner to scale financial investments, and preserve the social and environmental benefits of forests, agriculture, and biodiversity. We have pledged to conserve and restore trees and forest landscapes both directly through sustainable forest management, reforestation, assisted natural regeneration, and permanent conservation, as well as indirectly through nursery and seedling development, education and capacity building, and data collection and technology tools.

**Mapping and Measuring**

In 2022, we began the process of mapping the decarbonization levers at our disposal for timberland and agriculture, as well as piloting new technologies designed to reduce emissions. We will continue this mapping and piloting process over the course of 2023 with the intent to meaningfully reduce our emissions as soon as practicable. We anticipate this could mean taking steps such as using fertilizers with N-inhibitors, electrifying our fleets, fuel switching to renewable energy, and installing more energy-efficient equipment, where possible.

Within the nature space, setting targets is challenging because it requires good baseline data and the ability to measure factors, such as biodiversity, that have historically been difficult to measure. For this reason, our current nature targets are mostly process-oriented and focused on establishing the kind of process and measurement protocols required for monitoring current state and progress. Natural capital accounting represents a key component of our approach. During the year, we worked with a leading global consultancy in environmental economics to pilot a natural capital accounting approach for our timberland investments.

Forests and farms are natural climate solutions, and carbon sequestration represents a key opportunity for these asset classes. With increasing scrutiny on carbon credits, we released our carbon principles: a high-integrity climate benefit methodology<sup>47</sup>. We have integrated this set of carbon principles into our screening and due-diligence processes for existing carbon projects, as well as our new carbon project development processes, and we will continue to apply it on an ongoing basis. These standards are aligned with The Integrity Council for the Voluntary Carbon Market’s (IC-VCM) core carbon principles and include key principles of additionality, permanence, leakage and accurate monitoring, reporting, and verification, among others. This methodology also provides investors with a framework to choose the portion of annual estimated carbon credit issuance that is sold into offset markets or transferred as in-kind carbon credit issuances. To ensure alignment, our carbon standards working group will recommend moving forward with a new opportunity if the project adheres to these principles.

In 2022, we made the following enhancements to our approach:

- We added further upgrades to our sustainable investment due diligence process through expansion of our proprietary ‘Sustainability Toolkit’ to include a quantitative scoring component that can be fed directly into our underwriting models.
- We invested in a third-party analytical platform, following a thorough due diligence process, that will enable us to systematically evaluate climate risks under various scenarios across all our major investment regions.
- We are in the process of rolling out light detection and ranging (LIDAR) mapping across our managed properties to increase the accuracy of our data collection.



**Real Estate**

We continue to advance sustainability initiatives in real estate for investments, operations, asset management, and new developments. As part of our due diligence and investment process, we assess environmental risks such as contamination, natural hazards, health and safety, building sustainability performance, and physical climate risks. ESG factors such as environmental risks, energy and water consumption, waste diversion, and greenhouse gases are tracked for our investment selections and contribute to operational reduction targets.

In 2022, we made the following enhancements to our approach:

- Updated our proprietary Sustainable Building Standards to adapt to industry changes and ensure continuous improvement across our global portfolio, resulting in three primary focus areas: Environmental Impact and Nature, Climate Change, and People and Communities. This reprioritization orients itself with Manulife’s Impact Agenda while maintaining alignment to Manulife Investment Management’s Real Estate Sustainability Framework<sup>45</sup>. In 2023, the updated Standards will be rolled out to the global portfolio to enable a focus on performance and industry priorities.
- We advanced our approach to GHG management, which included the roll-out of our proprietary GHG Management Workbook and conducting net zero carbon transition plans by external parties at select priority assets in our portfolio. To better understand our full impact, we undertook an initiative to inventory our scope 3 GHG emissions.

<sup>47</sup> For additional information regarding Manulife Investment Management’s ESG investment capabilities for institutional investors only, please visit [www.manulifeim.institutional/sustainability](http://www.manulifeim.institutional/sustainability).



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- This allowed us to assess our material emissions and consider reduction targets focused on major contributors. We also developed internal guidance on procuring renewable energy and carbon offsets to support our asset management teams when considering GHG reduction strategies at their properties.
- We advanced asset-level ESG monitoring and reporting by partnering with a world leading data management platform provider for commercial real estate. The platform provides time-saving data capture, on-demand reporting capabilities, and helps centralize our ESG initiatives.

Infrastructure

Our infrastructure team seeks to identify investment opportunities in sectors that serve a fundamental need or provide an essential service, to society and the economy. We seek diversified exposures across multiple infrastructure sub-sectors including but not limited to renewable energy, digital infrastructure, regulated utilities, power generation, and transportation.

Our infrastructure investment team is an active participant in the energy transition in the U.S., with investments in industries such as solar, wind, and battery storage. We believe these and other renewable energy assets are the key components of a lower-carbon electricity system.

We believe investor stewardship amplifies our impact on the companies and markets in our investments' area of influence. We collaborate with industry experts, other investors, and management of operating companies, routinely engaging on a variety of ESG topics. As an investor, we engage with our portfolio companies on relevant ESG considerations as part of ongoing evaluation and monitoring of

our investments, seeking to improve their ESG risk profiles over time.

In 2022, we made the following enhancements to our approach:

- We launched an Infrastructure Sustainable Investing training program and achieved a 100% completion rate across our infrastructure investment professionals. This demonstrates an ongoing commitment from our team to continuous learning and development as the investment and ESG landscape continue to evolve. We will continue to formalize our sustainable investing training program and plan on delivering annual and thematic training to our investment teams in 2023 and going forward.
- We integrated a third-party analytical platform into our due diligence process that enables our investment team to systematically evaluate physical climate risks under various scenarios
- We received a management score of 30/30 from the GRESB Infrastructure Fund Assessment.<sup>48</sup> We also participated in our inaugural submission to the GRESB asset-level assessments for one of our funds. Through our continued commitment to support our portfolio companies on their sustainable investing journeys, our sustainable investing team partners with each company's management and sustainability teams in their GRESB Infrastructure Asset Assessments. The results serve as a baseline to benchmark each portfolio company's sustainability performance across industry peers and drive key insights on priority opportunities for improvement on sustainable investing performance. We view GRESB as a resource to help advance and evolve our portfolio companies' sustainability practices.

Private Equity and Credit

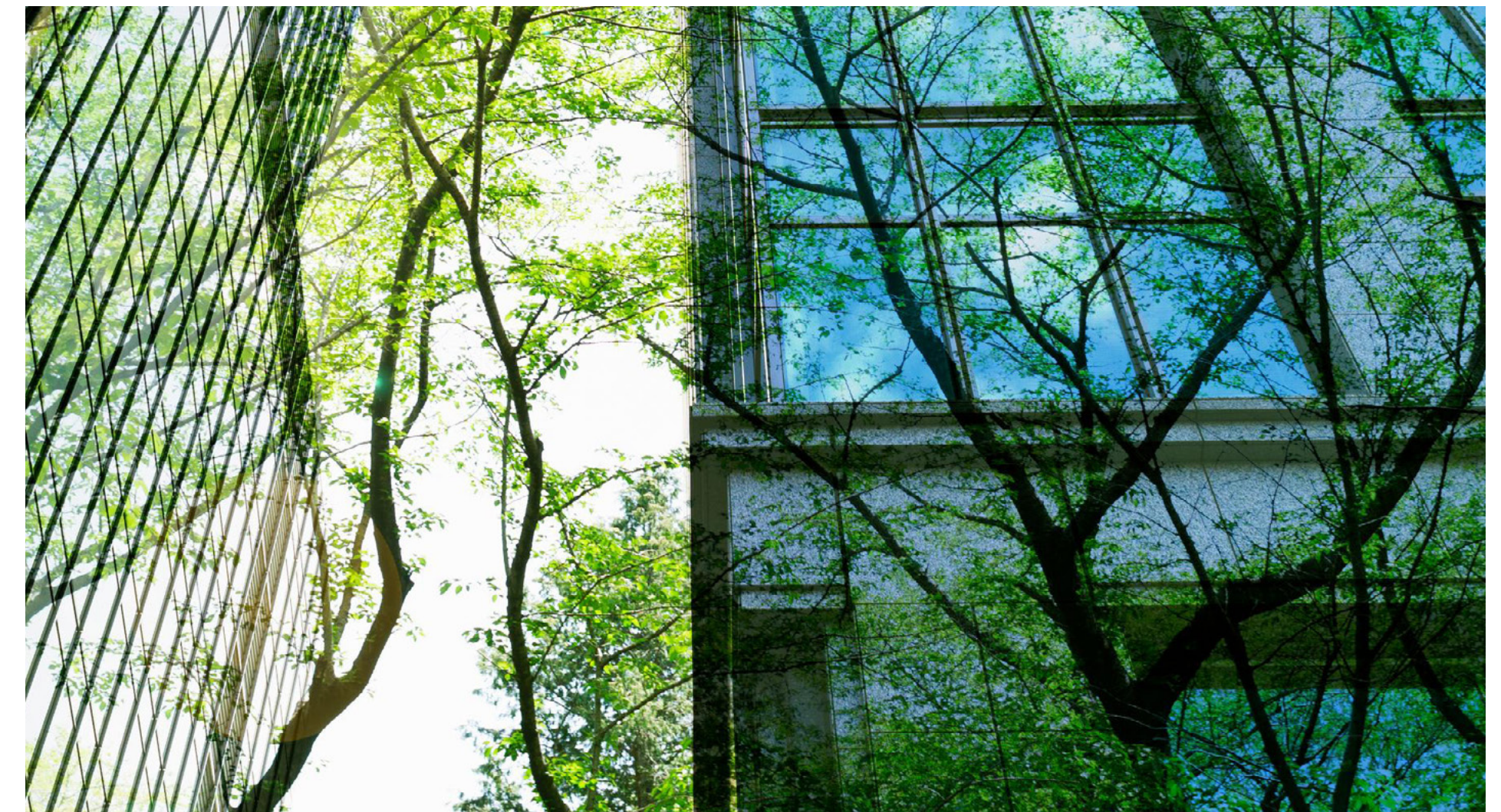
In line with our ESG integration practices in the investment process, our sustainable investing team in private markets has implemented an annual sustainable investing monitoring process for our private equity and credit investments. Within our sustainable investing monitoring process, we measure specific ESG and climate-related metrics. The monitoring process allows our teams to track and measure the sustainable investing performance of our investments across our portfolio.

In 2022, we made the following enhancements to our approach:

- We enhanced our sustainable investing deal due diligence process by implementing a formalized feedback loop for our Private Equity and Credit Investment teams to consult the Sustainable Investing team on ESG-related risks and opportunities prior to investment committee meetings. While investment teams remain

responsible for leading sustainable investing due diligence, the formalized feedback loop and review cycle have contributed to improved ESG insights and research, increased knowledge of ESG factors within the investment team, and greater process efficiency.

- Our Sustainable Investing team launched and facilitated training sessions for our Private Equity and Credit strategies to refresh investment professionals on our proprietary sustainable investing framework and integration process. Investment teams also participated in thematic training that focused on ESG materiality and the proprietary tools and external resources used to help identify and assess material ESG risks and opportunities for specific industries. We will continue to formalize our sustainable investing training program and plan on delivering annual and thematic training to our investment teams in 2023 and going forward.



<sup>48</sup> Based on GRESB results released October 2022 covering the 2021 calendar year. Manulife Investment Management paid a per fund submission fee, per year. The GRESB Rating provides the basis for systematic reporting, objective scoring and peer benchmarking of the ESG management and performance of infrastructure funds around the world. More information about the GRESB Infrastructure Assessment, is [available here](#).

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**Public Markets**

Manulife Investment Management’s commitment to sustainability was supported by its latest Principles for Responsible Investment (PRI) assessment<sup>49</sup> across a range of investment and stewardship modules. Our Manulife Investment Management Public Markets teams are committed to investing sustainably across our businesses and asset classes. We were again accepted as signatory to the UK Stewardship Code in 2022 and short-listed for our stewardship reporting by the International Corporate Governance Network.

At the end of 2022, over 90%<sup>50</sup> of our assets under management in equity and fixed-income strategies were integrating ESG factors in accordance with our proprietary assessment framework. This includes factors associated with climate change.

**ESG integration**

As part of our integrated approach, our investment teams identified two issuers within their portfolios that were most at risk to the transition to a low carbon world and began engaging using an internal set of engagement questions as a guide. These conversations will help the teams assess

management of the transition risk at some of their biggest holdings and may influence adoption of best practices in climate risk disclosure and management at the relevant issuers.

During the year, we enhanced our ESG integration profile with several investment teams achieving the highest level of our proprietary ESG integration scale.

**Investment stewardship**

In 2022, our investment teams continued to engage directly with issuers on a range of sustainability topics with some of the most common issues discussed including GHG emissions, board structure and management team, physical impacts of climate change, labour practices, and executive compensation. To better provide transparency into the results of these activities we launched an engagement case studies website<sup>51</sup> to highlight some of the results of dialogue with issuers.

Additionally, we identified a group of issuers across portfolios that have exposure to deforestation risks in their respective supply chains. We began reaching out to those issuers to understand their exposure, policies, governance, and targets related to the risk.

We also continued to execute our proxy votes in support of a variety of ESG-related proposals including requests to report on climate risk, water management, and human rights along with proposals to enhance shareholder rights. We participate in dedicated collaborative initiatives where we believe we can have a substantial impact to address sustainability issues. We are active in initiatives such as [Climate Action 100+](#), [The 30% Club](#), and [Climate Engagement Canada \(CEC\)](#).

**Offering Sustainable Thematic Strategies**

We offer several ESG strategies including our Sustainable Asia Bond Strategy, Sustainable Asia Equity Strategy, Climate Action Bond Strategy and our Climate Action Equity Strategy, which use proprietary screening techniques, and stewardship practices to offer investments in-line with sustainability criteria. We also collaborate with clients to offer bespoke sustainable investment solutions.

In 2022, we made the following enhancements to our approach:

- We helped develop the Expectations on National Adaptation Plans in Asia, which was brought to COP27 through our engagement and activity in the Asia Investor Group on Climate Change (AIGCC) working groups, and as the Chair of the Physical Risk and Adaptation working group.
- We started a collaborative engagement initiative, The Asian Utilities Engagement Program, as part of AIGCC, which is focused on some of the largest emitters in Asia that are not currently covered by the Climate Action 100+ initiative. We are currently leading several of those engagements

to encourage these issuers to make progress towards lowering emissions.

- We continued our work with the Finance for Biodiversity Pledge on the Advisory Board and on several working groups looking to set the direction for collaborative efforts including engagement, metrics, and target setting related to biodiversity risk and exposure across the finance industry and corporate world.
- We continued with several engagements aiming to engage with systemically important issuers on climate risk and diversity. 2022 marked the first year of engagement for Climate Engagement Canada.
- We continued issuer engagement as part of The Board Diversity Hong Kong Investor Initiative, which seeks to end single gender boards in Hong Kong and ultimately achieve 30% gender representation across public issuers.
- We also joined the Ceres Valuing Water Finance Initiative (VWFI), which is a new global investor-led effort that recognizes the financial risks associated with water and seeks to engage companies with a high-water footprint to drive the necessary large-scale change to better protect water systems.
- We published our Manulife Investment Management Nature Statement<sup>51</sup>, which is intended to guide decision-making around nature and biodiversity. We also launched engagements focused on dialogue with issuers tied to deforestation risk in their supply chains.

<sup>49</sup> Manulife Investment Management is a signatory to the Principles for Responsible Investment (PRI) and pays an annual fee. It is compulsory for signatories to report on their responsible investment activities annually.

<sup>50</sup> Integration is based on Manulife Investment Management’s Proprietary Integration Progression Levels (IPL), which measures investment teams progress in ESG integration. We look to incorporate material ESG considerations throughout the stages of our investment and asset ownership lifecycles, taking into account the characteristics of the asset class and investment process in question, as well as industry and geography, among other factors. Each investment team operates in different markets and with different nuances to its approach to investing. Accordingly, each team integrates ESG factors into its investment process in a manner that best aligns with its investment approach.

<sup>51</sup> For additional information regarding Manulife Investment Management’s ESG investment capabilities for institutional investors only, please visit [www.manulifeim.institutional/sustainability](http://www.manulifeim.institutional/sustainability).

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## Health and Life Insurance

Manulife aims to be at the forefront of analysis of the impacts of climate change on products and underwriting for health and life insurance. These impacts range in severity and complexity, from acute illness to chronic stress.

Our approach includes an interdisciplinary team of Manulife professionals that undertake research to understand the human impacts of climate change, build awareness of human impacts across the business, and finally, engage with external experts on relevant initiatives.

Our changing climate stands to impact human health. Every country and individual will be impacted, with vulnerable populations at greatest risk. We believe that the work undertaken by our business benefits Manulife’s ability to manage climate-related risks and opportunities and respond to client needs.

In 2022, we made the following enhancements to our approach:

- Through Manulife’s partnership with Munich Re, we implemented the use of a climate risk tool that provides several business areas with detailed, geography-specific climate risks, both current and projected, based on different Representative Concentration Pathway (RCP) scenarios.
- We participated in the development of the Geneva Association paper titled “[Anchoring Climate Change Risk Assessment in Core Business Decisions in Insurance](#)”.

Photo captured by our colleague: Cherry Bation, Philippines

## Reinsurance

Manulife Re is the global reinsurance operation of Manulife Financial Corporation. Established in 1986, Manulife Re is a long-term and well-established player in the highly specialized market of property and aviation retrocession. Manulife Re serves a select global group of property and casualty clients. Manulife Re offers superior financial security and provides customer-focused solutions that help our clients manage the earnings volatility that results from large catastrophic property and aviation events.

With a focus on providing retrocession of property catastrophe business for large natural catastrophes, Manulife Re provides its clients with a valued source of funds and capital through the re/insurance chain. This allows insurance companies to provide insurance coverage enabling resilience to end customers in the insurance chain in the face of natural disasters. Ensuring communities are able to rebound and rebuild after a major catastrophe is an important component as it helps severely affected societies to recover.



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# Climate-related Risks and Opportunities

In addition to our journey to net zero, we are taking steps to improve the resilience of our business in the face of a changing climate.

As a long-term underwriter and investor, climate-related risks and opportunities, including changes in the physical environment and policy and technological changes associated with the transition to a low carbon economy, are strategically relevant and, in some cases, may become material over time.

The Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations allow for consistent and comparable reporting on climate-related risks and opportunities. The TCFD Recommendations are structured around four pillars: Governance, Strategy, Risk Management, and Metrics and Targets to support effective disclosure pertaining to each pillar. We have been a supporter of the TCFD since 2017 and are committed to adopting and aligning our disclosures to its framework and recommendations.

TCFD Pillar/Recommendation	Manulife Action Summary
<b>Governance (pages 11-14, 37)</b>	
<b>Describe the board's oversight of climate-related risks and opportunities.</b>	The BRC oversees the management of our principal risks, and our programs, policies, and procedures to manage those risks. Oversight of Manulife's ESG framework, including matters related to climate change, is included in the CGNC mandate. The committee receives regular updates on relevant ESG topics, including Manulife's Impact Agenda and Climate Action Plan.
<b>Describe management's role in assessing and managing climate-related risks and opportunities.</b>	Climate-related risks are governed at various levels across the enterprise. The roles of the CGNC, Executive Sustainability Council (ESC), ESG CoE, Climate Change Taskforce, ERC, and BRC consider climate-related risks and opportunities through the ongoing monitoring and reporting of emerging risks and are supported by various sub-committees and oversight functions.
<b>Strategy (pages 37-42)</b>	
<b>Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</b>	We monitor climate-related risks and opportunities within our business strategy over short (1-5 year), medium (5-15 years), and long (beyond 15 years) time horizons. We do not view climate-related risk as a standalone risk category but as a transversal risk that can manifest across all our existing principal risk types, including strategic, market, credit, product, or operational risk, as well as legal and reputational risk. Product and market opportunities associated with transition to a low-carbon economy continue to be considered.
<b>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</b>	We are a long-term oriented underwriter and investor — monitoring and evaluating the impacts from climate-related risks and opportunities remains ongoing and continue to be embedded in existing business segment strategies and group functions, including Global Risk Management, Manulife Investment Management (timberland, agriculture, real estate, infrastructure, private equity and credit, public markets) and our General Account.
<b>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</b>	Climate-related scenario analysis is conducted at the business unit level to understand implications of climate-related risks – see pages 40-42 for business specific approaches.
<b>Risk Management (pages 40-43)</b>	
<b>Describe the organization's processes for identifying and assessing climate-related risks.</b>	We have established an initial inventory of climate-related risks and their potential impacts on Manulife. Each risk statement is categorized by both our principal risk types and aligned to the TCFD framework (e.g., physical and transition risks). We also continue to enhance our scenario analysis capabilities and explore external tools to identify and assess climate-related risks.
<b>Describe the organization's processes for managing climate-related risks.</b>	The inventory provides a basis to perform assessments to better understand our key inherent risk exposures across the organization and how they impact different lines of business and their business strategies. Climate-related risks continue to be managed at business unit level as Global Risk Management continues to enhance risk management practices.
<b>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</b>	We monitor climate-related risks through our emerging risk framework and regularly engage with senior leadership to discuss the prioritization and feasibility of contingency planning actions associated with various emerging risks, including environmental risks. We also expanded our Environmental Risk Policy to articulate Manulife's risk appetite related to environmental risks and will continue to pursue approaches to further integrate into our enterprise-wide risk appetite framework.
<b>Metrics and Targets (pages 15, 20, 25-26, 29-31, 44, 83-84)</b>	
<b>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</b>	We use the following metrics across various business segments: scope 1 emissions, scope 2 emissions, scope 3 emissions, exposure to carbon-related assets, green investments, climate value at risk and portfolio warming potential, and sovereign climate risks.
<b>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</b>	See pages 83-84 for scope 1, scope 2, and scope 3 emissions disclosures.
<b>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</b>	We are committed to achieve net zero financed emissions within our General Account portfolio by 2050 and to reduce our absolute scope 1 & 2 emissions by 40% by 2035. As part of our transition plan, we have established near-term emissions reductions targets to put us on the path of meeting our commitment of net zero General Account financed emissions by 2050.

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As part of our overall ESG strategy and governance, Manulife sets Board-approved goals for ESG-related measures, which are key components in evaluating our business strategy and company performance. These goals include factors such as climate action and are linked to executive compensation through both company performance goals and individual performance goals.

Climate-related risks are governed at various levels across the enterprise. The CGNC oversees Manulife’s ESG framework, including matters related to climate change. The CGNC’s oversight complements Manulife’s ESC.

In 2022, the CGNC led an in-depth review of our director education program in light of evolving trends and introduced an additional requirement that directors take specialized education programs in key areas of focus based on committee membership.

The ERC and the BRC consider climate-related risks and opportunities through the ongoing monitoring and reporting of emerging risks. The ERC is supported by a number of oversight sub-committees that are increasingly considering climate-related risks and opportunities as part of longer-term business strategy and day-to-day work activities.

Business and functional unit heads ensure that material climate-related risks impacting the organization are considered as part of existing risk management strategies and monitoring practices such as due diligence reviews, risk assessments, scenario analysis, business continuity management, and use of reinsurance strategies to limit potential losses. Our practices continue to mature across different areas of the organization.

Manulife Investment Management has a Sustainable Investing Committee (SIC) for each of Public Markets and Private Markets business units. Chaired by the respective CEO and with members from their respective leadership teams, each SIC oversees its respective investment teams’ sustainable investing activities and supports the implementation of the respective ESG-related policies in accordance with its Charter.

Sustainability-related key performance indicators are factored into our annual employee performance review and remuneration metrics. Accordingly, each team is expected to contribute to the company’s advancement in sustainable investing overall and adhere to research processes that integrate sustainability considerations.

Please see [ESG Governance](#) section above for more information on how climate risk is governed at Manulife.

### Strategy

In 2022, we continued to monitor climate-related risks and opportunities within our business strategy over short (1-5 year), medium (5-15 years), and long (beyond 15 years) time horizons to better assess the relative significance of potential impacts and how and when actions will be required to address such impacts.

Guided by our [Environmental Risk Policy](#), along with business-specific policies, standards, and guidelines, climate-related risks and opportunities are identified and categorized using Manulife’s existing risk taxonomy, specifically across our principal risk types. We do not view climate-related risk as a standalone risk category but as a transversal risk that can manifest across all our existing principal risk types, including strategic,

market, credit, product, or operational risk, as well as legal and reputational risk. Climate risk, therefore, is not a new risk, but viewed as a modifier or an accelerator of existing risk types. Failure to adequately prepare for the potential impacts of climate change can have material adverse impacts on our balance sheet or our ability to operate.

Climate-related risks are also categorized in alignment with the Financial Stability Board’s TCFD framework to ensure that all significant risks are considered across our lines of business and operations. Consistent with the TCFD, Manulife defines climate-related risks as the potential negative impacts from climate change, which may be experienced directly (e.g., through financial loss) or indirectly (e.g., through reputational harm), as a result of the physical impacts of climate change or the transition to a low carbon economy.

We recognize that climate-related risks are inherent across our business, including in our operations and investments. Our Environmental Risk Policy aims to set out an enterprise-wide approach to managing environmental risks, including climate-related risks and nature-related risks, that could result in financial loss or reputational damage to the company.

Our Global Risk Management team continues to enhance risk management practices to consider the potential impacts from climate-related risk, including in our investment decision-making processes, life insurance underwriting due diligence, and assessment of operational risks and controls.

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We are continuing to enhance our processes for identifying, assessing, and managing environmental risks and integrating them into our ERM framework. This will ensure that they are assessed in a manner consistent with our common approach to risk taking and risk management activities.

We also monitor environmental risks through our emerging risk framework and regularly engage with senior leadership to discuss the prioritization and feasibility of contingency planning actions associated with various emerging risks, including environmental risks.



In 2022, we made the following enhancements to our approach:

- Expanded the Environmental Risk Policy to articulate Manulife’s risk appetite related to environmental risks and will continue to pursue approaches to further integrate into our enterprise-wide risk appetite framework.
- Developed an initial climate risk inventory, including risk statements categorized by principal risk type as well as being aligned to the TCFD framework. The inventory will provide a basis to perform risk assessments across the organization

and to facilitate our understanding of the impact climate-related risks may have within different lines of business and any associated risk mitigation activities.

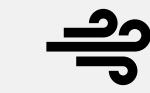
- Performed operational risk assessments on the processes and controls related to data collection, aggregation, and reporting of ESG performance metrics and identified action plans to enhance the internal control framework.
- Included climate risk considerations in planning and testing in our business continuity management program.
- Enhanced emerging risk framework with more frequent touchpoints with senior leadership to review and recalibrate our emerging risk inventory, which includes climate-related risks.

In our path to continuous enhancement, we also take various approaches to embed climate risk considerations across our business segments.

Manulife’s General Account invests capital to achieve returns to support the operations of our business and to ensure we meet the promises we make by efficiently managing the underlying liabilities of our insurance services. Importantly, we operate in a highly regulated environment, which can impact our risk appetite for certain investments and strategies.

Considering these constraints, Manulife’s transition plan remains in progress and will involve iterative and incremental improvements. We expect to employ a variety of methods to manage the transition of our portfolio alongside evolving trends and requirements.

**Transition Mechanisms for Manulife’s General Account Investment Portfolio include:**



**Proactive investment in sectors driving decarbonization**

- We seek to enhance the exposure of our portfolio to new opportunities presented by the transition to a low carbon economy with our well-diversified investment program. Given the large and growing pool of such potential investments, these opportunities can often be at varying stages in terms of scale, scope, and risk.
- While we have investment expertise in technologies such as renewable energy, battery storage, and lower carbon alternative fuels (such as natural gas), other technologies (such as hydrogen or carbon capture and storage projects) are at earlier stages of implementation and may have significant associated investment risks. We seek to focus our time and attention on scalable opportunities with attractive risk-adjusted returns that ultimately provide an appropriate match to our liabilities.



**Portfolio re-balancing**

- We recognize the underlying risks of issuer inaction on decarbonization. Setting short-term emissions reduction targets is a step towards management of these risks and can inform how we consider providing capital to sectors, companies, or projects that support decarbonization efforts and potentially limiting capital to those with unfavourable emissions profiles. To this end, we evaluate our investment approach toward higher-emitting sectors such as power generation and oil and gas on an ongoing basis, and, where deemed appropriate, recommend changes to investment limits and/or the investment duration of certain sub-sectors.
- In addition to maintaining our investment performance, we seek to appropriately balance and account for our investees’ decarbonization efforts, as well as associated societal impacts. It is our firm view that these efforts will only be successful in helping to achieve global decarbonization goals when complemented with other enabling conditions, such as the implementation of costs on externalities or creation of incentives by policymakers.



**Issuer, peer, and sector engagement**

- As a primarily fixed income-oriented investor, our engagement with management teams and opportunities may differ from that which is typical for public equity holders who have direct ownership stakes in a company.
- For emission-intensive sectors, our analysts question management teams on several ESG factors, including emissions policies and decarbonization efforts, when provided the opportunity at industry conferences and on calls or meetings with management.
- We continue to explore additional avenues through which to better engage with issuer companies, such as the use of standard ESG questionnaires in private placement transactions, to support more efficient, and ultimately more effective, communication with issuers.

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Transition activities for our General Account also take into account our presence in emerging markets, as we have a substantial and growing footprint in Asia. The concept of a just transition to a lower carbon economy in this region is particularly critical to our success. We believe facilitating the transition to a lower carbon economy is critical to our success as it impacts our customers. A just transition minimizes the impact on affordability and accessibility of energy for everyday people, while maximizing social and economic opportunities in these regions.

As such, we intend to focus on issuer contributions to real world decarbonization, as opposed to a purely exclusionary or divestment-based transition strategy. We intend to avoid “short-termism” and incentivization of capital flows and financing structures that may create injustices globally, including collateral damage or counterintuitive impacts on climate. We believe activities taken by companies such as ours to set and achieve targets will require the presence of a sufficient regulatory and political environment in order to enable real world decarbonization at the level and pace to limit global warming meaningfully.

As part of our transition plan, we have established near term emissions reductions targets to support our commitment to net zero financed emissions by 2050 and we are evaluating ESG risks in our ratings process for credit analysis.

Within Manulife Investment Management’s Timberland and Agriculture businesses we built a proprietary Sustainability Toolkit to systematically identify, assess, and score ESG components in every deal we consider. Climate change impacts to an asset are considered, as well as emissions and carbon sequestration associated with that asset.

Historically, our consideration has been primarily qualitative, but in 2022 we upgraded our process to result in a quantitative score. Additionally, following a thorough due diligence process, we invested in a third-party analytical platform that enables us to systematically evaluate climate risks under various scenarios across all our major investment regions. Those evaluations will feed directly into our Sustainability Toolkit and our underwriting models more generally.

As a global real estate manager, identifying and monitoring various climate-related risks are essential to making better-informed decisions and ensuring our Manulife Investment Management’s Real Estate business and buildings are built for the future. We consider the following physical and transition risks as having potential impacts on our business across either short-term (1 to 5 years), medium-term (5 to 10 years), or long-term (beyond 10 years) time horizons. Within our Real Estate group, we have identified several transition and physical risks and opportunities across various timeframes that are outlined in our Manulife Investment Management Real Estate TCFD Report<sup>52</sup> (pages 7-8). The identified transition risks include regulation, market, technology, and reputational risks, while the identified physical risks include a set of acute and chronic risks.

Within our Manulife Investment Management Infrastructure investments we believe our investments in solar, wind, battery storage, and other renewable energy assets as part of our portfolio and sector allocations are important components of a lower carbon electricity system and how we consider transition risk within our portfolio.



As guided by our Infrastructure Sustainable Investing Framework, our Manulife Investment Management Infrastructure teams regularly assess material ESG risks and opportunities for each new investment as part of the investment due diligence process. Physical and transition risks and opportunities are assessed during due diligence processes and post-investment monitoring, where it is material to the investment, including collecting and monitoring performance on relevant KPIs. We have developed climate risk assessment guidelines to formalize investment teams’ processes for assessing physical and transition risks during due diligence and have brought in a third-party tool to conduct physical risks assessments on our funds and portfolio assets. We continue to enhance these capabilities and processes in 2023.

During sustainable investing due diligence, our Manulife Investment Management Private Equity and Credit teams identify and assess

ESG considerations specific to the potential investment, including material climate-related risks and opportunities. Our Sustainable Investing team helps inform sustainable investing due diligence by providing in-depth research on potentially material climate change factors, including the identification of climate adaptation and mitigation opportunities, physical climate impacts, and transition risk exposure.

In 2022, we quantified Private Equity and Credit’s estimated carbon footprint and continued to collect climate-related metrics, including GHG emissions, through our annual ESG reporting campaign. We also continued to identify and assess ESG considerations specific to the potential investment, including climate-related risks and opportunities where material as part of the due diligence process.

<sup>52</sup> For additional information regarding Manulife Investment Management’s ESG investment capabilities for institutional investors only, please visit [www.manulifeim.institutional/sustainability](http://www.manulifeim.institutional/sustainability).

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The availability and quality of climate-related metrics remains a challenge for private markets investors. We will continue to engage our managers, sponsors, and portfolio companies on the importance of gathering and disclosing climate-related data to investors.

Manulife Investment Management Public Markets takes a variety of actions to appropriately account for climate risk and opportunity factors in each asset class according to internal, technical, and market dynamics along with regional consideration. This work occurs throughout our sustainability integration process, engagement strategies, and the development of climate-focused investment frameworks.

We engage with issuers to achieve positive outcomes related to climate risk. In 2022, we led an engagement with a Canadian oil and gas company through the Climate Action 100+ initiative, and that company both received reasonable assurance for emissions data and adopted mid-term emissions targets.

GHG emissions, energy management, and climate risk remains among our top engagement topics with issuers. Investment teams, in 2022, identified two issuers within their portfolios that were most

at risk to the transition to a lower-carbon world and began engaging using an internal set of engagement questions as a guide.

These conversations will help the teams assess management of the transition risk at some of their biggest holdings and may influence adoption of best practices in climate risk disclosure and management at the relevant issuers. We continue to support shareholder proposals on climate including requests to report on targets aligned with the goals of the Paris Agreement, to adopt GHG reduction targets and to report on the physical risks of climate change. We also continue to expand our suite of sustainability themed products that we can offer clients and this selection currently includes the Climate Action Equity strategy and the Climate Action Bond strategy.<sup>53</sup>

Within our life and health insurance business, we prioritize research and data collection to inform products, product pricing, underwriting, claims, and actuaries as it relates to the impact of physical climate-related risks on morbidity and mortality rates. We are currently in the process of developing a pilot program that will determine the feasibility of morbidity trends claim analysis on a global scale, to allow us to study the impact of such climate-related risks.

**Risk Management**

Climate risk is a risk with unique characteristics given the diverse set of pathways in which risks can manifest. To understand these risks, we have established an initial inventory of climate-related risks and their potential impacts on Manulife. Each risk statement is categorized by both our principal risk types and aligned to the TCFD framework (e.g., physical and transition risks).

Climate-related risks were identified based on internal and external scans to develop an initial inventory. Examples of climate-related risks in our inventory include:

Climate-related risks	Risk
Increase in regulatory requirements or new government policies	<ul style="list-style-type: none"> <li>• Strategic</li> <li>• Transition</li> </ul>
Changes in customer preferences or expectations towards our products and services	<ul style="list-style-type: none"> <li>• Strategic</li> <li>• Transition</li> </ul>
Sudden changes in valuations of invested assets	<ul style="list-style-type: none"> <li>• Market/credit</li> <li>• Transition</li> </ul>
Higher claims experience	<ul style="list-style-type: none"> <li>• Product</li> <li>• Physical</li> </ul>
Damage to company-owned real assets or to critical infrastructure	<ul style="list-style-type: none"> <li>• Operational</li> <li>• Physical</li> </ul>
Scarcity of resources to comply with heightened regulations	<ul style="list-style-type: none"> <li>• Operational</li> <li>• Transition</li> </ul>

The inventory provides a basis to perform assessments to better understand our key inherent risk exposures across the organization and how they impact different lines of business and their business strategies. We plan to conduct further analysis to link risk mitigation activities against our inventory and set prioritized action plans to address areas of heightened risk exposures.

Risk management activities addressing climate-related risks are expected to continue to evolve over time as knowledge and capabilities further mature, and as applicable standards, frameworks, and methodologies continue to emerge and coalesce.

We have explored and recently adopted a third-party climate risk analysis tool from Munich Re across some of our business areas to assess the impacts of various climate change hazards across different time horizons and Representative Concentration Pathways (RCPs), adopted by the IPCC that provide plausible future scenarios of GHG concentration trajectories on different lines of business operations.

In 2023, we aim to focus on the following risks and opportunities at an enterprise risk management level:

- Continuing to build capabilities across our second line of defense to provide effective risk oversight of climate risks
- Working with business areas to enhance current risk management processes, including internal control environments, to incorporate climate-related risk
- Raising awareness on climate-related risk across the organization through learning and development initiatives
- Enhancing existing policies and standards
- Developing climate risk metrics and risk appetite further



<sup>53</sup> Not all investment strategies and products are available to all investors in all jurisdictions.



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Our Group Capital Management function performs stress testing analysis to assess the potential impact of climate transition risks. The analysis to date has focused exclusively on near-term transition risks and has not tested physical risk. The conclusion of this analysis is that the market risks from transitioning to a low carbon economy are not expected to threaten Manulife’s solvency.

For our General Account our scenario analysis has been conducted specific to capital maintenance requirements, supported by our Climate Action Plan commitments. Our General Account identifies and assesses climate-related risk in alignment with its ESG Investment Guidelines for the General Account, specifically for General Account assets, backing in-force liabilities.

ESG risks are also considered during rating and annual review process by credit analysts. We continue to engage with our regulators on climate-related scenario analysis in our General Account. In 2020 and 2021, we participated in a Bank of Canada and OSFI pilot project using climate-change scenarios to better understand the risks to the financial system related to a transition to a low carbon economy. We continue to engage with OSFI to understand activities underway to identify and assess climate risk in Canada’s financial sector.

Conducting scenario analyses on biological assets is challenging due to the significant uncertainties around the ability of these assets to adapt to changing climate conditions. During 2022, Manulife Investment Management Timberland and Agriculture invested in a third-party analytical platform that will enable us to systematically evaluate climate risks under various scenarios (RCP 2.6, 4.5, and 8.5) across all our major investment regions.

We also began analyzing these risks across space and time and concluded that the types of climate impacts that could affect assets we manage are fairly constant, that the number of key risks is small, and that the relationships between different risks are not linear but interacting.

**2020** Manulife Investment Management Timberland and Agriculture conducted pilot scenario analyses of our New Zealand timberland and our California farmland.

**2021** We built upon those pilots and extended the analyses across our entire platform, engaging our forest and farm operations professionals from the U.S., Chile, Brazil, Australia, and New Zealand in workshops to better gauge our ability to prepare for the realities of climate change.

**2022** We reviewed the risks identified from the 2020–2021 pilot to develop a systematic understanding of them, which confirmed we needed a climate risk tool to conduct systematic quantitative analysis.

For example, extreme temperatures could lead to drought, which could lead to wildfire or increase the chance of pest outbreaks, both of which would result in financial loss. However, extreme temperatures could also add urgency to the global policy agenda for implementation of carbon prices, which could lead to financial gains. While changing climate patterns may make farming or forestry more challenging in some areas, it could create possibilities in others; for example, as the number of frost-free days might increase in higher latitudes or as crop researchers develop plant varieties more adaptive to changing climatic conditions.

Manulife Investment Management’s Real Estate platform has built a risk management approach and framework, which lays out how we identify and manage the climate-related risks and opportunities



to which we are exposed. Our three-step approach as outlined in the Manulife Investment Management Real Estate TCFD report<sup>54</sup> (pages 10–15) involves raising awareness, evaluating risk and opportunities, and integrating best practice. We evaluate our portfolio to understand how climate risks will affect our assets and regions.

In 2022, we partnered with an ESG data platform provider to allow for a centralized location for monitoring portfolio-wide ESG monitoring. This platform leverages the same third-party climate risk data that was used in 2020 as part of our initial physical climate risk exposure. The ESG platform updates the risk exposure ratings annually based on the latest available climate data to the third-party. As a result, the portfolio risk is continuously updated with the latest available data, assessing climate and geographic hazards, including wildfires, floods, heat stress, hurricanes, typhoons, and sea level rise.

For acquisitions, investment teams also use a third-party climate risk data to assess physical and transition risks. Climate risk data metrics include risk exposure to wildfires, heat stress, water stress, seal level rise, hurricanes and typhoons, and floods

and are ranked from ‘no risk’ to ‘high-risk’ and ‘red flag’. As part of the initial ESG analysis, any risks identified as ‘high-risk’ or ‘red flag’ are included in the investment memo to provide additional context to the investment steering committee. Physical resilience measures are built into real estate developments, where appropriate, based on specific risks present at the asset. In 2022, we enhanced our approach by including climate risk criteria to our minimum design requirements for new development projects. We also updated our process for new developments to ensure that nature and biodiversity are actively taken into consideration.

In 2022, we also rolled out our new Climate Change Resilience Standard, which uses forward-looking, third-party climate risk data to evaluate our global asset management portfolio’s exposure to climate and extreme weather risks.

Manulife Investment Management Infrastructure developed climate risk assessment guidelines and piloted a climate risk tool for some infrastructure assets to support investment teams with screening of physical climate risks for potential investments.

<sup>54</sup> For additional information regarding Manulife Investment Management’s ESG investment capabilities for institutional investors only, please visit [www.manulifeim.institutional/sustainability](http://www.manulifeim.institutional/sustainability).

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Within Manulife Investment Management Public Markets, our processes for identifying climate risks are supported by our policies and engagement practices. Manulife Investment Management identifies and assesses climate risks in our clients' investment portfolios through public disclosure and third-party sources, as well as through our own research, company engagement, and collaborative initiatives.

To centralize data for the daily risk reports, we have created a proprietary data portal that allows investment teams to view absolute emissions and emissions intensity of clients' portfolios among other climate data points, where available.

As a component of risk management, Manulife Investment Management Public Markets also conducts climate scenario analysis. Scenario analysis is conducted across uncertain future pathways and seek to understand the potential impact of different climate scenarios on our investment strategies and owned and operated assets. We provide climate risk data aligned to 1.5°C, 2°C, 3°C, and 4°C scenarios within our daily risk reports, which encompass those investee companies with the highest climate risk exposure at an individual portfolio level. We engage with regulators and policymakers, civil society, investee companies, and our peers in financial markets to address climate change systemically. We believe this builds resilience into our portfolios and for all our stakeholders, from our employees to our clients and the communities in which we operate. There is no single dataset that perfectly captures the risks of climate change effects. For this reason, we apply an active approach to internal and third-party data and use tools that we complement with our own industry knowledge and firsthand experience.

This expertise is built through engagement to understand companies' vulnerabilities and strengths and through our own stewardship efforts.

We seek to communicate transparently with our clients about our climate-related investing strategy and process, and we believe this may help support our clients in responding to their own stakeholders. We began piloting the provision of enhanced client reports on a variety of sustainability metrics, including portfolio carbon footprints, for some equity and fixed-income investors.<sup>55</sup>

Our Life and Health insurance business developed a framework to assess the impact of climate-related risks on mortality and morbidity rates by country. We considered specific factors such as regional weather events and the ability of healthcare infrastructure to respond and adapt to such events. This framework is now integrated into our assessment of national and geographic concentration of risk limits.

The heightened frequency and severity of climate-related events have brought suffering and loss of life to impacted communities and are causing massive financial strains on the insurance industry that protects these communities. As a retrocessionaire of property catastrophe business that provides coverage for our clients from major natural catastrophe events, the issue of climate change is top of mind for Manulife Re. In 2022, we ensured that our portfolio focused more on extreme climate events as opposed to a frequency of smaller climate events. This is an approach we plan to maintain in 2023 in addition to further limiting exposure to climate-related events. We currently estimate our exposure limit in 2023 to be approximately US\$300 million (net

of reinstatement premiums) for a single event, and approximately US\$600 million (net of all premiums) for multiple events.<sup>56</sup>

Risks driven by climate change, such as flooding from extreme rain, winter storms, and severe convective storms, are being minimized in our portfolio through coverage restrictions in our contracts. By limiting the portfolio in geographic scope (to the U.S., Europe, and Japan) and peril coverage, and by working with clients to ensure increased retentions, we have materially reduced the potential for climate-driven, unmodelled types of perils. This gives us the opportunity to focus on well-modelled and well-understood perils of

major windstorms (hurricanes and typhoons) and earthquakes, allowing us to charge appropriate premiums, including assumptions for climate change. This encourages our clients, such as major reinsurance companies, to include improved climate modeling and ensure better predictability of event driven losses.

To assess the probability of industry losses, we license industry loss curves from Risk Management Solutions (RMS), a leading model vendor. These models are continuously being vetted by the RMS team and new versions are released to their customers every couple of years, or as new research or industry defining events occur.



<sup>55</sup> For additional information regarding Manulife Investment Management's ESG investment capabilities for institutional investors only, please visit [www.manulifeim.institutional/sustainability](http://www.manulifeim.institutional/sustainability).  
<sup>56</sup> See [Caution Regarding Forward-looking Statements on page 3](#) of this ESG report.

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**Metrics and Targets**

Our Climate Action Plan focuses on three areas: our operations, our general fund investments, and the products and services we offer to clients.

It includes our commitment to achieve net zero financed emissions within our General Account portfolio by 2050 and our commitment to reduce our absolute scope 1 & 2 emissions by 40% by 2035.

We are taking a combined sector and asset class approach and have established ambitious near-term decarbonization targets for our financing activities in the General Account. Interim targets for power generation project finance and listed equities and debt have been developed in accordance with the methodology for financial institutions outlined by the SBTi, in combination with PCAF methodologies for emissions accounting. Please see Our Investments section for more information on our interim targets.

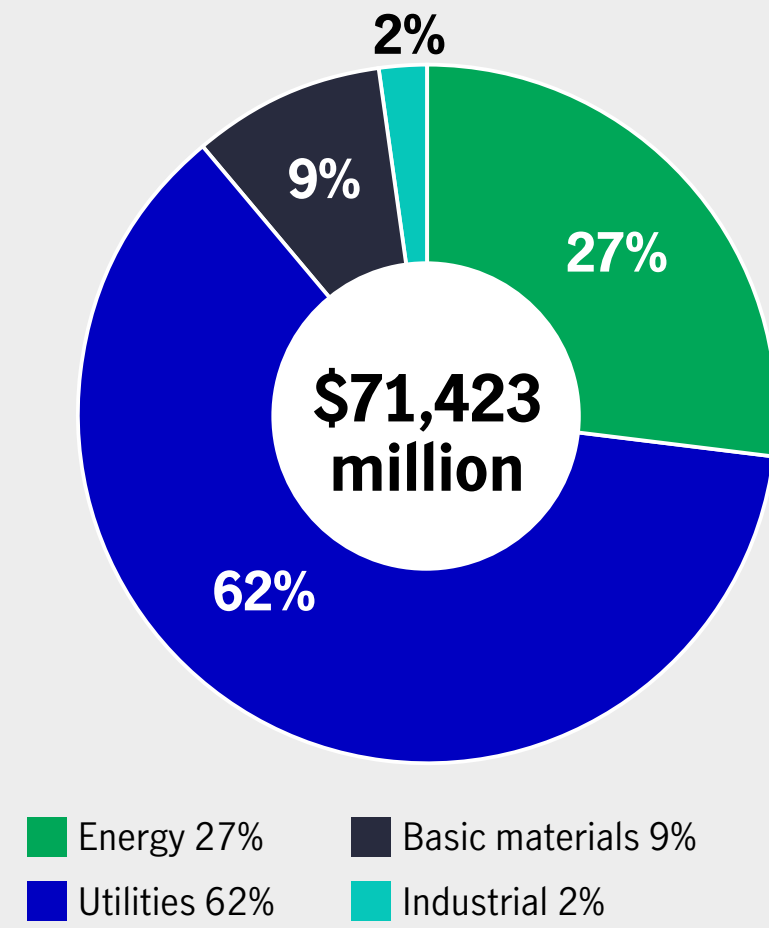
Please see [Sustainable Investing](#) section for more information on our green investments.

In 2022, we advanced our approach to GHG management within Manulife Investment Management’s real estate portfolio with the roll-out of our proprietary GHG Management Workbook and conducting net zero carbon transition plans by external parties to select priority assets in our portfolio. To better understand our full impact, we undertook an initiative to inventory our scope 3 GHG emissions. This allowed us to assess our material emissions and consider reduction targets focused on major contributors.

We also use a variety of metrics to manage climate alignment, including green investments, corporate carbon foot printing and emissions reduction targets, climate value at risk (climate VaR) and portfolio warming potential, sovereign climate risks, and monitoring strategy-level emissions within Manulife Investment Management’s Public Markets portfolio. For our third-party managed portfolios, we use various tools to manage physical and transition risk, such as scenario analysis, carbon footprinting, and metrics such as fossil fuel reserves, forward-looking company carbon reduction targets, green revenues, and sectoral reduction pathways. As an investor, we assess climate risk and seek to reduce our emissions or use our influence to encourage the companies we invest in to reduce their GHG emissions and align their business models with the realities of a changing climate.

Please see [Performance Data](#) section for more information on our performance metrics and targets.

**Exposure to Carbon-related Assets within Manulife's General Fund (2022)\***



\*Based on GICS sector classifications

Our total exposure to carbon-related assets, held in our General Account, was \$71,423 million, or 17% of the total portfolio as of December 31, 2022<sup>57</sup>. We include the sub-sectors oil and gas, oil and gas services, pipelines, coal, electric, gas, basic materials, building materials, and ship building as part of the industry sectors in scope. To minimize exposure to carbon-related assets, we continue to grow the General Account’s portfolio of green investments. Through our general fund we continue to make targeted investments in green asset categories such as energy efficiency, sustainably certified timberlands, and renewable energy.

<sup>57</sup> Please note that the 2022 exposure value is not comparable to previous year’s disclosure due to a change in methodology.

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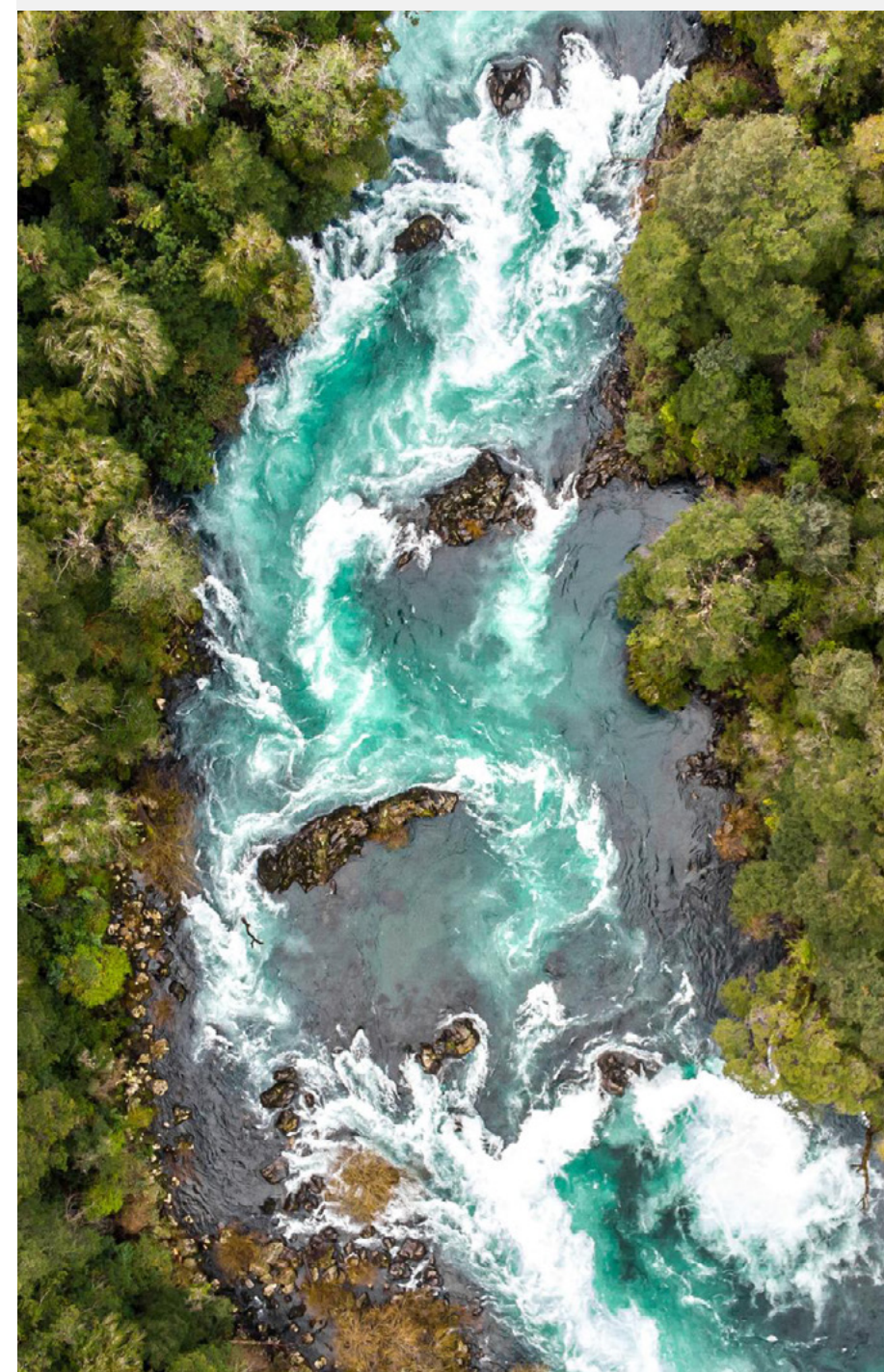
Performance Data

# Nature and Biodiversity

## Summary of Our Approach

- We strive to take a nature-positive approach to our business activities
- Nature and biodiversity are elements of our overall ESG integration framework and we are committed to protecting and restoring natural ecosystems through our financing activities and investments
- As part of our enterprise-wide approach to managing environmental risks, we consider nature-related risks in our Environmental Risk Policy

Learn more: [Nature and Biodiversity](#)



Preserving our natural resources is critical to the well-being of future generations. Biodiversity is at the heart of a healthy environment. At Manulife, we believe in safeguarding forests, wetlands, and natural habitats where biodiversity thrives.

Nature and biodiversity are two of several factors that may be incorporated in our assessment of overall environmental risks and opportunities as a component of the underwriting and monitoring of our investment portfolios. In our [Environmental Risk Policy](#), we consider nature-related risks that could result in financial loss or reputational damage to the company as part of the enterprise-wide approach to managing environmental risks.

Manulife Investment Management was a member of the informal working group for the Task Force on Nature-related Financial Disclosures (TNFD), working to develop the scope of that endeavor to deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risk. Manulife Investment Management pledged our continued support by becoming part of the TNFD Forum, a multi-disciplinary pool of supporters. In addition, Manulife Investment Management is signatory to the Finance for Biodiversity Pledge, where we sit on several working groups tasked with developing appropriate metrics and stewardship activities in support of asset manager commitments to protect

biodiversity and reverse nature loss. By signing onto the pledge, we've committed to collaborate and engage with companies on biodiversity and assess our own biodiversity impact. This will enable Manulife Investment Management to set targets and disclose appropriate reporting on biodiversity aspects by 2025.

Within our life and health insurance business, we consider the impacts of biodiversity on human health, and this research may help inform decisions related to our product and services offered.

## Private Markets

### Infrastructure and Private Equity and Credit

Recognizing the need to systematically identify and assess material ESG risks and opportunities, our infrastructure and private equity and credit investment teams evaluate ESG considerations as a regular part of the underwriting process. Nature and biodiversity factors are assessed during due diligence and monitored post-investment, where material to the underlying investment. The Sustainable Investing team supports related due diligence and stewardship by providing expertise and research to investment teams. We continue to enhance and evolve how we integrate ESG into the investment process, including consideration of the role that our infrastructure and private equity and credit portfolios can play in the protection and preservation of biodiversity and natural capital.

## Timberland and Agriculture

In the management of timberland and agriculture assets we have an interest in safeguarding natural capital where biodiversity thrives in order to make these assets themselves, as well as the benefits they provide, more resilient. To put it another way, nature is our business, and the forests and farms we manage are ecosystems. Our objective is to produce a healthy return for our clients by keeping these ecosystems healthy.

Natural capital accounting represents a key component of our approach to protecting and preserving nature and biodiversity. In 2022, we worked with a leading global consultancy in environmental economics to pilot a natural capital accounting approach for our timberland investments. The approach entails construction of a natural capital asset register and materiality assessment, followed by valuation of natural capital assets and liabilities using a combination of internal company data and publicly available research. The approach culminates in a natural capital balance sheet and income statement, which together enable quantitative conclusions to be drawn about the extent to which a company is contributing to, or detracting from, the natural capital assets under its management, as well as the extent to which such contributions may positively or negatively impact both the asset owner and society in general. We analyzed two pilot properties managed by Manulife Investment Management in 2022 and in 2023 we plan to expand the approach across our timberland and agriculture portfolio.

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**Real Estate**

Within our real estate portfolio, we made several enhancements to our approach to nature and biodiversity during the year through the implementation of new guidelines and procedures.

We updated our procedures for new developments to include nature and biodiversity in due diligence templates and development requirements. This includes requirements to:

- Grow tree canopy on streets and parking lots
- Convert hardscapes to green or cool paving
- Use a minimum of 50% native plants for landscaping
- Install a green roof for all usable roof space
- Achieve net-positive biodiversity impact for green field developments

We updated our Sustainable Building Standards to incorporate considerations and initiatives focused on the preservation of local biodiversity and nature. This includes requirements such as installing beehives or other wildlife shelters, implementing bird-friendly management practices, eliminating pesticide use, converting hardscapes to green/open-grid paving, and installing green roofs or rooftop gardens.

As part of our ongoing commitment to nature and biodiversity, we have also developed guidance material to support property teams in identifying preventative measures that integrate responsible lighting control and operational protocols to mitigate preventable bird deaths. Migratory birds may not be accustomed to urban environments and are often harmed by clear and reflective glass surfaces, as well as non-essential nighttime lighting that can cause fatal window collisions.

In our owned and operated real estate, we seek opportunities to enhance biodiversity in the urban environment and are a partner to organizations such as:

- **MicroHabitat:** We have continued our partnership with urban agricultural provider MicroHabitat to plant gardens on the rooftops and grounds of buildings we own. Through this partnership, 6,000 edible plants have been grown in our MicroHabitat urban farms, providing food and shelter for pollinators and other beneficial insects. During the 2022 season, a total of 3,600 pounds of vegetables, edible flowers, and herbs were harvested from our 12 urban farms located in three cities across Canada. All the produce was donated to local food banks.
- **Alvéole:** In 2022, we continued our partnership with urban beekeeping company Alvéole. Manulife now has beehive projects in 13 cities across Canada and the U.S. with 81 urban beehives on 52 Manulife properties. At the peak of the season we estimate that this represents over 4,000,000 bees, which collectively pollinate over 1,470 square kilometres. Through our partnership, we supported 5,000 new flower seeds being planted, which promoted local biodiversity, pollinators, and the pollinators' efforts in each city we have a hive project located.
- **Wilder Climate Solutions:** On the front lawn of Manulife's iconic Bloor Street building in downtown Toronto stands a massive, old American Elm. Records show the tree has stood in this location for at least 125 years. We partnered with Wilder Climate Solutions to complete a custom growing program to grow 500 saplings from the seeds of this specific tree. We distributed the saplings to employees and members of the community in the spring of 2022 and the saplings were planted in urban gardens throughout the city.

**Public Markets**

Within our public markets business, we made several enhancements to our approach to nature and biodiversity during the year:

- We published our Nature Statement<sup>58</sup>, which is intended to guide decision-making around nature and biodiversity. The statement outlines how we view biodiversity and nature loss as a material financial issue and provides examples of how we have started to integrate biodiversity into our investment activities.
- We launched an engagement campaign focused on issuers exposed to commodity-driven deforestation risk in their supply chains. We began reaching out to those issuers to understand their exposure, policies, governance, and targets related to the risk.

- We became members of the [Farm Animal Investment Risk and Return \(FAIRR\) Initiative](#), a global investor network focused on sustainability issues in the food sector. FAIRR's research and engagement on pollution, waste, water, deforestation, animal welfare, and more topics help support our own investment decision-making process.
- We attended the fifteenth meeting of the Conference of the Parties (COP15) to the Convention on Biological Diversity in Montreal where world leaders agreed on the post-2020 Global Biodiversity Framework (GBF). Through our participation, we amplified the financial sector's call for action and signed an investor letter supporting an ambitious agreement. Following the agreement, we aim to support the implementation of the GBF through our investment and stewardship activities.

Biodiversity	2022	2021	2020
Acres of forest and farmland managed by Manulife Investment Management Timberland and Agriculture since 1985 (millions)	5.8	6.3	5.8
Acres of land protected by Manulife Investment Management Timberland and Agriculture Sensitive Lands Program since 1985 (millions)	0.5	0.8	0.47
Percentage of forest with a conservation designation (%)	21%	25%	-
Percentage of farms that have regenerative practices (%)	98%	61%	-
Percentage of area of total farms that have regenerative practices (%)	97%	46%	-
Trees planted by Manulife Investment Management Timberland and Agriculture since 1985 (billions)	1.3	1.3	1.3
Percent of farmland third-party certified as sustainably managed	91%	78%	74%
Percent of farms with biodiversity assessment	100%	100%	100%
Number of agriculture stream miles protected by BMP (Best management practices)	754	-	-
Percent of forest third-party certified as sustainably managed	100%	100%	100%
Percent of forests with biodiversity assessment	100%	100%	100%
Number of timberland stream miles protected by BMP (Best management practices)	18,444	-	-

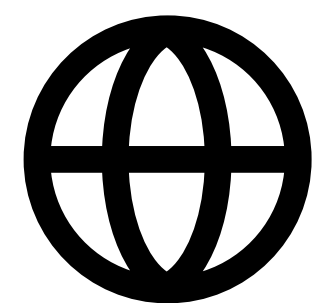
For more information and methodology, please refer to our [Performance Data](#) section.

<sup>58</sup> For additional information regarding Manulife Investment Management's ESG investment capabilities for institutional investors only, please visit [www.manulifeim.institutional/sustainability](http://www.manulifeim.institutional/sustainability).

# Social



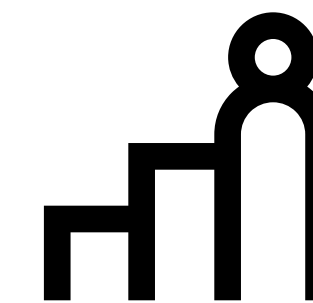
## Performance Highlights



**\$2.3 billion**  
in **social investments**  
at Manulife company-wide



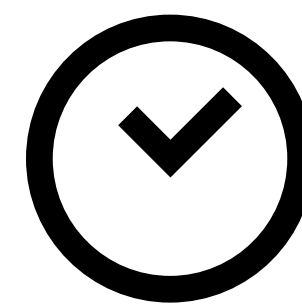
**\$25.1 million**  
Manulife's **total community investment** contribution



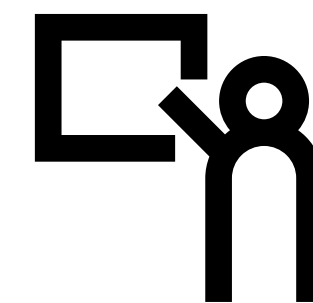
**\$40.2 million**  
invested in **employee training and development**, averaging \$1,059 per employee



**37%** of Manulife's **AVP-level roles** are held by **women**



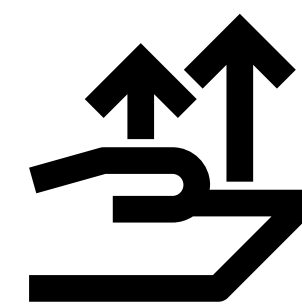
**22,099 hours**  
**volunteered** by  
Manulife employees



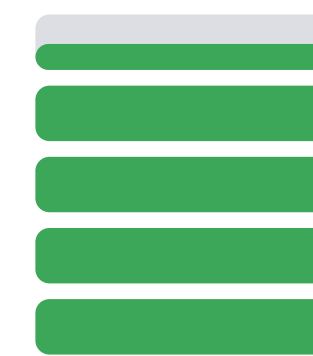
**25.7 hours**  
**spent in training** per employee



**32%** of Manulife's **VP-level roles and above** are held by **women**



**+20** Manulife's **NPS score**  
and we led, or were on par with,  
industry peers in **11 of the 16**  
business lines where we benchmark



Employee engagement score  
**4.41 out of 5**  
Top quartile employee  
engagement ranking amongst  
financial services peers

# Community Investment

## Summary of Our Approach

- Our Community Investment initiatives and partnerships aim to foster healthier, more equitable communities across the three interconnected strategic focus areas of our Impact Agenda.
- We focus on programmatic funding, research funding, and providing resiliency and recovery services in the face of natural disasters.
- Our strategy prioritizes funding organizations that share our values and utilize data to measure and report on their progress and impact.
- Direct funding, employee giving, and volunteering is part of our strategy, which leverages skills-based activities and matching programs.

➔ **Learn more: [Community Investment](#)**

## Our strategy prioritizes investments to organizations that:

- Share a commitment to diversity, equity, and inclusion, particularly through representative leadership and targeted programming to historically underserved communities.
- Drive community-centered solutions, working collaboratively across sectors, aimed at innovative and scalable initiatives.
- Demonstrate a holistic approach to the many aspects of well-being, including mental health, to improve and sustain positive outcomes over the long-term.
- Utilize data to measure impact with key performance indicators and a commitment to reporting on progress.

In 2022, Manulife’s total Community Investment contribution was \$25.1 million, with employees donating over \$4.8 million additionally. Through Manulife’s support of various community organizations and their respective programs, we helped to enable more than \$15 million of stakeholder giving across the globe.



Manulife is a member of the **Business for Societal Impact (B4SI) network**. B4SI is the global standard in measuring and managing corporate social impact. We align our Community Investment disclosures to its framework ensuring that we measure and report on the impact of our contributions with global best practices.

## Our Partnerships

The following partnerships spotlight just a few of the many organizations we supported and collaborated with globally during the year.

### Empower Sustained Health and Well-being

In alignment with our new approach, we aim to *empower sustained health and well-being* by increasing accessibility to easier and healthier behaviour choices through our Community Investments. This is a natural extension of our life insurance business as we hope to improve how well and long people live.

### World Central Kitchen

During the year, we formalized our disaster response strategy through a multi-year partnership with [World Central Kitchen](#) (WCK), a non-profit dedicated to providing meals to people impacted by humanitarian, climate, and community crises worldwide. WCK’s unique model for disaster response not only helps communities around the world immediately recover from disasters by serving freshly made, nourishing meals, but they also help invest in local economies through community-centered solutions that are critical to sustained health and well-being. In 2022, WCK’s Relief Team mobilized with urgency to serve more than 185 million meals in Ukraine and another 10 million meals in response to emergencies in more than 30 other countries.

### Canadian Roots Exchange

Manulife has partnered with [Canadian Roots Exchange](#), a Canadian Indigenous youth-led organization that collaborates with communities to provide programs, grants, and opportunities to strengthen and amplify the voices of Indigenous youth. Through this partnership, we support the CREation Community Grants Program, a multi-level funding program providing grants to strengths-based, community-focused, and youth-led projects. CREation aims to empower and support Indigenous youth, increasing available resources for projects and groups that seek to create impactful community change and boost the wellness, resiliency, and engagement of Indigenous youth. During the year, we empowered 32 youth participants to lead projects in their communities and participate in four capacity building workshops, which focused on a variety of topics to foster project development and management.

Cash Contributions

**\$22.1 million**

Management Costs

**\$2.4 million**

Value of During Work Hours Volunteering

**\$0.5 million**

Total Community Investment

**\$25.1 million**

**Community Investment**

Volunteering and Giving

Financial Inclusion

Diversity, Equity, and Inclusion

Talent Management

Wellness, Health, and Safety

Customer Experience and Well-being

**The Manulife Health Resilience Program for the Elderly**

Manulife Hong Kong partnered with [Christian Family Service Centre](#) (CFSC) to launch a healthcare program with flexible end-to-end medical services.

The Manulife Health Resilience Program for the Elderly aims to provide 1,000 online medical consultations for seniors with limited mobility and family support in the first phase, with end-to-end support to help them rebuild their physical and mental health from home. Assisted by the CFSC project team with digital devices, the program offers free online consultations with Chinese and Western medical practitioners. After the consultations, CFSC project staff help with the delivery of prescriptions. In 2022, 531 sessions were delivered to seniors through this program.

 **Drive Inclusive Economic Opportunity**

We work to *drive inclusive economic opportunities* by partnering with organizations to make financial solutions accessible to everyone through financial capability programs, and by providing targeted employment initiatives to help individuals develop and sustain healthier habits to drive financial security.

**MLK Scholars**

Since the [MLK Scholars program](#) inception in 2008, John Hancock has invested over US\$15 million to provide jobs and professional development opportunities to over 6,000 youth. In addition to driving access to inclusive economic opportunity for the youth participants, the program also benefits non-profit organizations that employ the Scholars by providing important

staffing support to help organizations deliver on their missions and drive positive change in local neighbourhoods. In 2022, John Hancock funded 570 jobs at non-profits, hired 22 Scholars within the company, and brought back 14 program alumni as John Hancock college interns. In addition to meaningful employment opportunities, MLK Scholars also participate in online financial capability courses to augment their experience. Scholars value the combination of employment and financial literacy: In 2022, 87% of participants reported that receiving a regular paycheck has changed the way they think about managing their money. 84% also agree that they feel more prepared to manage their money than they did before starting their summer jobs.

**Peso Smart**

Manulife expanded its [Peso Smart](#) financial literacy program with new sessions, holding a four-part virtual Peso Smart University class attended by 300 university students in the Philippines who learned about personal finances, investments, unit investment trust funds (UITFs), and explored what a career as a financial advisor could look like. The program was also extended to provide financial lessons to 50 female heads of household from two communities in the Philippines. As part of this program, these women gathered weekly for two-hour huddles with a financial expert to discuss, share, and analyze outputs. Additionally, to further promote financial education through creative storytelling, a new iteration of the Manulife Peso Smart storybook series was made available to download for free on the company's website. The latest installment of the storybook was created in collaboration with students of University of Santo Tomas, who attended Peso Smart University classes.

 **Accelerate a Sustainable Future**

Alongside our partners, we are *accelerating a sustainable future* by supporting the transition to a low carbon economy and are also leaning into nature-based solutions to protect, enhance access to, and increase stewardship of natural resources and ecosystems. Through these efforts, we hope to sustain our planet's health and the well-being of local communities that depend on our planet for their livelihood.

**National Geographic Society**

Manulife and National Geographic Society launched a global partnership to deliver on an ambitious project to safeguard several UNESCO World Heritage Sites from the impact of climate change and protect the physical and financial well-being of the communities that depend on those sites for their livelihood. Led by National Geographic

Explorer Victoria Herrmann, the project, Preserving Legacies: A Future for our Past, aims to develop

the capacity of communities in and around these landmarks to visualize climate impacts on a local scale and equip them with scientifically proven methods to mitigate these effects and conserve the sites. There are ten heritage sites included in the project.

**1t.org**

During the year, Manulife made a pledge to 1t.org, which is the World Economic Forum's Trillion Trees platform, that serves the global movement to conserve, restore and grow a trillion trees by 2030, in support of the UN Decade on Ecosystem Restoration. As part of the pledge, our efforts will strive to accelerate the pace of innovation around amplifying the carbon removal benefits of forests and will take shape in the form of a partnership to share knowledge, tools, and experience, and support of local communities, nature, and biodiversity. We have also committed to scaling Manulife Investment Management's carbon- focused forestry investments and sequestration of CO<sub>2</sub> from the atmosphere through the forests we manage over a period of five years.



Photo source: [www.manulife.com/en/news/manulife-partners-with-national-geographic-society-to-safeguard-world-heritage-sites-from-climate-change-impacts.html](http://www.manulife.com/en/news/manulife-partners-with-national-geographic-society-to-safeguard-world-heritage-sites-from-climate-change-impacts.html)



**Social**

Community Investment

**Volunteering and Giving**

Financial Inclusion

Diversity, Equity, and Inclusion

Talent Management

Wellness, Health, and Safety

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# Volunteering and Giving

Across our organization, our employees contributed to their communities in meaningful ways throughout the year, deepening our collective social impact, and building their skills and networks. Manulife continued to provide paid time off for our global team to volunteer at community organizations, and incentivized donations through a corporate matching gifts program, providing up to \$4,000 in match funds per employee in select markets.



## Season of Giving

In December, Manulife launched two annual campaigns in tandem. These campaigns encouraged Manulife employees to give back to the communities in which we all live and operate through employee giving and by volunteering their time:

- **Acts of Kindness:** For the third consecutive year, Manulife gave each member of the global team the equivalent of \$50 to perform an act of kindness in their communities.
- **Giving Campaign:** In addition to our annual campaign that encourages employees to make donations and volunteer their time, this year we hosted a fireside chat with Kiva, one of our community partner organizations that offers crowdfunded microloans to underserved borrowers.

## Remembering and Honouring our Fallen Heroes

Once again, employees in Toronto and Boston volunteered to honour Remembrance Day in Canada and Memorial Day in the U.S.

For the 8<sup>th</sup> consecutive year, more than 12,000 flags were planted on the front lawn of Manulife headquarters in Toronto, honouring members of the Canadian Armed Forces who have fallen in service. For the 13<sup>th</sup> consecutive year, John Hancock was the lead supporter of the [Massachusetts Military Heroes Fund](#)'s garden of flags on Boston Common to honour Memorial Day. A team of John Hancock volunteers, including members of its military Employee Resource Group, joined hundreds of other volunteers to plant more than 37,000 flags,

each representing a brave local service member who made the ultimate sacrifice.

In addition, Manulife Canada supports the [Canadian Armed Forces' Soldier On](#) program, contributing to the recovery of ill and injured women soldiers and veterans through grants towards improved health outcomes. In 2022, Manulife's contributions helped 130 Soldier On members through the program.

## Running with Purpose

Manulife has been the principal sponsor of the Angkor Wat International Half Marathon since 2015, helping raise funds in support of the Angkor Hospital for Children. The hospital is pioneering specialty treatments and care rarely available elsewhere in Cambodia. This year, Manulife donated US\$110,000 to the hospital, bringing total donations since the beginning of our sponsorship to over US\$585,000. In addition, our employees were an integral part in helping fundraise for the 2022 marathon, raising over US\$44,760 for the hospital, and many also signed up to run in the race. Following the race, employee runners and local Manulife leaders participated in a volunteer activity to provide clean water to local communities in Siem Reap.

John Hancock has served as the Principal Sponsor of the Boston Marathon® since 1986, promoting healthy living with up to 30,000 runners each year, from around the world. In addition, through the John Hancock Boston Marathon Non-Profit Program, Manulife employees and non-profit runners utilizing John Hancock's bibs raised US \$11.7 million in 2022 — alongside participants in the B.A.A.'s Official Charity Program who raised another US \$20.2 million. The US \$32 million

raised through the two programs brings the combined total raised for charity to more than US\$460 million since 1989.



**22,099 hours** volunteered by employees

**14,117 hours** during work hours

**7,982 hours** outside of work

**\$4.8 million** donated by employees

# Financial Inclusion

## Summary of Our Approach

- Access to financial products and services can improve financial literacy and planning, and can lay the foundation for economic prosperity.
- We promote financial inclusion through our community investment initiatives, partnerships, and financial education programs.
- We are bridging the gap through specialized products and services that make our offerings more accessible including innovative digital tools and platforms such as Manulife Shop.

[Learn more: \*\*Financial Inclusion\*\*](#)

Access to financial products and services, and improvements in financial literacy, can have a profound impact on people's lives and their ability to prepare for their future.

When we use our expertise and resources to advance financial inclusion and literacy, empowering individuals, families and whole communities with the tools and skills they may need, we lay the foundation for economic prosperity that benefits us all. We promote financial inclusion through community investment initiatives, as well as a number of specialized products and services that make our offerings more accessible.

## Increasing Inclusivity of Products and Services

Manulife serves more than 5.78 million customers within our emerging markets businesses in Cambodia, Indonesia, India, Malaysia, Myanmar, the Philippines, and Vietnam. As part of our goal to build an inclusive and equitable society, we provide access to finance to traditionally underserved populations through an increasing number of specialized products and services that make our offerings more accessible.

## Increasing Insurance Accessibility in the Philippines

Manulife partnered with Kwik.insure, an online insurance marketplace, to make insurance accessible to more Filipinos through its HealthFlex, FutureBoost, and Horizons plans, helping them financially secure their future. As the first global life insurance brand on Kwik.insure, we are focused on making our products more digitally and financially accessible to meet the evolving priorities and expectations of our customers. Customers can access customizable life and health insurance plans based on their needs, priorities, and budget through the following Manulife products available on Kwik.insure:

- Manulife FutureBoost, an affordable life insurance plan with no premium charges, gives Filipinos potential income from bonuses ranging from 0.5% to 5%, plus access to expertly managed global and local investment funds.

- Manulife HealthFlex, a health insurance plan that allows customers to pay only for the health coverage they need, has four base plans covering up to 112 critical illnesses from any age until they are 100 years old.
- Manulife Horizons provides comprehensive coverage for our customers and their families and offers investment opportunities that allow them to grow their funds.

Manulife Philippines has lowered the minimum premium for its one-year term product, making it more affordable. Customers can renew this plan on an annual basis. Manulife Philippines has also lowered the minimum premium for its five-year term product, React5, which comes with an accidental Death Benefit providing more coverage for customers.

## Maximizing Health Options in Vietnam

Max – Sống Khỏe (Max – Health) provides affordable and easy-to-understand health insurance protection and timely issuance. Available online via Manulife Vietnam's eCommerce platform, Manulife Shop is the first in-market solution helping close the health protection gap, further changing the relationship and perception that customers have with their insurers. Manulife Shop allows Vietnamese to purchase insurance products online at their own convenience.

## Addressing Critical Illness in Hong Kong

Manulife Hong Kong offers an affordable critical illness insurance product, ManuVital Care, that provides essential coverage against up to 112 critical illnesses at an affordable rate. With its low and guaranteed premiums, this product makes health protection accessible to more people and provides flexibility for customers to convert to a more comprehensive plan in the future.

## Supporting Vietnamese Parents

In 2020, Manulife Vietnam entered a five-year partnership with Cộng Đồng Bầu, a leading online community for expectant and new mothers, to empower families to take control of their financial future. With more than one million babies born in Vietnam each year, the partnership aims to help empower these families with the right financial knowledge and advice so they can feel prepared and in control of their financial futures.

## Investing in Young Vietnamese Adults

Khởi Đầu Bảo Vệ (My Starter Protection) in Vietnam is our first digital insurance product, offering younger segments of the population access to life insurance, reflecting our commitment to financial inclusion for customers of all ages. Available on Manulife Vietnam's Manulife Shop, this product offers a more accessible, hassle-free way for a younger segment of the population to purchase life insurance.

## Enhancing ManulifeMOVE

ManulifeMOVE integrates activity-tracking and insurance solutions to motivate healthy habits among our customers. The flagship program, delivered through the proprietary MOVE app, is a pioneer in its commitment to continue investing in products as well as digital transformation to simplify the customer experience as well as increase access to insurance services. During the year, we integrated features of management and access to insurance policy information into the product so that customers can conveniently monitor their insurance policies and quickly access digital solutions. For eligible users in Vietnam, customers can access the hospital fee guarantee card and locate the nearest Manulife-affiliated medical facility by GPS.

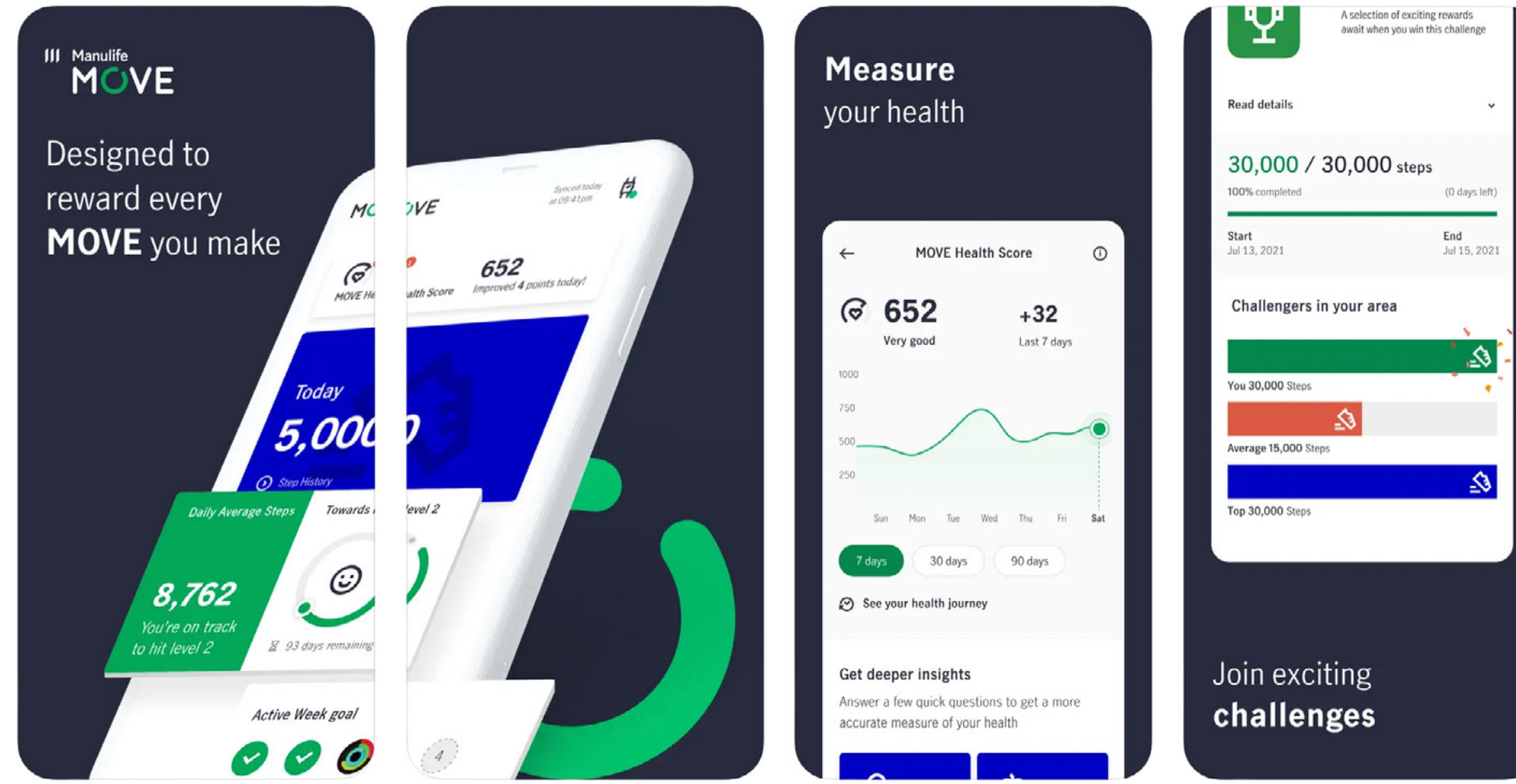


Photo source: <https://apps.apple.com/us/app/manulifemove/id1031487052>

## Serving Americans with Diabetes

John Hancock Aspire™ with Vitality, is the first-of-its-kind life insurance product designed specifically for Americans with diabetes. Launched in 2019 through a collaboration with Verily and Onduo, John Hancock Aspire™ is helping a historically underserved population within the U.S. secure their financial future, with the benefits of a comprehensive diabetes management program. Approximately 20 million Americans are living with either type 1 or type 2 diabetes, and half either don't have life insurance or do not have enough life insurance.

## Insuring Customers with HIV in Hong Kong and Macau

Manulife Hong Kong and Macau announced the offering of individual life insurance coverage to customers who are diagnosed with Human Immunodeficiency Virus (HIV), ensuring financial security for their loved ones and families as part of our mission to modernize traditional underwriting policies and increase the accessibility of life insurance products and services for customers. We also expanded the definition of family as beneficiaries for policies and accept same-sex partners to purchase life insurance policies for their loved ones where insurable interest exists.

## Microinsurance

In 2021, Manulife Indonesia launched Asuransi Aman Bersama Adira Finance (AMANDIRA), a simple and affordable term life insurance option for Adira Multi-Finance and Bank Danamon customers and their families. In 2022, Manulife launched the Sharia version, AMANDIRA Syariah, which is managed according to sharia principles to cater to the needs of Adira Finance customers, especially in Aceh Sumatra.

In 2022, Manulife launched the first digital bancassurance product, MiFirst Life Protector (MiFLIP), available through the DBS digibank application. This aligns with our commitment to deliver continuous innovation and ease of services to reach out to as many customers as possible, especially millennials, with a digital solution.

## Supporting Business Education in Cambodia

Manulife Cambodia, in partnership with Sathapana Bank, a leading commercial bank in Cambodia, Khmer Enterprise, and Credit Guarantee Corporation of Cambodia (CGCC), successfully launched the first cohort of I'm Financially Literate (IFL) to provide non-financial services to SMEs, MSMEs, and women in business. The material of the course is designed to solve challenges faced by business owners including a lack of business acumen and financial literacy skills.

## Investing in Financial Opportunity and Access

As part of our approach to our Community Investment, we focus on the following areas to support and enable global access to financial products and services. We aim to:

<b>Enable Behaviour/Attitude Changes</b>	<ul style="list-style-type: none"> <li>• Increase awareness and action to set short-term and long-term financial goals that meet individual needs and expectations</li> <li>• Empower individuals to design and pursue career pathways</li> </ul>
<b>Increase Skills/Personal Effectiveness</b>	<ul style="list-style-type: none"> <li>• Increase an individual's ability to manage personal finances and/or help them gain new qualifications/skills</li> </ul>
<b>Improve Quality of Life/Well-being</b>	<ul style="list-style-type: none"> <li>• Improve a sense of belonging, resilience, and greater social connections</li> <li>• Enable individuals to maintain meaningful employment in their industry of choice, increase their earning potential, and/or protect their financial security</li> </ul>

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Customer Experience and Well-being

## Governance

## Performance Data



In addition to the community investments highlighted in alignment to our second Impact Agenda pillar [here](#), we supported the following projects during the year:

### New Beginnings Support Program

Manulife continues to partner with [New Beginnings Support Program](#) in Toronto, an organization that helps restructure the lives of low-income and underserved women by helping them transition out of poverty, develop employment skills, and work towards obtaining a certificate from Humber College in Business Office Technology. In 2022, Manulife's support helped 30 women begin this program and Manulife employees led three financial empowerment sessions for program participants.

### Windmill Microlending

The Manulife Loan Fund for Finance provides loan capital directly into the hands of newcomers eager to restart their careers in a finance-related field across Canada, with a specific focus in Ontario, British Columbia, Québec, and Nova Scotia. With an average loan amount of \$11,000, Manulife provided 16 individuals with funds to support direct education costs, including books, tuition, and professional development, as well as the costs

of living, allowing clients to focus on studies and accreditation. On average, [Windmill Microlending](#) clients see a 3.5x increase in income and a drop in unemployment from 41% to 8%. Our partnership is helping convert the potential of newcomers into prosperity and creating a stronger economy and diversified labour force.

### LEAP | Pecaut Centre for Social Impact – The Equity Opportunity

*The Equity Opportunity* seeks to build an equitable and resilient future for women in Canada, particularly those from equity-deserving groups. With LEAP, we are scaling innovative, high-impact solutions that address the long-standing barriers preventing women from achieving full economic well-being and that expand economic opportunities. Together, we are providing the following cohort of social ventures with strategic and operational support and leadership coaching, to expand their services and help more women attain financial resilience: The Forum, Keepers of the Circle, NPower Canada, Newcomer Women's Services Toronto, Up With Women, and WoodGreen Community Services. This work comes on the heels of LEAP's report "Advancing Women's Economic Well-Being" published in August 2022.

### Manulife DO IT

In Indonesia, Manulife continued its commitment to building financial awareness of Indonesians through an educational program that combines the entertainment approach (edutainment). The program, titled Do It, was streamed virtually on YouTube and IG Live and produced a total of 12 episodes in 2022.

### Manulife Bank

In 2022, Manulife Bank introduced auto-deposit, enabling customers to send and receive Interac<sup>®14</sup> eTransfer transactions without using a security question. This makes it easier for customers to send and receive money. As part of our disaster response, Manulife Bank offered a financial relief program for victims of Hurricane Fiona in Atlantic Canada. This allowed impacted customers to defer loan payments and access locked-in money.

### EVERFI – Making Sustainable and Impactful Financial Choices

Manulife Investment Management launched a new strategic partnership with EVERFI, a leading education technology innovator that designs scalable solutions to empower organizations to instill knowledge on critical topics. Through this strategic partnership, Manulife Investment Management will become the global founding partner of a first-of-its-kind sustainable investing education initiative, marking a pivotal step for Manulife's Impact Agenda in support of our efforts to drive inclusive economic opportunity and accelerate a sustainable future. We intend to make the program available to high school students and adults in North America, Europe, and Asia during 2023, through schools and a publicly accessible microsite.

The self-guided, interactive lessons help individuals gain a better understanding of what investing is in general with a focus on responsible decision-making that aligns to personal values. We hope to reach more than 1 million learners within two years.

### Manulife Business Processing Services (MBPS) Actuarial Academy

The Actuarial career path, consistently ranked as a top option for university graduates, is not a well known profession within student circles and involves 7–10 years of post-graduate learning to become a fully qualified actuary. Within our emerging markets businesses, where insurance penetration tends to be lower, these can collectively become barriers to entry, making the career path less accessible to students. The MBPS Actuarial Academy was established in 2016 as a key initiative to support and accelerate the development of local actuarial talent in the Philippines. It aims to spread awareness of the actuarial career path, create tools and guided learning opportunities to empower students on the first step of their actuarial journey, offer financial support through exam sponsorship, and provide employment opportunities to graduates. In addition to prepared materials, guided videos, and graded practice problem sets, the Academy offers live virtual learning sessions taught on weekends by volunteers from within the MBPS Actuarial department, many of whom are former Academy graduates themselves.

# Diversity, Equity, and Inclusion

## Summary of Our Approach

- Our Diversity, Equity, and Inclusion (DEI) culture aims to inspire employees to bring their authentic self to work, enabling them to provide high-quality service to our customers, business partners, and communities.
- We aspire to create an inclusive culture and brand with diverse talent that drives high-performance.
- Our Global DEI Executive Council, chaired by our CEO and CHRO, guides, supports, and facilitates the implementation of our global DEI strategy.

[Learn more: DEI](#)

At Manulife, we live by our mission to make decisions easier and lives better. Foundational to our success is ensuring that all our employees, customers, and stakeholders are respected, feel connected to each other and our mission and are treated with equity and dignity, until each one of us belongs.

Our global Diversity, Equity, and Inclusion (DEI) strategy is spearheaded by our Global Chief Diversity, Equity, and Inclusion Officer, the Global DEI team, and our Global DEI Council, who collectively guide, support, and facilitate its implementation. Chaired by our Chief Executive Officer and Chief Human Resources Officer, the Global DEI Council is made up of executive leaders who are driving business impact through our DEI

strategy and play a key role representing business functions across the organization, with specific DEI initiatives applicable to their respective functions. Council members meet as a group on a quarterly basis and act as advocates in their respective divisions and functions.

Accountability for diversity, equity, and inclusion practices are included within the performance goals for all people leaders. Leadership and business accountability for diversity is measured through dashboards and scorecards, which are reviewed on a quarterly basis by the CEO and executive leadership team.

In Malaysia, Indonesia, and Singapore, we have launched local DEI Councils and appointed DEI Leads to further drive the inclusion agenda within the company and amongst their communities. These councils encourage intersectional participation and provide greater targeted initiatives supporting various minority communities.

## Our Workplace

When people feel like they belong, they bring their best selves to work, which, in turn, is reflected in our processes, products, and services. Creating safe spaces for people to share their personal stories and have the necessary — but sometimes uncomfortable — conversations about their various lived experiences is a big part of how we are building a sense of community and belonging.

In 2022, we participated in several affinity moments to help connect our people to key moments in time

that generate awareness and celebrate the diversity of our colleagues and the community:

- May** We celebrated trailblazing Asian Canadian leaders during Asian Heritage Month to inspire future generations of Asian Canadian leaders, which made national news.
- June** Manulife observed Indigenous History Month and National Indigenous People's Day, recognizing the rights, histories, and extraordinary achievements of Indigenous peoples in Canada.  
  
We celebrated Pride internally for the first time in Singapore, Myanmar, and Cambodia.
- Sept.** We observed National Day for Truth and Reconciliation as an official holiday, giving Canadian employees the opportunity to commemorate Indigenous history and culture.
- Oct.** Our GWA Hong Kong chapter encouraged all employees to wear pink and attend a breast health education seminar and organized a bake sale and donation drive to raise awareness and funds for the Hong Kong Breast Cancer Foundation.  
  
In Asia, in observance of Global Diversity Month, we also organized for the first time a “Wear Your Culture” day where employees showcased their traditional outfits at work across all our markets to celebrate our diverse and unique cultures.
- Nov.** We observed Transgender Awareness Week and raised the flag at our Halifax and Toronto offices to increase visibility and honour those within the Transgender community.

At our Canada segment headquarters in Waterloo, we began creating a dedicated Legacy Space through the Gord Downie & Chanie Wenjack Fund. The space aims to provide a safe and secure place to build awareness of Indigenous history and reconciliation and will open in June 2023. This is our first Legacy Space in Canada, and we are currently considering plans to open similar spaces in other Canadian offices.

## Our Workplace Goals

**37% achieved**

out of 40% goal of **women representation at the AVP level by 2022**

**32% achieved**

out of the 32% goal of **women representation at the VP+ level by 2022**

**0.8% achieved**

out of our 1% goal to increase **disability representation within Asia**

We updated our targets in 2023 to achieve **34%** of women representation at the VP+ level by 2025 and **1.5%** of Asia disability



## Our Workforce

For us, DEI is personal. It is not a tick-box exercise or bullet points on a slide. Rather, it is about people being their best and authentic selves, sharing their humanity, contributing their talents, and driving progress and change that helps each other and our business. We are committed to building a culture within our workplace where everyone thrives and is deeply aware of the role they can play in being an ally and supporting DEI efforts across our offices globally.

### Employee Resource Groups

Employee Resource Groups (ERGs) play an important role in implementing our DEI strategy, providing valuable support and advice, creating community connections within our global organization, and raising awareness of issues, challenges, and initiatives. They provide insight to DEI issues that are top of mind for employees, identify opportunities where we can play a stronger role, create safe spaces for employees, and hold us accountable to our DEI commitments. They are voluntary, employee-led networks that provide members meaningful, personal, and professional development opportunities and are fundamental to achieving an inclusive and equitable workplace.

In 2022, we announced a new program in **Podium** to recognize ERG work being done by our employees. Additionally, our ERGs increased and expanded their collaboration with each other to demonstrate the intersectionality that exists for all of us. For the first time since 2019, our ERGs with chapters in Toronto came together for an in-person summer social event at our global headquarters. Over 400 employees attended and networked with one another, built community, and gained new members.

Globally, all ERG leads and chairs are advised to incorporate the work that they do within their ERGs into their annual performance objectives, which carries a 10% weightage to their performance

appraisals. This helped to put focus as well as recognition of their efforts by their managers.

This year our ERGs hosted a variety of events and launched initiatives that impact our DEI agenda/strategy:

- **Sustainability Hub ERG** launched in 2022, aimed at driving employee-led engagement initiatives such as sustainability-focused educational programs and volunteer events.
- **Ability ERG** organized regular workshops throughout the year to support employees and provide practical training on disability inclusion, including a Sensitivity Training focused on conducting interviews with jobseekers with disabilities as well as building a disability-inclusive workplace culture. The Ability ERG chapter in MBPS Philippines rolled out an Ability Ambassador program where disabled members and their allies support disabled colleagues through mentoring and coaching.
- **GenerationNEXT** Toronto and Boston, aimed at bridging the generation gap in our workplace and mobilizing the next generation of leaders, partnered to host the Own Your Future Keynote Sessions, which featured a session with three leaders sharing their learnings on career development and a fireside chat with Manulife Canada’s President & CEO. The Boston chapter hosted Dr. Joseph Coughlin of the MIT AgeLab on navigating five-plus generations in the workplace.
- **Valuing the Inclusion of Black Experiences (VIBE)** Canada hosted the Redefining Beauty and Professionalism Fireside Chat and Q&A, which helped to engage members in a reflective conversation about beauty, race, and the experience of Black women.
- **Indigenous Peoples and Their Allies (IPTA)** hosted Economic Reconciliation for International Day of Reconciliation to recognize the achievements and contributions that Indigenous

people make to improve world issues such as environmental protection and economic growth.

- **LatinX and Military Employee Community (MiLE)** hosted the Overcoming Doubt: Imposter Syndrome fireside chat with Lt. Colonel Olga, who shared learnings that have helped her become successful in a profession dominated by men.
- **LatinX** collaborated with **MiLE** and the **Association of Multicultural Professionals (AMP)** to host several events throughout LatinX Heritage Month, which honoured past generations who immigrated from Mexico, the Caribbean, and Central and South America to U.S. and Canada.
- **MiLE, VIBE US**, and the **AMP** honoured Veterans and Remembrance Day by hosting a fireside chat with special guest Brigadier General Enoch Woodhouse, who is one of the few surviving members of the famed Tuskegee Airmen, the first all-Black military aviators in the U.S. Army Air Corps.
- **Family ERG** in North America kicked off their first Friendly Conversations series, which included back to school tips providing guidance and resources for supporting children with anxiety. They also

offered events on social media use and misuse and supporting the caregiver and they partnered with LatinX on raising diversity in your home.

- **EMBRACE ERG**, which is focused on bridging race, culture, and ethnicity, sponsored a Manulife team to take part in the 2022 Hong Kong 7s Football World Cup Tournament to raise funds for the Love 21 Foundation, a charity empowering the Down syndrome and autistic community through sport, nutrition, and holistic support programs.
- **Professionals Reaching Out for Unity and Diversity (PROUD)** promotes an inclusive workplace for LGBTQ+ employees in order to promote their full and unencumbered contribution to Manulife. PROUD ERGs celebrated PRIDE Month with a number of events to engage colleagues, raise awareness and have dialogue to be ally's and create safe spaces. Observed Transgender Day of Remembrance and Awareness week, raised the Transgender Flag at Global HQ. In addition, in 2022, a number of events were held throughout the year where the PROUD ERG collaborated with other ERGs to demonstrate intersectionality of topics and issues impacting the LGBTQ+ community.

### Workforce representation in Asia in 2022<sup>59</sup>

Ethnicities	Mainland China	Hong Kong	Malaysia	Myanmar	Singapore	Vietnam	Philippines
Chinese	87%	38%	68%	7%	78%	1%	1%
Indian	-	2%	8%	1%	9%	0.2%	0.03%
Filipino	-	0.2%	-	-	2%	0.1%	52%
Indo-China <sup>60</sup>	0.1%	0.1%	-	77%	1%	68%	0.01%
Malay/Indo	-	-	21%	-	1%	-	0.02%
North Asian <sup>61</sup>	-	0.3%	-	-	-	0.1%	0.05%
Other Asians	0.8%	1%	2%	2%	2%	3%	3%
White	0.1%	2%	-	1%	3%	3%	0.01%

<sup>59</sup> Includes markets where data availability is 40% or more self-identified

<sup>60</sup> Indo-China includes major races of Vietnam, Cambodia and Myanmar descent

<sup>61</sup> North Asia includes Japanese and Korean descent

**Employee benefits**

Over recent years, Manulife has made the following expansions and improvements to the benefits made available to our people:

- Gender Affirmation Treatment benefits are now offered to employees in Canada, the U.S., and Hong Kong.
- Free and confidential counseling and support for all Canadian and U.S. colleagues .
- Supporting employees to save for retirement through a defined contribution pension plan, along with optional enrollment in the health benefits that extends into retirement with no age limit.
- Providing wellness consultant services for workstation setup assistance including for home office setups in light of a hybrid way of working announced with our RTO plan.
- Increasing maternal, paternal, pregnancy, or adoption leave in Canada, with birth mothers receiving up to 20 weeks and paternal and adoption leaves up to 12 weeks.
- Manulife provides adoption and surrogacy benefits that reimburses eligible Canadian-domiciled employees and U.S. employees for 100% of eligible expense to a maximum of \$20,000 per child adoption per year and \$20,000 per surrogacy per year.
- We also expanded our DEI benefits and mental health support in 2022 with Included Health. Included Health is the first comprehensive care navigation platform for the LGBTQ+ and racially and ethnically diverse communities specializing in connecting individuals and their dependents with provider connections, benefits and coverage support, navigation for trans colleagues, and more.

**Professional development and training**

We believe that all employees have a role to play in fostering a working environment where everyone feels accepted, valued, and included. By equipping our people at every level within the organization with the tools and knowledge needed to support positive DEI practices, we are better off as an organization. This commitment starts at the top with our leadership team members.

In 2022, we made the following enhancements to our professional development and training programs:

- Encouraged our Asia Leadership Team to dedicate five hours annually to support initiatives and activities for minority communities in the market in which they operate.
- Introduced a DEI Essentials Badge in our learning experience platform, Pursuit, allowing employees to participate in a course that demonstrates their commitment to and understanding of DEI.
- Reassigned the “The Inclusion Starts With You” module in Pursuit to all employees, which was previously only required to be completed by new hires.
- Launched the Indigenous Cultural Awareness Online Web Series module in Pursuit.
- Launched our first cross-cultural competencies learning program in Pursuit.
- Enhanced career mobility through the introduction of an Underwriting Development Program and an Internal Sales Support Training Program, allowing employees to gain valuable knowledge and access internal career opportunities.

Within our Asia segment, we launched a sponsorship program for diverse talent, which looks to provide opportunities for high potential talent from diverse representations across the organization to progress their career at Manulife.

We also provide high potential women leaders in Asia the opportunity to pursue board directorship accreditation through the University of Hong Kong. Through this initiative, we aim to increase the number of under-represented women in leadership by accelerating their path to promotion through leadership development, stretch assignments, and special projects.

**Diverse talent acquisition**

In 2022 in Asia, we set out to have Disability representation of 1% (visible or invisible disabilities). We achieved 0.8% at the end of 2022, and although we were just shy of achieving our goal, we believe we have set a strong foundation to continue increasing representation. For 2023, our goal is 1.5% disability representation to further encourage our managers to seek out diverse talent from the community.

Additionally, we implemented diverse candidate requirements to increase hiring and promotion rates at director-level and above roles. We provided training for hiring managers, talent acquisition

teams, and human resource business partners on inclusive recruitment and worked to mitigate unconscious bias in the hiring process through partnerships with community organizations focused on recruiting diverse candidates. We also implemented diverse hiring panels and target a 50% diverse candidate slate.

We look to increase representation of diverse talent, especially those living with disabilities. In Asia, we introduced a bursary support of up to 10 people for three years. As part of this effort, we have partnered with local recruitment firms to focus on sourcing PWD talent.

As of 2022, over **36,000 global employees** have completed the **Inclusive Language training** module as part of the Code of Business Conduct and Ethics annual training.





## 2022 Recognition and Awards



- **Canada's Top Diversity Employer**
- HR Asia's **Best Place to Work** Asia Awards in five markets
- PR Week Asia's **Best in Diversity, Equity and Inclusion**
- HKIHRM Excellence in **Diversity and Inclusion**
- **Best ERG Award for PROUD** in the Philippines by the Philippine Financial & Inter-Industry Pride (PFIP)
- Manulife Canada's President and CEO was selected to join the **Government of Canada's Business Disability Inclusion Council** led by the honourable Carla Qualtrough, Minister of Employment, Workforce Development and Disability Inclusion

## Our Business

In support of the communities in which we live and work, we aim to increase inclusivity through our products and service offerings. Accordingly, in 2022, we engaged in the following business activities:

- Hosted the first ever Supplier Diversity Fair where 100+ vendors learned about opportunities to do business with John Hancock. Through our diverse supplier program, we provide opportunities to businesses owned by minorities, women, LGBTQ+, persons with disabilities, veterans, and service-disabled veterans.
- Conducted an audit on marketing campaigns, customer experience, guidelines, and assets as part of a global pilot to integrate into the development of marketing campaigns. Our Global creative agency completed training on DEI considerations and processes within the scope of this work.

- Conducted regular reviews of self-identification (Self ID) data including gender, race/ethnicity, LGBTQ+, military, and disability metrics to measure our process and progress in increasing representation of these diversity dimensions.
- Amplified the importance of Self ID to the development of our employees and the operation of our business. We also enabled the sexual orientation field in our Self ID program for our markets in Asia, which is a big step to ensure everyone is welcome and can be their authentic selves at work.
- Introduced [Arria NLG Studio](#), the AI natural language generation tool, into our Manulife Investment Management digital ecosystem. Arria allows us to serve descriptive language beneath pictorials and graphs on our websites where additional commentary is necessary to fulfill and exceed accessibility requirements. This enables increased accessibility on our websites and marketing materials to users of all abilities across this new digital environment in which we live and do business.

## Our Community

### Supporting Marginalized Communities

For the first time since 2019, Manulife celebrated our LGBTQ+ community in person during Pride Month. We participated in the Toronto and Halifax Pride Parades. As an ally and advocate, across Manulife and John Hancock we represent #DayOfPink by sharing our humanity and standing in solidarity with the LGBTQ+ community in the continued fight for equality and acceptance.

Manulife was a Pink Screen Sponsor within Pink Dot HK, granting free tickets to a special screening of a classic 1997 film by renowned Hong Kong director, Wong Kar-Wai. The film 'Happy Together' tells the story of a gay couple from Hong Kong living in Argentina. Pink Dot HK has been the largest LGBTQ+ annual event in Hong Kong since 2014. It's a free-for-all fun carnival and concert for LGBTQ+ and their allies, families, friends, and employees in support of diversity and equality.

We are a member of the Canadian Council for Aboriginal Business (CCAB), which builds bridges between Aboriginal and non-Aboriginal peoples, businesses, and communities through diverse programming, providing tools, training, network building, major business awards, and national events. We also support Indigenous students through the Manulife Bursary for Indigenous Students at both Wilfrid Laurier University and Seneca College, and through Manulife internships for Indigenous students at Seneca College.

During the year we entered into partnerships, with Canadian Association of Black Insurance Professionals, and Black Professionals in Tech Network (BPTN). Together, they help over 50,000 Black professionals connect with one another, share resources, and grow their career.

### Jockey Club Sarah Roe School

Our ERG, Ability Hong Kong, partnered with the ESF Jockey Club Sarah Roe School, a special needs school in Hong Kong, to offer an in office vocational learning experience where students from the school spend a day a week at Manulife Hong Kong in practical and vocational style activities to help provide more independence through living skills, and community learning.

### Be Mass Competitive Program

Championed by the Chief Executive Officer of John Hancock, we started a new partnership with Be Mass Competitive Program, through which candidates receive specialized training and career-placement services leading to employment opportunities. During the year, John Hancock hosted five interns for 10-week internships, and extended full-time job offers to four candidates after the term of their internships.

### Malaysia Food & Charity Bazaar

Manulife Malaysia's ERG organized a 'Food & Charity Bazaar' to benefit MIASA, a mental illness NGO that provides counseling, assessments, support groups, and various programs to educate and empower patients to step bravely in their mental health recovery journey. They raised a total of RM5,372 and gave an in-kind donation of a large freezer and a large kitchen cabinet to help in preserving and storing food items for their beneficiaries.





**Social**

Community Investment

Volunteering and Giving

Financial Inclusion

**Diversity, Equity, and Inclusion**

Talent Management

Wellness, Health, and Safety

Customer Experience and Well-being



**The Zubin Foundation**

Located in Hong Kong, this partnership with the Zubin Foundation seeks to improve the lives of Hong Kong's ethnic minorities by reducing suffering and providing opportunities. Manulife sponsored the production of two new items to be included in their Zubin Cracker fundraising initiative. These two items were adapted from the winning designs of the submissions received for the "Inclusive Design Contest," which were submitted by diverse youth, and are plastic-free novelty gift items made by women from economically disadvantaged communities in India.

**KitaOneUs.Asia**

Manulife Indonesia and KitaOneUs.Asia partnered to provide an enriching experience to 70 children with hearing impairment and autism. Together, they released sea turtle hatchlings in Bali to support the sustainability of sea turtles' habitat and ecosystem in Indonesian seas as well as engaging the various local diverse communities in Indonesia.

**The Women's Foundation's #TeenForGood**

Manulife is the sole sponsor for The Women's Foundation's #TeenForGood initiative, which has been running since June 2022. Through this initiative, a cohort of 25 underprivileged secondary students are paired with TWF TEEN alumni to help facilitate their school learning, which was adversely impacted by the pandemic, with one-on-one online tutorial support.

**Trust for Public Land**

Trust for Public Land (TPL) is a national non-profit that works to connect everyone to the benefits and joys of the outdoors. Through our partnership with TPL, they will address community health, equity, and climate resilience by advancing five park projects as part of their Boston Parks for People initiative. These project sites will serve 30,000 local residents living within a 10-minute walk of these parks. Around 90% of the local

residents identify as people of colour and 36% reside in low-income households, making these sites all the more important to community health and well-being. During the year, we kicked off the planning process for an outdoor space at in Archdale Village, in partnership with the Boston Housing Authority.

**SENSational Foundation**

SENSational Foundation aims to increase the hiring of people with disabilities in Hong Kong through awareness raising amongst corporates. Manulife sponsored its annual fundraiser, Walk for Inclusion, a program that supports people with disabilities and their families as well as provides support and assistance to other organizations and the disability community in the aftermath of the COVID-19 pandemic.

**Indonesia Open University**

In recognition of the limited access to higher education people with disabilities have due to financial, cultural, and social constraints, Manulife Indonesia partnered with Indonesia Open University, a state-owned university that provides distance learning for higher education in Indonesia. The US\$15,000 donation will fund as many as 20 deaf and hard of hearing students with four-year degree scholarships. These students will also be offered internship as well as potential job opportunities within the company post-graduation.

**Diversity Champion Internship Program**

The Diversity Champion Internship Program is a unique cross-industry placement opportunity for university students from diverse backgrounds whether that be individuals with a disability, from an ethnic minority, or who are at a social or economic disadvantage. Jointly hosted by Herbert Smith Freehills, Hyatt Hotels International, and Manulife, this program was piloted in 2021 and it is the first cross-industry diversity internship program in Hong Kong.

**Supporting local NGOs**

Manulife Singapore partnered with the Singapore Council of Women's Shelter in supplying Antigen Rapid Test (ART) self-test kits during COVID-19 outbreaks in 2022. This shelter provides a safe temporary refuge for women and their children who are victims of family violence. We also had the opportunity to support Rainbow Community Kampuchea (RoCK), a Cambodian LGBTQ+-led non-governmental organization. The partial financial support contributed to their project, which creates awareness-raising tools and promotes the message of respect, diversity, equity, and inclusion practices in the family, workplace, and community.



**Pay Equity**

We are committed to gender and racial pay equity and have set annual goals to maintain average compensation for women and for racial minorities at 99% and 101% of compensation for males and non-minorities respectively. We take steps to identify and mitigate the risk of unconscious bias in our pay practices and decisions. We monitor developments in this area and routinely review our compensation programs to maintain compliance with legal and regulatory requirements.

We also regularly perform comparative pay analyses to ensure that pay for employees with comparable job grades, geographies, job families, performance levels, and experience is consistent. The results of our recent analysis showed that on average, at the end of 2022, the pay received by women globally was greater than 99% of that received by men, after accounting for factors such as role, performance, tenure, and geography.

Pay for performance	2022	2021	2020
<b>Pay received by women as a percentage of men (Global Workforce)</b>	<b>99%</b>	99%	99%
Vice President and Senior Officer	<b>96%</b>	95%	-
Assistant Vice President	<b>99%</b>	99%	-
Management and Professional	<b>99%</b>	99%	-
Individual Contributors	<b>100%</b>	100%	-
<b>Pay received by racially and ethnically diverse employees (North America)</b>	<b>100%</b>	100%	-
Vice President and Senior Officer	<b>96%</b>	95%	-
Assistant Vice President	<b>99%</b>	99%	-
Management and Professional	<b>99%</b>	99%	-
Individual Contributors	<b>100%</b>	100%	-

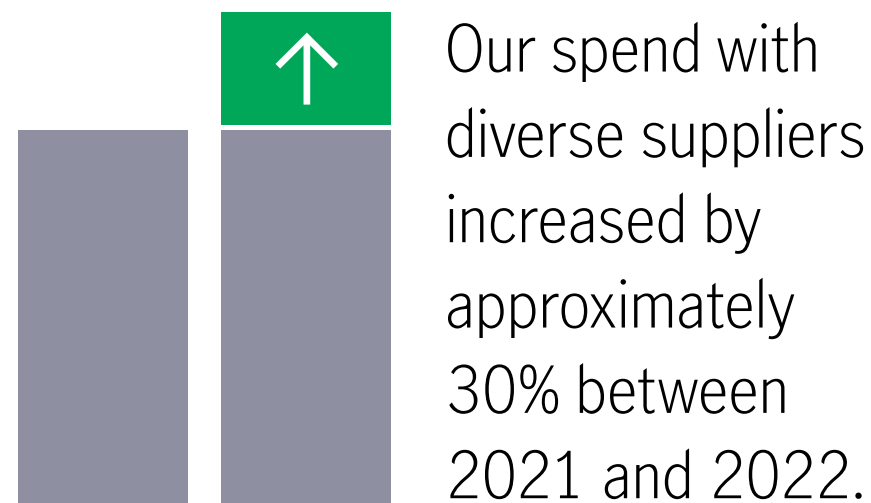
# Supplier Diversity

## Summary of Our Approach

- Ethical business practices and good governance are integral to our legacy and long-term success.
- We support businesses owned by unrepresented communities and minorities as part of an effort to reflect the diversity of the communities in which we operate.

➔ [Learn more: Supplier Diversity](#)

Manulife continues to support businesses owned by women, racially and ethnically diverse communities, persons who identify as LGBTQ+, veterans, persons with disabilities, and Indigenous Peoples as part of our efforts to reflect the diversity of the communities in which we operate.



The vendors who provide Manulife with services or products are provided with and are expected to adhere to the requirements of our Vendor Code of Conduct:

- Uphold all applicable laws and regulations at all times, including anti-money laundering, anti-trust, and anti-corruption laws.
- Comply with all privacy and non-disclosure agreements and ensure that all information and data provided by Manulife to a vendor remain confidential and secure.
- Respect the dignity and human rights of all workers and make a commitment to fair employment and labour practices, including providing protection against workplace harassment, abuse, discrimination, and violence.
- Comply with all applicable anti-slavery and human trafficking laws, statutes, regulations, and codes, and apply due diligence in their supply chain to ensure no slavery or human trafficking is involved.
- Provide healthy and safe workplaces for their employees and have practices in place to minimize or eliminate any hazards.
- Proactively minimize or mitigate the environmental impacts associated with their business activities through documented policies and procedures.

In 2022, we made the following enhancement to our approach:

- Formed a Supplier Diversity council made up of procurement team members.
- Added a directive to include at least one diverse supplier in every request for proposal (RFP) where possible.
- Held our first John Hancock Supplier Diversity Fair to provide an opportunity for diverse business and Manulife procurement professionals to network and connect with one another.
- Helped source suppliers to reduce our paper consumption in support of the organization's digitization efforts.
- Added two new corporate memberships to an existing nine corporate memberships: Women Business Enterprise Canada and Canada's 2SLGBTQ+ Chamber of Commerce.

## Achievements and Industry Involvement

- During the year we were named Pacesetter's Supplier Diversity Company of the Year runner-up.
- Manulife's Supplier Diversity Director mentored three diverse businesses and judged two contests.

Photo captured by our colleague: Nirmal Krishnasamy, Canada



**Social**

Community Investment

Volunteering and Giving

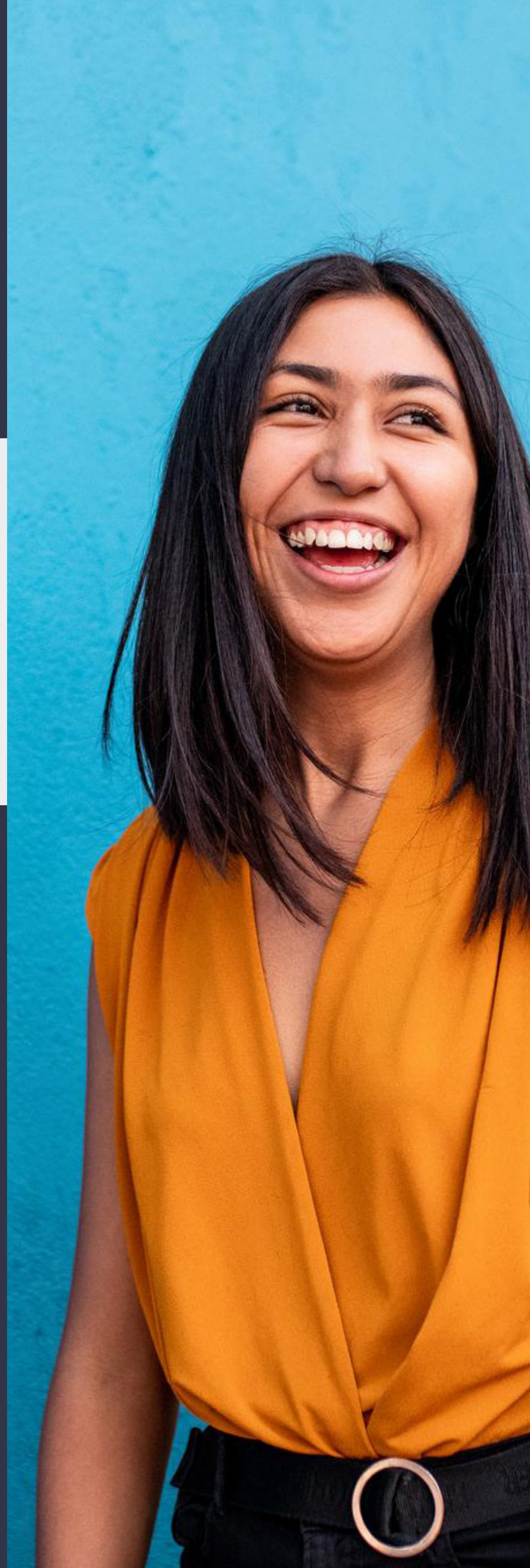
Financial Inclusion

Diversity, Equity, and Inclusion

**Talent Management**

Wellness, Health, and Safety

Customer Experience and Well-being



# Talent Management

## Talent Attraction and Retention

### Summary of Our Approach

- Our people are at the heart of our business, and we are focused on attracting, retaining, and developing a diverse network of talent.

Learn more: [Talent Management](#)

### Attracting a Diverse Talent Pool

In 2022, we focused on process refinement and creating capacity for our talent acquisition team to find the talent we need in an unprecedented labour market. We have invested in tools and resources that will enable us to match the diverse skills and career goals of a candidate to roles within the organization, allowing individuals to bring their best to work every day.

In 2022, we hired **over 12,000** people globally<sup>62</sup>

<sup>62</sup> This includes internal candidates that were hired in to a new role.

### Data Centred Team

We continue to prioritize data at the centre of everything we do to support the insights of our talent acquisition team. We remain focused on tracking sentiment through NPS scores of both candidates and hiring leaders. From a fit perspective, we monitor first-year turnover as a mechanism to track retention and quality of our hiring practices.

### Active Reporting

We regularly track our commitments through monthly reporting around enterprise key performance indicators including diverse candidate slates, diverse representation, and gender representation.

### Talent Review and Succession

Our annual talent review process helps us ensure we're effectively using strengths and capabilities across the business to make every day better for the customers and communities we serve. The process creates an understanding of our global leadership pipeline using consistent criteria with a focus on promoting inclusion, increasing diversity, and removing bias. We take a targeted action plan approach, with senior leadership accountability, which includes investing in leadership development, supporting internal mobility, and offering stretch experiences.

As part of the targeted action planning in 2022, we hosted several programs that supported leadership development for women leaders across the organization. 12 Directors participated in a year-long program that included coaching and support to achieve readiness to move to the next level. Across two cohorts, 16 Assistant Vice Presidents participated in a three-day, action-based program focused on transforming mindsets from working more to working differently. Lastly, three Vice Presidents participated in a three-day, immersive experience where they learned from and connected with external leaders to create a strong network to help them excel at the next level.

### Enterprise Leader Development Program

In recent years, we've taken steps to gain insights across our global leadership team. Building on our strategy, our values, and our Leadership DNA, in 2022 we launched an Enterprise Leader Development Initiative. The program enables us to optimize our leadership capability and impact in support of the transformation of our organization in pursuit of making lives better and decisions easier. 40 leaders completed the program by the end of 2022 and an additional 32 leaders are scheduled to undertake the program in 2023.

# Training and Development

## Summary of Our Approach

- We are committed to creating a workplace that offers employees unparalleled growth and engagement opportunities at every stage of their career.

Learn more: [Talent Management](#)

## Enhancing the Resiliency of Our Workforce

In recent years, we have acknowledged the wide-scale technological, political, and natural disruptions facing the financial services industry and the evolving needs of our workforce – all to

ensure that Manulife is ready for whatever today, or tomorrow, brings. As part of this effort, we revised our learning strategy in 2020 and embarked on a five-year change journey.

Advancing learning by upskilling our employees is instrumental to meeting external challenges and enabling high-performing teams. Through our learning strategy, people can own their career development and work to reach their full potential. As such, the strategy includes internal programs that build employees’ skills, a digital artificial intelligence-based interface for best-in-class learning experiences, and support for our employees’ educational plans, so they can move forward in their careers.



Photo captured by our colleague: Bryan Yap, Malaysia

Our vision is to provide a high-quality learning experience that empowers our employees to learn anytime, anywhere. Manulife focuses on offering employees learning opportunities to enable them to work more innovatively and collaboratively and to accelerate our ambition of being the most digital, customer-centric global company in our industry. We are committed to creating a workplace that offers employees unparalleled growth and engagement opportunities.

## Learning Transformation Strategy

Our learning transformation strategy includes:

- 1. Building integrated learning curriculums** and scalable learning offerings for all employees. We’re prioritizing frontline managers’ training to ensure we are building the right capabilities to drive future-focused thinking and leadership skills to coach and develop their team members within our functions and segments.
- 2. Collaborating with internal Human Resources Centres of Excellence (COEs)** to ensure integrated programs and communications planning. Integrating our values, DEI principles, and our newly designed Leadership Competence Framework (i.e., Manulife Leadership DNA) throughout all our learning designs and delivery is integral to our success.
- 3. Maximizing our investment in our learning technology ecosystem**, which included the launch of a cutting-edge, AI-powered Learning Experience Platform (LXP) integrated with our content providers (such as LinkedIn Learning and Pluralsight), a Learning Management System, and a Human Resources Information System (HRIS) to elevate employees’ learning experience. Among other functionalities, the LXP hosts learning, suggests courses for employees to enable their development plan, meets our compliance requirements, and generates data insights to measure learning effectiveness and ROI. We evaluate and progressively add integrations and capability to enhance the experience or retire the systems we no longer need to achieve efficiencies and cost savings.
- 4. Continuing to leverage our centralized governance structures** and decision-making models. With this infrastructure in place, we can prioritize the highest impact learning solutions and ensure they are designed and deployed in the most cost-efficient way.
- 5. Continuing to focus on critical future focused skills deployment and adoption** by leveraging external expertise, where necessary, to strengthen the skill sets of internal instructors and coaches to increase organizational proficiency and reduce reliance on external vendors.

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## Building Our Technical Acumen

As we transform our organization, we're developing strong digital and technical acumen, particularly among our 5,500 employees on our global technology teams. Since launching a global software engineering incubator program to upskill Manulife technologists on our new technical ecosystem, we've realized clear business benefits, including faster decision-making, reduced time for issues resolution and software selection, and lower recruiting costs. The hands-on, micro virtual instructor-led program runs concurrently across our global operations, with peer coaching to solve real business problems using core software engineering skills.

Given the program's success, we continue to offer mastery-level micro virtual course training in quality, performance, reliability, security, and cloud engineering skills. During a quantitative impact study, we introduced Engineering Productivity measures to qualify and quantify the impact of acquiring new skills and continuous learning and identified potential blockers to getting more value from this investment in skill development. We've found that the combination of engineering productivity, qualification measures, effective leadership, and data enables leaders and employees to have better conversations and actionable plans for skill and career advancement.

### Digital Badges

Manulife launched four digital badges that were awarded to employees who completed a specific set of learning criteria through our learning experience platform, Pursuit. A digital badge provides verifiable evidence that an employee has attained and applied skills and recognizes the employee for achieving these skills to employees across the organization.

## Pursuit Leader Series

We remain committed to developing our leaders to lead in a new context, and we recognize the importance of building their leadership muscle. Our focus is on creating skills-based learning pathways and solutions to develop people leaders at all levels of the enterprise. Key aspects include coaching and development, communication, diversity, equity, and inclusion (DEI), strategic thinking, and building global acumen. Manulife offers a curriculum for frontline managers that covers foundational leadership skills with an emphasis on development and coaching. To support the next tier of leadership and new in 2023, we have launched state-of-the-art programming for global leaders at the Director and Assistant Vice President level.

## Empowering Employees with New Ways of Working

To be the most digital, customer-centric company in a constantly changing external landscape, Manulife has placed great focus on upskilling our employees on future focused skills such as Agile, Human Centered Design, and Artificial Intelligence (AI) & Advanced Analytics. Upskilling on these will enhance our operational and cost efficiency and positively impact our rNPS and tNPS targets. These skills help us put the customer at the centre of all we do – how we work and how we develop our products. We see these skills as integral to helping us deliver a world-class customer experience. We track the number of employees who attended one of the New Ways of Working courses, as part of our ways to measure the impact of our efforts.

## Documenting Our Progress

We continuously evaluate and implement measures and KPIs to assess effectiveness of learning and linkage to people and business outcome. Tier one metrics focus on the usage funnel such as the number of registered users, active users, courses started, courses completed etc. Tier two metrics focus on indirect factors such as the impact on business performance, cost savings, and employee engagement.

We track metrics to measure the impacts of our employee development programs, such as average learning hours per employee, the cumulative NPS for all Global Learning Programs, and the activation rate for both LinkedIn Learning and for our learning experience platform, Pursuit. We also track the positive feedback and the annual trend we receive from our full employee engagement survey on questions related to learning, growth, and development.

In 2022, we had great uptake of our learning programs. For example, in less than two years, the activation rate of LinkedIn Learning reached 83% and Pursuit reached 75%. Learning hours per employee increased significantly with over 900,000 hours achieved cumulatively in 2022, which equates to an average of 25.7 hours per employee. We also saw an increased employee engagement score for the question focused on providing employees with opportunities to learn and grow which rose from the 69<sup>th</sup> to the 72<sup>nd</sup> percentile.



Photo captured by our colleague: Laurent Nzau, Canada

**900,000+** hours of learning achieved cumulatively in 2022

**25.7 learning hours** per employee

**Reached 72<sup>nd</sup> percentile** in employee engagement score for the question focused on providing employees with opportunities to learn and grow (69<sup>th</sup> in 2021)

**\$40.2 million** invested in training and development

**\$1,059 investment** per employee in training and development

# Engagement and Recognition

## Summary of Our Approach

- We conduct two formal employee surveys each year from which the findings help to further inform and refine our workplace engagement strategy.
- Recognition is a key driver of engagement and as such we have two globally adopted recognition programs: Podium and Stars of Excellence.

➔ **Learn more: [Talent Management](#)**

## Recognizing Achievements

Podium is the global recognition platform we utilize that enables employees at all levels to give and receive frequent, in-the-moment recognition and celebrate service anniversaries. The program has six award levels, with corresponding points towards merchandise and gifts cards.

During the year, employees gave 758,000 recognition awards to each other, which is on average, 20 awards given per person. This puts us in the Workhuman top quartile for recognition frequency. Based on 2022 data, Podium recognition also had a positive correlation with higher engagement and improved employee retention.

Stars of Excellence is our premier annual recognition program that recognizes the overall achievement of our top performers from around the globe; those who made the most impactful contributions throughout a calendar year. In 2022, we recognized 72 individuals and six teams, for a total of 153 Global Stars. Stars were celebrated in a premium curated hybrid celebration, and they had the opportunity to network

with their fellow Stars and senior leaders and celebrate their achievements with their loved ones at home through this format.

## Listening to Our Employees

Our full employee engagement survey, which is run in the Fall, is designed to focus on the topics that have the greatest impact on employees' engagement. We also run a short pulse survey in the Spring as a check-in on action planning progress, as well as additional topics that might be an area of focus. Grounded in the model of Share-Plan-Act, there is a strong focus on sharing survey findings and taking action at the team level so that everyone is involved in building a more engaging workplace.

Our target as an organization is to have top quartile engagement as it relates to the Gallup Finance & Insurance companies database. Based on our survey conducted in September 2022, we had an overall score of 4.41, which puts us in the 94<sup>th</sup> percentile (F&I Company Database) and 75<sup>th</sup> percentile (Gallup Overall Workgroup Database).

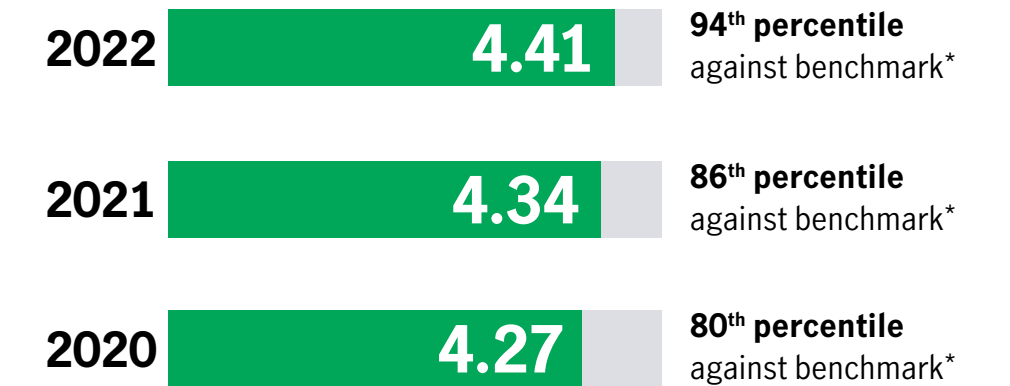
We set engagement targets at the leadership level, which are cascaded as a means of ensuring focus on reaching and maintaining top quartile engagement, as well as quarterly tracking on action planning to ensure we are seeing progress across the organization.

Feedback received through the engagement survey has led to the development of global programs such as our learning experience platform, Pursuit, which provides our employees with opportunities to develop, learn, and grow. It also continues to support

our recognition initiatives as teams can identify recognition as a focus of their action plans at various levels throughout the organization, which contributes to our culture of gratitude.

Data and insights from the surveys also help to support various analyses across the HR function to develop initiatives such as our retention and top talent strategies. Engagement feedback provided insights that helped to refine and adjust our Working Better approach, as well as our return-to-office strategy.

## Employee engagement scores (5-point scale)



\*Against Gallup's financial and insurance company benchmark



Photo captured by our colleague: Stephanie Ferreira, Canada

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Financial Inclusion

Diversity, Equity, and Inclusion

Talent Management

**Wellness, Health, and Safety**

Customer Experience and Well-being

# Wellness, Health, and Safety

## Employee Benefits and Wellness

### Summary of Our Approach

- We offer our employees a wide array of benefit plans and wellness programs, with options to tailor to individual needs.
- Work schedules are guided by our Global Working Better Program, which recognizes that flexibility to balance business and personal needs is necessary for the overall well-being of our employees.

[▶ Learn more: Employee Health and Wellness](#)

### Employee Benefits and Wellness

One of Manulife’s key priorities is protecting and supporting the health and well-being of our people. We strive to support the diverse nature of our workforce, and we prioritize their wellness, health, and safety through the following means:

- Protecting the health, safety, and well-being of our employees, including ensuring compliance with legislative requirements
- Providing employees with flexibility when it comes to their benefits and wellness choices
- Supporting the evolving needs of our employees

### Employee Benefits

In 2022, we launched a number of new or improved benefits for our employees:

- As part of our return-to-office (RTO) plan, we offered several customized well-being resources including tips to support well-being at work, cooking demonstrations for quick and healthy work and school lunches, and training and support for our people managers.
- Launched a virtual health coaching program with personalized and private one-on-one support with NexJ Health in Canada.
- Introduced new healthy food options in our cafeterias and amenity spaces to support healthy workplaces.
- Launched a comprehensive Mental Health Month campaign in May, which included participation from senior leader ambassadors and a call to action to all employees to explore mental well-being resources, participate in global employee events, and take curated well-being courses in our learning experience platform, Pursuit.
- In addition to parental and maternity leaves, various family leaves are available to employees in select geographies.
- In response to the Dobbs Supreme Court Case in the U.S., Manulife amended its Medical Travel policy. All eligible U.S. employees, spouses, and dependents will receive medical travel support for themselves and a companion should a benefit they are seeking to take advantage of no longer be covered in the state in which they reside.

### Enhancements to Digital Tools

In 2022, we created and launched a new decision tool to help guide our Canadian employees’ choices and review of the coverage options available to them and their dependents. We also launched a new benefits enrollment tool, with easier navigation and clearer illustrations on how their decisions impact their Flex Dollars. We also launched a new global well-being website, which combines all global information into an easy-to-navigate, one-stop shop.

### Financial Well-being

In order to attract, motivate, and retain the best and brightest employees, we invest in our employees’ development and provide them with a competitive total rewards package, including benefits and a competitive compensation package. This includes variable compensation, which varies by employment level and by geography. Our pay for performance philosophy ensures that pay is fairly differentiated based on individual levels of contribution and fully considers both what was accomplished versus objectives and how the results were achieved in alignment with our values.

Manulife employees are provided with the opportunity to participate in our Global Share Ownership Plan (GSOP), which is matched by Manulife at various rates based on geography.

Manulife employees in select geographies are also provided with the opportunity to contribute to a registered pension plan, which is matched by the Company at various rates.

Manulife has a pension governance model, which includes oversight Committees composed of pension plan fiduciaries that routinely select and monitor the investment options available to plan members in company-sponsored defined contribution (DC) plans. DC investment options made available to members are intended to be sufficiently diversified, avoid excessive risk, and aim to provide risk-adjusted, long-term returns.

Investment options are not chosen based on any single criteria, but are evaluated based on a myriad of factors, including social, environmental, and ethical policies. In recent years, governance of all investment options available to North American employees has expanded to include broader integration of ESG principles. As of 2022, all investment options available to DC plan members in Canada and the U.S. are managed by signatories of the UN Principles of Responsible Investment (PRI), who commit to integrate ESG criteria into their investment strategies.



Photo captured by our colleague: Robin Costa, United States

# Occupational Health and Safety

## Summary of Our Approach

- Protecting and supporting the health, safety, and well-being of our employees is one of Manulife's most important priorities.
- We are anchored by our Global Health and Safety program, which is designed to foster a healthy and safe working environment for all.

[Learn more: Occupational Health and Safety](#)

Manulife's Global Health and Safety program embodies its commitment to providing a safe and healthy workplace in compliance with legislative occupational health and safety requirements. Our global [Working Better Program](#) helps guide how we manage work schedules and connect with each other to boost our effectiveness. Senior management has oversight of Manulife's Global Health and Safety Policy and is responsible for its enforcement and for ensuring that Health and Safety Committees are established as required by law.

Our [Global Health and Safety Policy](#) recognizes that everyone in the organization has specific responsibilities for occupational health and safety integrated into their job including:

- Encouraging all employees to comply with all company operating procedures pertaining to health and safety and empowering them to take ownership of their safety and report any concerns.

- Encouraging employees, supervisors, and senior management to raise and resolve health and safety issues as part of their daily business duties. Referring items to senior management if the department manager/supervisor is unable to correct the issue and encourage use of the Joint Health and Safety Committee, Health and Safety teams, and Employee Relations.

Our workplace policies and programs prioritize prevention, monitoring of our health and safety procedures, and training. This includes procedures to investigate work-related injuries, illnesses, diseases, and incidents. For instance, if a slip and fall occurs, there is an emergency procedure followed to appropriately attend to the individual. An employee incident report form and an incident/hazard investigation form are completed to help ensure any deficiencies are corrected. Our workplaces have emergency response plans to identify risks and to plan for emergency situations to premises and employees, and we identify actions required to prepare for, and respond to, emergency situations. Internal inspections including health and safety workplace, security, and real estate/building operations are completed. Hazards and risks noted during inspections are escalated to the appropriate teams, and issued remediation works are monitored to track completion.

To develop a culture where employees value the health and safety of themselves and others, we provide employee education, including health and safety training, first aid training, and training on our [Global Discrimination, Harassment & Violence Policy](#).

We also consult with employees on occupational health and safety matters in various committees within our organization, such as Joint Health and Safety Committees in Canada, and employee-led health and safety committees in various jurisdictions globally. Mandatory training completion is monitored and actioned to help ensure employees recognize how to prevent violence in the workplace and how to comply with all company requirements pertaining to health and safety. Additionally, occupational health and safety criteria are introduced into procurement and contractual requirements.

We prohibit retaliation against employees who report workplace health and safety concerns, injuries, or illnesses, or who participate in health and safety-related investigations.

In 2022, a new global employee-facing electronic incident reporting form was implemented to help ensure that employees have direct access to the Global Health and Safety Manager to report injuries and health and safety concerns. The appropriate contacts are notified to support the employee, help mitigate risks, and correct hazards, and each case is investigated and handled accordingly.

Additionally, we implemented a Quarterly Global Health and Safety Report for senior leadership, which includes information about reported incidents, employee training, real estate hazards, regulatory changes and reporting, audits, and projects and initiatives impacting health and safety.

In 2022 there continued to be **zero severe incidents** to report.<sup>63</sup>



## Occupied Real Estate

We are focused on the well-being of our building occupants. We continue to work with our partners, including third-party landlords and property managers, to ensure building heating, ventilation, and air conditioning (HVAC) systems are aligned with ASHRAE guidance and indoor air quality remains excellent.

We have partnered with industry leaders in cleaning to refine standards and have successfully rolled out these measures as we returned to the office this year. The team also helped develop the Manulife Enter interface to our security badging systems, which helps ensure employee health and safety by limiting non-employee access as outlined by our senior management.

<sup>63</sup> Severe health and safety incidents are defined as those that result in a critical injury – a serious injury that places life in jeopardy, and involves an employee who is unconscious, or who has experienced a significant loss of blood, an acute fracture or amputation of a limb, burns over major portions of the body, loss of sight, or other significant losses that require immediate medical attention in a hospital setting.



# Customer Experience and Well-being

## Customer Experience

### Summary of Our Approach

- We are committed to providing high-quality service and products to assist customers in making better financial decisions and live longer, healthier, and better lives.
- We collect real-time feedback from our global Net Promoter System (NPS), which informs and allows us to enhance our customer experience strategy.

➔ [Learn more: Customer Experience](#)

Delivering great customer experience starts with listening closely to our customers, learning from their signals and cues, and responding quickly with action. As part of our customer experience priorities, we continue to focus on increasing our digital capabilities to serve customers.

We are also continually maturing our NPS system, ensuring we have the best coverage across key touchpoints and the right people in place to act on real-time feedback.

In 2022, our NPS score was +20 and we led, or were on par, with industry peers in 11 of the 16 business lines where we benchmark. We have developed forward-looking roadmaps to align and propel our digital customer leadership ambition, refreshed our innovation strategy to embed new ways of working across the business, and advanced our internal capabilities to gather and analyze

customer data and sentiment. We have globally deployed human-centred design practices to gather and research design, iterate, and deliver best-in-class experiences that are validated with customers at each step.

We are making consistent progress on our global Straight-Through Processing (STP) objective with a 15 percent-point improvement from the 2018 baseline across segments in a variety of areas such as system enhancements, app releases, and increased digital capabilities.

## Complaint Resolution

We are committed to providing high-quality service and products to assist customers in making better financial decisions. If customers have questions or concerns, we see it as our responsibility to respond promptly, accurately, and with the utmost courtesy. Our websites outline complaint resolution processes in each market. The Audit Committee annually reviews the procedures for dealing with customer complaints.

Customer centricity is at the heart of our ambition, and we remain committed to achieving our **2025 NPS and STP targets of +37 and 88%**, respectively.

## Behavioural Insurance

### Summary of Our Approach

- Through our behavioural insurance products across Canada, the U.S., and select markets in Asia, we support more than 2.8 million customers in living healthier, more active lives by rewarding them for making healthy lifestyle choices.

➔ [Learn more: Behavioural Insurance](#)

### John Hancock Vitality

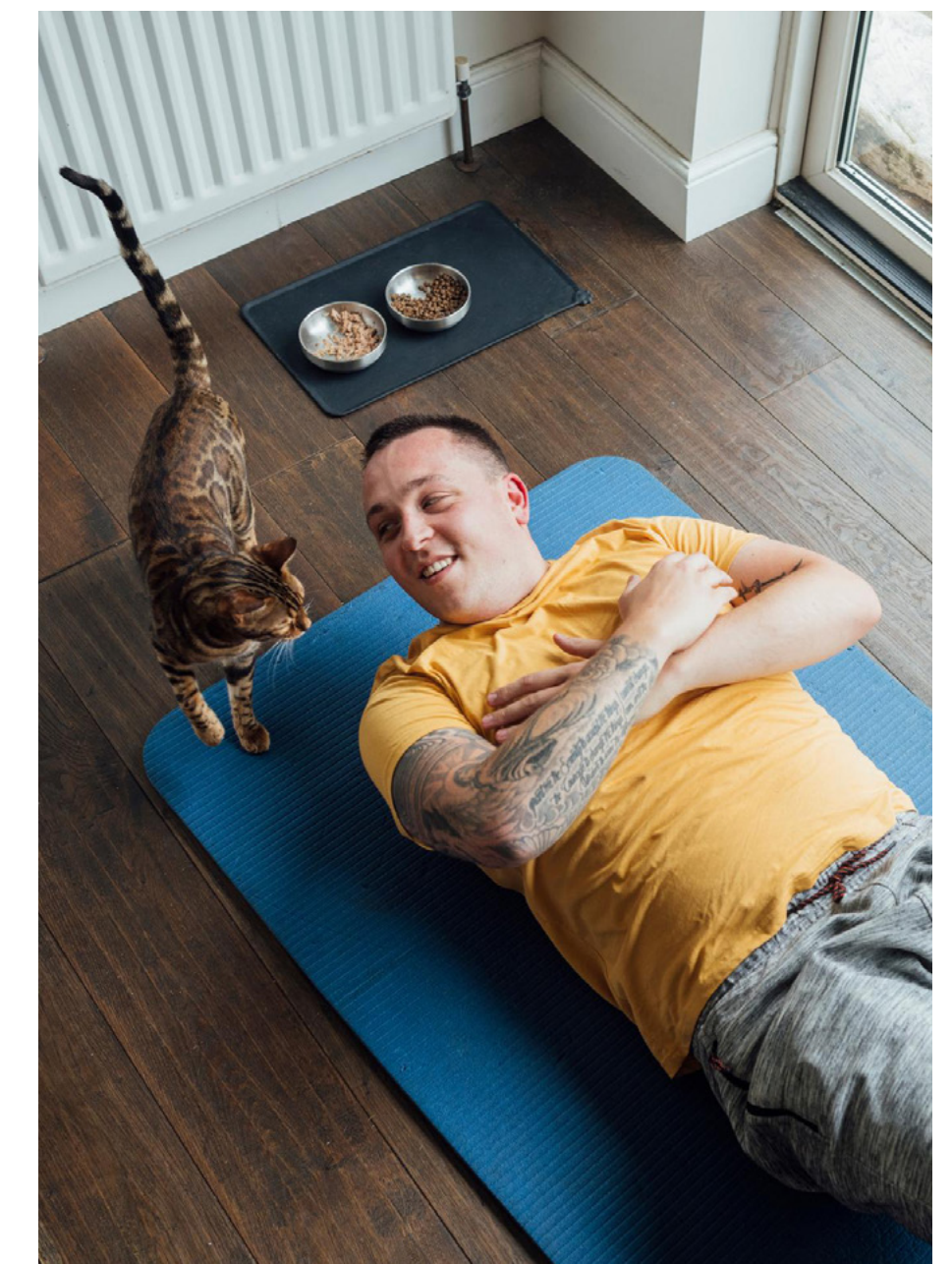
In 2022, we announced our offering of access to GRAIL's Galleri® multi-cancer early detection test to a pilot group of existing customers through the John Hancock Vitality Program, in collaboration with reinsurer Munich Re Life US. As the first life insurance carrier to make this breakthrough screening technology available, John Hancock is enabling eligible customers to take proactive steps to better understand and make more informed choices about their health.

We also offered our most active John Hancock Vitality members the opportunity to register for the 2022 Boston Marathon as part of our commitment to helping our customers live longer, healthier lives.

John Hancock pledged to match up to US\$200,000 in Vitality customers' HealthyFood savings in a donation to Wholesome Wave, a non-profit organization that provides affordable access to fresh, nutritious food for those suffering with nutrition insecurity. In September, we surpassed our match goal, marking a 44%

increase in member savings from the same time last year. 2,858 members have participated in the HealthyFood savings program so far and we continue to explore additional promotional opportunities to share the success of this program and meaningful donation more broadly.

Within our Vitality program and as part of our continued response to the COVID-19 pandemic, we launched booster shots as a point-earning activity starting in April 2022. Earning points for receiving a COVID-19 vaccination and booster shots is the number one point-earning Prevention activity.



**Social**

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Volunteering and Giving

Financial Inclusion

Diversity, Equity, and Inclusion

Talent Management

Wellness, Health, and Safety

**Customer Experience and Well-being**

**Canada Insurance and Group Benefits**

Within Canada, we made several additions to our suite of behavioural insurance product offerings:

- Added Vitality to additional Individual Insurance products and enhanced the existing program
- Introduced new partnerships with Saucony and Fitbit to further expand partnership portfolio
- Leveraged Vitality’s partnership with Blackhawk to bring new retail gift card options to members on the Vitality Wheel and Vitality Squares
- Manulife Group Benefits customers unlocked approximately \$1.5 million in rewards value in 2022, which included the addition of new partnerships with Saucony and Expedia
- Several new features, including integrations with Samsung Health & Google Fit, the addition of online education content, and a new app user-experience design, drove increased adoption

**ManulifeMOVE in Asia**

Manulife kicked off a proof-of-concept with Singapore-based mental well-being startup, Intellect. Selected ManulifeMOVE users were offered free access to self-help programs and online coaching on the Intellect platform. The program included localized webinars for customers in Hong Kong, Singapore, and Vietnam.

**Digital Transformation**

Manulife continues to make significant progress on our Digital Journey, investing over \$1 billion since 2018 to boost our digital capabilities.

Our customer and digital strategy provide a laser-focused, disciplined framework to guide how we prioritize our business decisions to provide maximum benefit through:

- Using the Voice of the Customer to ensure we solve the most pressing customer issues
- Creating market-leading, differentiated customer experiences by doubling-down on the most critical interactions that will have the most impact for our brand
- Extending our relationships in the health and wellness ecosystem to serve customers in new ways

We are accelerating our digitization efforts to improve customer experiences and drive rNPS higher. We introduced new industry-recognized metrics in 2022 that provide insights into how our customers engage with, purchase, and adopt Manulife’s products and services digitally. In order to track our progress against these metrics, we started to develop a multi-year integrated Digital Customer roadmap, which will inform our strategy to deliver on our ambition.

In Canada, we announced an expansion of the Manulife *Vitality* program, making it available to new term and universal life insurance policyholders, effective as of November 2022. In addition, we launched an enhanced Mobile app experience to further drive customer engagement.

Starting just over three years ago, we have made tremendous progress in our paperless strategy and there is still substantial value to realize. As part of the actions taken to reduce our use of paper, we increased customer e-delivery and storefront delivery and have prioritized gathering digital contact information to increase digital interactions.

**2.8+ million customers**

globally had access to our **behavioural insurance** platforms

Manulife *Vitality* — In Canada

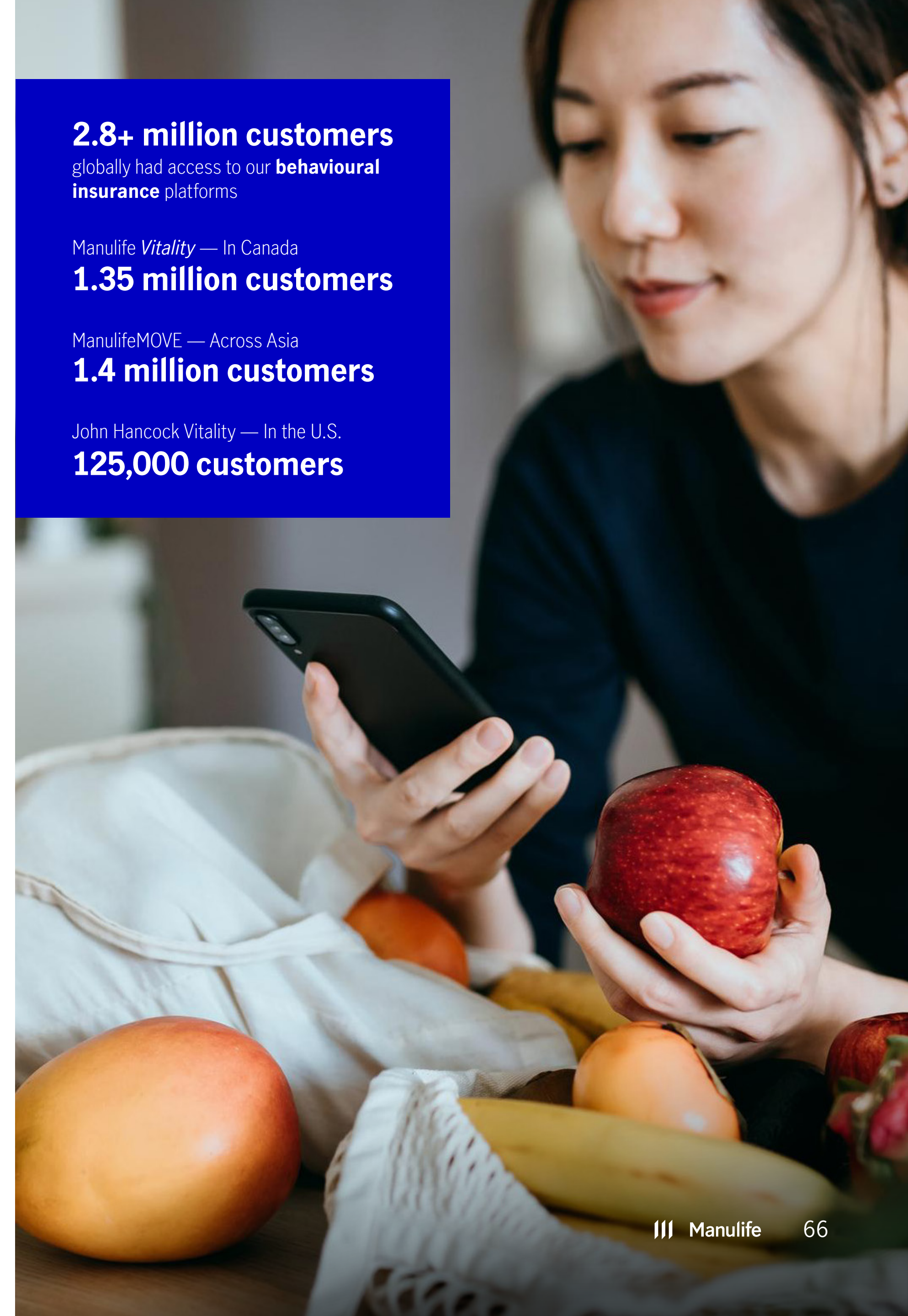
**1.35 million customers**

ManulifeMOVE — Across Asia

**1.4 million customers**

John Hancock Vitality — In the U.S.

**125,000 customers**



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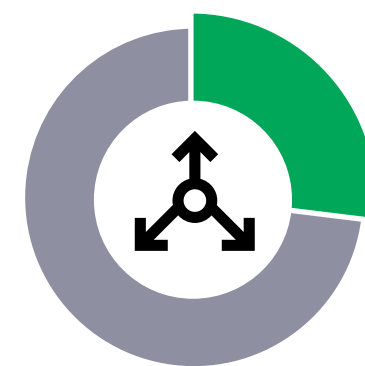
### Performance Data

# Governance

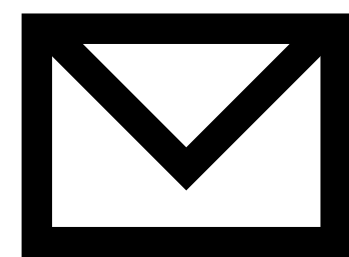
## Performance Highlights



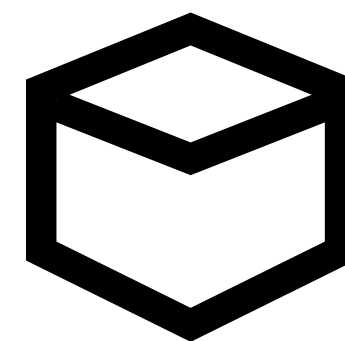
**64%** of the independent directors on Manulife's Board **self-identify as women**<sup>64</sup>



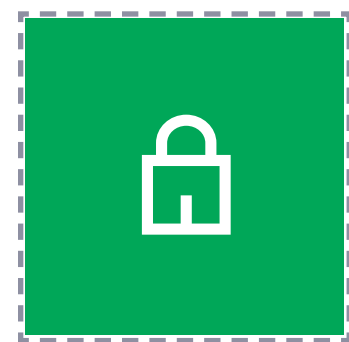
**27%** of the independent directors on Manulife's Board **self-identify as members of a visible minority**<sup>65</sup>



**357,543** phishing simulation tests conducted globally with Manulife employees and contractors



**\$2.5 billion** in goods and services purchased from suppliers



**100%** Manulife eligible employees who completed **privacy and information security training**



**100%** Manulife eligible employees who completed **Code of Conduct training**

## Additional Information

- [2023 Management Information Circular](#)
- [2022 Annual Report](#)
- [Statistical Information Package](#)
- [2022 Code of Business Conduct and Ethics](#)
- [Vendor Code of Conduct](#)
- [Board Diversity Policy](#)
- [Disclosure Policy](#)
- [Director Independence Policy](#)
- [Majority Election of Directors Policy](#)
- [Proxy Access Policy](#)
- [Shareholder Engagement Principles](#)
- [Corporate Privacy Principles](#)
- [Corporate Governance](#)

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# Corporate Governance

We believe that excellent corporate governance is critical to our long-term success — for us, our shareholders, and our customers.

Our sustainability governance framework enables us to achieve our sustainability objectives across our global franchise, facilitating easier and more strategic decision-making within the context of our business objectives.

Our Board of Directors is elected by Manulife’s shareholders and is responsible for overseeing the business and affairs of our company. Governance policies and practices are consistent with our values and with the various rules and requirements applicable to our business.

## Independence

- Other than the CEO, all Directors – including the Chair – are independent, and all members of the Board’s standing committees are independent

## Diversity and Succession

- Directors reflect a mix of certain competencies, experience, and personal qualities to ensure proper oversight and effective decision-making and the Board routinely reviews its size and makeup with the CGNC.
- The Board has a long-standing diversity policy that considers characteristics that contribute to board diversity, including gender, age, race, ethnicity, culture, disability, sexual orientation, and geographic representation, as well as any other characteristics that may be identified from time to time.
- The CGNC oversees the Board succession process. The CGNC is committed to equitable and inclusive recruitment practices and will require search firms to identify and present diverse and balanced slates of potential director candidates, including those from underrepresented groups such as women, members of a visible minority as defined in the Employment Equity Act (Canada), Indigenous peoples, people with disabilities and members of the 2SLGBTQ+ community.
- With respect to gender, the Board strives to maintain gender parity among the independent directors and has established a specific objective that at least 40% of the independent directors are women, recognizing that board composition may fluctuate from time to time during periods of transition.

- To maintain an appropriate gender balance, no more than 60% of the independent directors will be from any one gender, subject to temporary fluctuations during periods of transition.

## ESG Oversight

In 2022, the CGNC engaged in a number of activities pertaining to ESG reviews and oversight, including:

- Overseeing Manulife’s ESG framework, including matters related to climate change
- Reviewing updates to Manulife’s sustainability strategy, include the Impact Agenda, as well as focus areas and direction
- Reviewing reports related to ESG strategy, trends, risks, and opportunities
- Reviewing Manulife’s 2021 ESG Report including key performance indicators and stakeholder feedback ESG report

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# Human Rights

Our approach to respecting and promoting human rights is guided by the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) core conventions, which states that businesses must “avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.” This is embedded in our values, in our decision-making and in our expectations of ourselves and those with whom we work.

Throughout our organization, our teams act in accordance with Manulife’s Code of Business Conduct and Ethics, which affirms our commitment to ethical conduct and to operating within the laws and regulations of every jurisdiction in which we operate.

## General Account

Our General Account investment teams are guided by Manulife’s ESG Guidelines on the integration of ESG considerations, which includes human rights, and support the responsible asset ownership practices of wholly owned life insurance companies. The guidelines are not intended to supersede more specific guidelines that may be in use by investment teams or internal and external asset managers of the General Account assets.



We work to respect and promote human rights in our investment decisions and stewardship activities as a core part of our approach to ESG issues. Human rights considerations are also an important part of our due diligence and risk assessment process. We strive to mitigate adverse human rights impacts from our investment activities by: (i) filtering investments for countries and parties sanctioned by domestic or international laws as well as for companies directly and primarily operating in certain sectors; (ii) applying any applicable sector guidelines to address particularly sensitive ESG issues and provide specific guidance for investment in sensitive sectors; and (iii) using available tools to enable analysts and portfolio managers to understand and systematically analyze ESG issues, including human rights risk, across asset classes and regions.

## Timberland and Agriculture

Human rights-related issues are thoroughly addressed by all major certification programs we use in our timberland and agriculture businesses. As part of our certification programs, an independent third-party auditor visits properties we manage and confirms that they are being managed in alignment with the principles established by the certification programs, which include protection and promotion of human rights.

Since the adoption of our Responsible Contracting Statement, we require our vendors to acknowledge receipt of the Manulife Vendor Code of Conduct and the expectation that the vendor shall materially comply with the Vendor Code of Conduct and notify us of any known breaches if they occur.

Additionally, we undergo rigorous checks to ensure all employees and contractors comply with all relevant laws and best practices, depending on the local jurisdiction.

Specifically with respect to modern slavery, in accordance with Manulife’s Code of Conduct, we’re committed to doing our part to help eradicate human trafficking, and we strictly prohibit directors, officers, employees, contractors/subcontractors, and/or their employees and agents from engaging in human trafficking-related activities and all forms of modern slavery.

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**Real Estate**

Our real estate portfolio presents an opportunity for us to create safe places in which people can live, socialize, and thrive. As awareness on social issues increases, it is up to owners to play their part in understanding areas how they can contribute to and build an inclusive society. We recognize the challenges our stakeholders are facing and to the extent which the built environment supports social well-being.

In 2022, we undertook a structured process to evaluate and embed social impact considerations into our proprietary Sustainable Building Standards framework. This resulted in the incorporation of initiatives focused on diversity, equity, and inclusion, sustainable procurement, economic development, health and wellness, and community engagement.

Our focus on improving social outcomes for our stakeholders supports long-term sustainable business success and provides a framework for our teams to measure social impact across our assets. This process will continue to be refined over time as our expertise grows and we create new ways to integrate social impact into our business practices.

**Infrastructure and Private Equity and Credit**

We assess for human rights-related risks and issues within our due diligence process as part our regular ESG integration approach. We monitor for human rights-related issues within the post investment stage, throughout our holding period.

**Public Markets**

Within Manulife Investment Management Public Markets, we embed human rights considerations into our investment decision-making, engage with issuers to drive better human rights-related outcomes and reduce risk, and collaborate with others to ensure human rights is built into sustainable capital markets. Our overall approach to human rights is reflected in several of our overall policies:

- [Manulife Investment Management Sustainable Investing and Sustainable Risk Statement](#)
- [Manulife Investment Management Responsible Contracting Statement](#)
- [Global Cluster Munitions Policy](#)<sup>66</sup>

There are several ways in which we assess human rights risks within our investment activities:

- The Investment Risk and Quantitative Analytics team produces a daily risk report that captures human rights-related controversies. All investment teams have access to a refreshed daily report containing new and ongoing severe human rights-related controversies regarding securities in all asset classes.
- The Sustainable Investment team performs regular (typically quarterly) portfolio reviews of every portfolio within our Public Markets group. Through this review, portfolio managers and investment teams are informed on developments within the space, such as new regulations or guidelines, and are apprised of any new or ongoing human rights-related issues faced by issuers or by specific sectors or geographies.

- 90%+ of investor teams have completed Manulife Investment Management’s internal ESG integration research process where they consider material ESG risks as part of the investment decision-making process. They may utilize various sources of data to research and assess human rights risk as material for securities they hold or are considering<sup>67</sup>.

After a human rights issue has been assessed, we manage any risks identified through further research to determine the full scope of the risk followed by internal discussions to recommend a course of action, which is determined based on the level and type of risk and the investment objective.

**Stewardship and Engagement**

Engaging with issuers and voting on shareholder resolutions is an important way for us to help drive better human rights outcomes, better disclosure on human rights, and reduction of human rights risk.

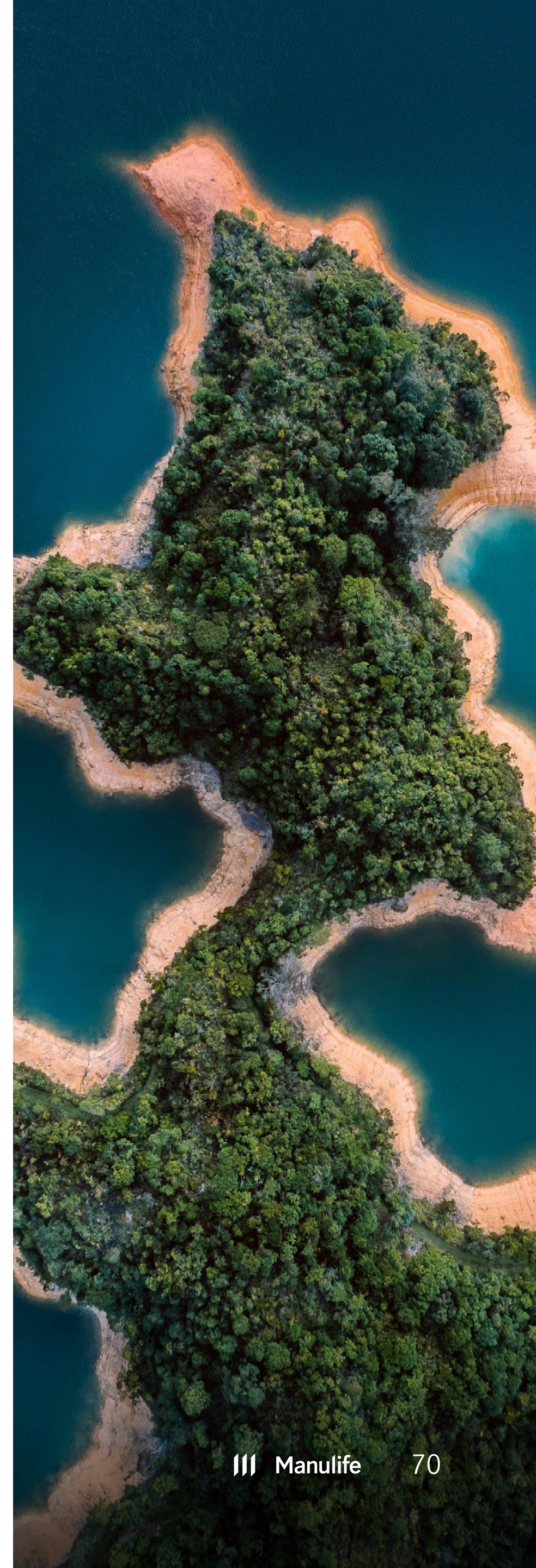
We offer thematic sustainable products, which seek to exclude issuers that violate UNGC principles on labour rights. We are also able to monitor for Principal Adverse Impacts, which include violations of the UNGC Principles and the The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The Sustainable Investment team undertakes various ad hoc training, education, awareness raising, thought leadership, and speaking opportunities on human rights. This includes two regularly occurring channels: Bi-weekly Global Engagement Research Initiative (GERI) and a Monthly Fixed Income ESG Task Force.

For additional information, please refer to our [Global Human Rights Statement](#).

<sup>66</sup> Also applicable to our General Account.

<sup>67</sup> Integration is based on Manulife Investment Management’s Proprietary Integration Progression Levels (IPL), which measures investment teams progress in ESG integration. We look to incorporate material ESG considerations throughout the stages of our investment and asset ownership lifecycles, taking into account the characteristics of the asset class and investment process in question, as well as industry and geography, among other factors. Each investment team operates in different markets and with different nuances to its approach to investing. Accordingly, each team integrates ESG factors into its investment process in a manner that best aligns with its investment approach.



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# Risk Management

## Summary of Our Approach

- Our Board of Directors, assisted primarily by the BRC, oversees our risk management efforts, which is governed by a robust Enterprise Risk Management (ERM) framework.
- Our Global Risk Management function maintains our ERM framework and oversees execution of risk management programs across the enterprise.
- Our ERM framework is communicated through risk policies and standards, intended to enable consistent design and execution of strategies across the organization.

[Learn more: Risk Management](#)

Mitigating hazards and managing risk is critical to our day-to-day interactions with our customers and business operations. The activities required to achieve the firm’s mission involve elements of risk-taking.

Responsible risk-taking is all about striking the right balance between taking risk where it is necessary and safeguarding our business and customers’ best interests. We have a common approach to managing all risks to which we are exposed and to evaluating potential directly comparable risk-adjusted returns on contemplated business activities.

## Three Lines of Defense Model

We have a strong risk culture and a common approach to risk management, which includes a “three lines of defense” governance model that segregates duties among risk taking activities, risk monitoring, and risk oversight and establishes appropriate accountability for those who assume risk versus those who oversee risk.

1. Our first line of defense includes the Chief Executive Officer (CEO), Segment and Business Unit General Managers, Global Function Heads, and all business operations personnel, who are ultimately responsible for their business results, the risks they assume to achieve those results, and for the day-to-day management of the risks and related controls.
2. The second line of defense is composed of the company’s Chief Risk Officer (CRO), the Global Risk Management (GRM) function, the company’s Chief Compliance Officer and the Global Compliance function, and other global oversight functions. Collectively, this group provides independent oversight of risk taking and risk management activities across the enterprise.
3. The third line of defense is Audit Services, which provides independent, objective assurance that controls are effective and appropriate relative to the risk inherent in the business and that risk mitigation programs and risk oversight functions are effective in managing risks.

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# Ethics and Compliance

## Summary of Our Approach

- Our Code of Business Conduct and Ethics affirms the company's commitment to ethical conduct, complying with all applicable laws, and avoiding conflicts of interest.
- All employees and members of our Board of Directors receive training and must certify their compliance with the Code annually.
- Employees are encouraged to report compliance concerns to their manager or members of our Compliance, Legal, or Human Resources team.
- We also offer a confidential, toll-free Ethics Hotline or online platform, managed by a third-party service provider, for reports of any unprofessional, illegal, or fraudulent matters.

➔ [Learn more: Ethics and Compliance](#)

The Manulife [Code of Business Conduct and Ethics](#) (the Code) incorporates the company's anti-bribery and anti-corruption requirements. The Global Chief Compliance Officer's mandate includes responsibility for the Code and the company's compliance program.

The Chief Compliance Officer reports to the Board of Director's Audit Committee at least quarterly on the monitoring of compliance matters, including anti-bribery and anti-corruption. Additionally, all employees are responsible for complying with the Code, which includes anti-bribery and anti-corruption requirements. Our employees and all members of Manulife's Board of Directors received training and must certify their compliance

with the Code annually, be well-versed in its provisions, and conduct themselves according to both the letter, and the spirit of those provisions. We also provide training on ethical standards for all employees, including part time employees and contingent workers – where their role is applicable. Failure to comply with the Code can result in disciplinary action up to and including termination of employment.

Facilitation payments, a form of bribery and/or kickback, are considered unfair and unethical business practices that are prohibited by Manulife wherever we do business. This prohibition would apply not only to Manulife employees but also to consultants, vendors, or any third-party conducting business on behalf of Manulife.

In addition to other available avenues of reporting, which include speaking with a direct manager, legal, compliance, human resources and employee relations, the Manulife and John Hancock Ethics Hotline is toll-free, available 24-hours per day, seven days per week, and can be used anonymously, if the person so chooses. The confidential Ethics Hotline enables employees to ask questions about the Code or report suspected misconduct and is maintained by a third-party service provider. Unethical, unprofessional, illegal, fraudulent, or other questionable behaviour, including any concern with respect to auditing and accounting matters, may be reported through the confidential Ethics Hotline. Concerns received via the Ethics Hotline related to auditing or accounting matters will be forwarded to Manulife's Audit Committee by the Global Compliance Chief. In 2022, we made updates to our Ethics Hotline page, streamlining the process to submit a report.

Manulife has established a strong system of internal controls globally to ensure a consistent risk assessment of new customers and application of customer due diligence commensurate with the assessment of risk, which at a minimum is a review of government issued IDs and scanning the prospective customer's name against the relevant global sanctions watchlists. All Manulife initial and ongoing relationships, including customers, employees, vendors, Board members, etc., are subjected to varying levels of due diligence based on our assessment of risk. Our onboarding and ongoing monitoring of these relationships are consistent with regulatory requirements and our Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) policy and guidelines.

We have been utilizing well-known AML compliance and customer screening tools, at a company-wide level, to facilitate ongoing customer transaction

monitoring and watchlist name scanning. These systems and supporting processes are designed to identify unusual or suspicious customer transactions to enable reviews, due diligence, and accurate and timely reporting to the appropriate regulator(s).

Manulife has a comprehensive system of internal controls designed and executed in accordance with our AML/ATF policy and standards to mitigate the risks that our products or services could be used to support any criminal activity or facilitate money laundering. To ensure our key controls are effectively designed and executed, Manulife provides ongoing mandatory company-wide training to our employees and subjects our AML/ATF controls to ongoing quality assurance testing coupled with independent monitoring and testing from our Second and Third Lines of defense.



Photo captured by our colleague: Nguyen Thi Lan, Vietnam



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# Tax Strategy

## Summary of Our Approach

- Our Board of Directors and Executive Leadership Team have ultimate oversight of our tax strategy.
- Our Chief Financial Officer and Global Tax team have operational responsibility for our tax strategy and risk management.
- We have established formal committees to review and approve significant transactions and structures given our global presence.

➔ [Learn more: Tax](#)

## Our Tax Strategy is Based on the Following Principles:

- Complete honesty and integrity
- Compliance with all applicable laws and regulations, including transfer pricing guidelines
- Customer-centric client service
- Protection of the Manulife brand and reputation
- Operational efficiency and effectiveness
- Openness and co-operation with tax authorities
- Contribution to shareholder value

Tax falls within the scope of the Chief Financial Officer’s responsibilities and ultimate responsibility is with our ELT and Board of Directors. Operational responsibility for tax strategy and risk management resides with Global Tax.

Manulife has established formal committees to review and approve significant transactions and structures. Such committees are accountable to the ELT and/or Manulife’s Board of Directors as is deemed appropriate. Manulife’s Global Tax department participates in these committees and Global Tax’s approval is required for transactions and structures with significant tax implications. Our Transfer Pricing policy commits to undertaking internal transactions using the arm’s-length principle.

Manulife has a global presence, operating in numerous countries around the world, each with its own taxation system and tax rates. Manulife complies with transfer pricing legislation and guidelines established by the countries in which we operate, along with OECD transfer pricing guidelines, to ensure that the arm’s-length principle is observed in pricing cross-border transactions between Manulife entities. Also, in accordance with the OECD’s Base Erosion and Profit Shifting initiative (BEPS) to enhance tax transparency, Manulife produces country-by-country reporting on our global operations to facilitate the audit work of tax authorities around the world.

Since many of the countries, such as the U.S., have tax rates lower than those of Canada, the company’s effective tax rate will typically be lower than the Canadian statutory rate of 27.5%. Additionally, the variability of that rate from year to year is dependent on the level of our profitability on a country-by-country basis.

The different types of investment income, which are key to supporting the insurance business risks we assume, are another factor that reduces the effective tax rate as they are often taxed at much lower effective rates compared to regular business income. Governments can make such tax policy decisions for technical reasons, such as avoiding double taxation on business earnings, or to encourage certain types of investment.

For additional information, please review our [Global Tax Strategy](#).



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# Data Security and Privacy

## Summary of Our Approach

- Data security and privacy is a key area of focus for our Board's Risk Committee.
- Overseen by our Chief Information Risk Officer, the enterprise-wide information risk management program establishes our information and cybersecurity framework.
- We have a global framework to manage our privacy risk, which is anchored by our Global Privacy Risk Management Policy.
- All policies related to data privacy and security are reviewed and updated at least every three years.

➔ [Learn more: Data Security and Privacy](#)

## Information and Data Security

Information risk is a top enterprise risk management priority, similar to financial or credit risk. We seek to protect our data and that of our customers. Privacy Compliance and Information Risk Management teams work collaboratively to reasonably ensure a cohesive, effective, and efficient program for protecting all forms of information under Manulife's control.

Overseen by our Chief Information Security Officer, who reports to our Chief Information Risk Officer, our enterprise-wide information security management program establishes the company's information and cyber-security framework, including governance, policies, standards, and appropriate controls to protect information and computer systems.

The Information Risk Management (IRM) policies are modelled after the ISO 27001 standard and use the National Institute of Standards and Technology (NIST) security framework and other industry standards as key references. Dedicated staff develop and maintain our information risk policies and standards. They follow a robust review and update process to ensure the policies and standards remain current and respond to the latest technological changes. The process considers and incorporates the needs and expectations of our customers and other external stakeholders. Our policies and standards are reviewed and updated frequently and at least every three years.

Our Information Risk Management team has a robust assurance process, which performs risk-based, objective assessments and controls testing across all segments. This verification of process and control effectiveness enables data-based insights and remediation prioritization.

Manulife is constantly making investments and improvements to our company's cybersecurity toolkit, and we stay informed on the latest potential threats. By having proficient cyber threat intelligence capabilities, we can detect trends and turn analysis into strategic and tactical actions to shield our business against potential losses. We have business continuity plans in place that are tested on an annual basis at least. Additionally, we conduct internal analysis of our strengths and vulnerabilities and run simulated hacker attacks.

Manulife colleagues participate in mandatory annual security and privacy training to ensure our workforce is knowledgeable about their responsibilities to protect company and customer information. They can access related policies, standards, and procedures at any time through a centralized website. Global communication campaigns about protecting information are conducted quarterly, highlighting information protection topics and delivering simple, action-oriented messages. Simulated phishing email messages educate employees on how to recognize and address suspicious emails.

## Data Privacy

Our global data privacy commitment is outlined within our Statement of Corporate Privacy Principles, which aligns with the Generally Accepted Privacy Principles (GAPP). Our Statement of Corporate Privacy Principles covers topics such as collection, notice and consent, use, retention, disclosure and disposal, use of third parties, safeguards, accuracy, access, and choices. This statement also includes links to country-specific data privacy notices that provide supplemental information about country-specific personal data handling practices. These notices are also available on country-specific websites. Where consent is required for personal data handling, individuals are provided with specific information at the time of data collection.

Our Privacy Policy applies to all personal information under Manulife's control, including where it is handled by a third party on our behalf.

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We have a global framework for managing the company’s privacy risk, which is overseen by our Global Chief Privacy Officer, who is accountable to the Global Compliance Chief and is appointed by the Executive Risk Committee. On a quarterly basis, we report on privacy to senior management and the Audit Committee of Board of Directors.

**The framework is designed to:**

- Help ensure compliance with legal and regulatory requirements governing the protection of personal information in all the jurisdictions in which Manulife operates, while also promoting consistency in personal information handling practices throughout the company.
- Maintain and foster customer and employee trust.
- Minimize the occurrence and impact of privacy-related incidents.

**Our framework establishes standards for:**

- Ensuring applicable privacy legislation and regulations are understood and requirements reflected in applicable business processes, controls, and disclosures.

- Identifying and managing privacy-related risks, including those that may be introduced by new or changed initiatives.
- Collecting and handling personal information, including limiting collection and ensuring it is carried out in fair and legal ways.
- Handling requests from individuals, including privacy-related complaints, concerns, and consent withdrawals.
- Privacy incident management, including root cause analysis and corrective actions.
- Sharing personal information with third parties, requiring them to comply with our internal framework through privacy and security clauses within contracts.
- Safeguarding personal information.
- Monitoring compliance with the framework.
- Reporting, managing, and escalating all privacy-related complaints to appropriate levels within the company.
- Privacy and data security training for all employees, including part-time and contractors.

We are responsible for personal information in our possession, including information transferred to service providers who perform duties on our behalf. When we share personal information with our service providers, they must protect it in ways that are consistent with our privacy policies and practices. We are obligated to notify individuals of certain types of breaches in many of the jurisdictions where we operate, and we have internal protocols in place to help ensure these notifications are completed, as and when required.

As a provider of financial products and services, we collect and use our customers’ personal information through the normal course of our business. Our customers trust that we will

safeguard the privacy of the information in our care, and we take this responsibility very seriously. Details given to customers about how we handle their personal information include:

- The nature of information collected, why it is captured, and how it is captured
- How the collected information is used
- Any options they may have for deciding how their personal information is collected, used, retained, and processed
- How long the information is kept on corporate files
- Safeguards in place to protect the information
- Involvement of service providers
- How to contact us if they have questions or concerns

In 2022, we procured industry-leading privacy program management software. The software is currently being implemented and will be adopted by our businesses using a phased approach. The software includes tools for helping to manage privacy incidents, conducting privacy impact assessments, and maintaining inventories of data processing activities.

We require all privacy-related complaints to be properly managed and escalated to appropriate levels within the organization. Privacy complaint data is included in management reporting. If required, we will consider disciplinary action in light of the seriousness of the infraction and in line with our Code of Business Conduct.

Manulife did not experience any material breaches in 2022 and so did not need to consider disciplinary action. If required, disciplinary action would be considered in light of the seriousness of the infraction and in line with Manulife’s Code of Business Conduct.

Number of substantiated privacy complaints from a regulatory body	0
Number of complaints received from outside parties and substantiated by Manulife <sup>68</sup>	0
Percentage of eligible employees who completed privacy and information security training	100%
Information security breaches or other cyber security incidents <sup>69</sup>	0
Data breaches <sup>70</sup>	0
Customers and employees affected by data breaches	0
Number of phishing simulation tests conducted globally with Manulife employees and contractors	357,543

<sup>68</sup> In 2022, Manulife did not receive any material privacy complaints and did not experience any material privacy incidents.  
<sup>69</sup> Manulife did not experience any data incidents that required reporting to global data protection authorities in 2022.  
<sup>70</sup> A data breach is a security violation or incident that leads to unintended access to sensitive or critical data or its exposure to an unauthorized party. Manulife reports on material data breaches that would require reporting to global data protection authorities.

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# Executive Compensation Practices

Learn more: [Executive Compensation](#)

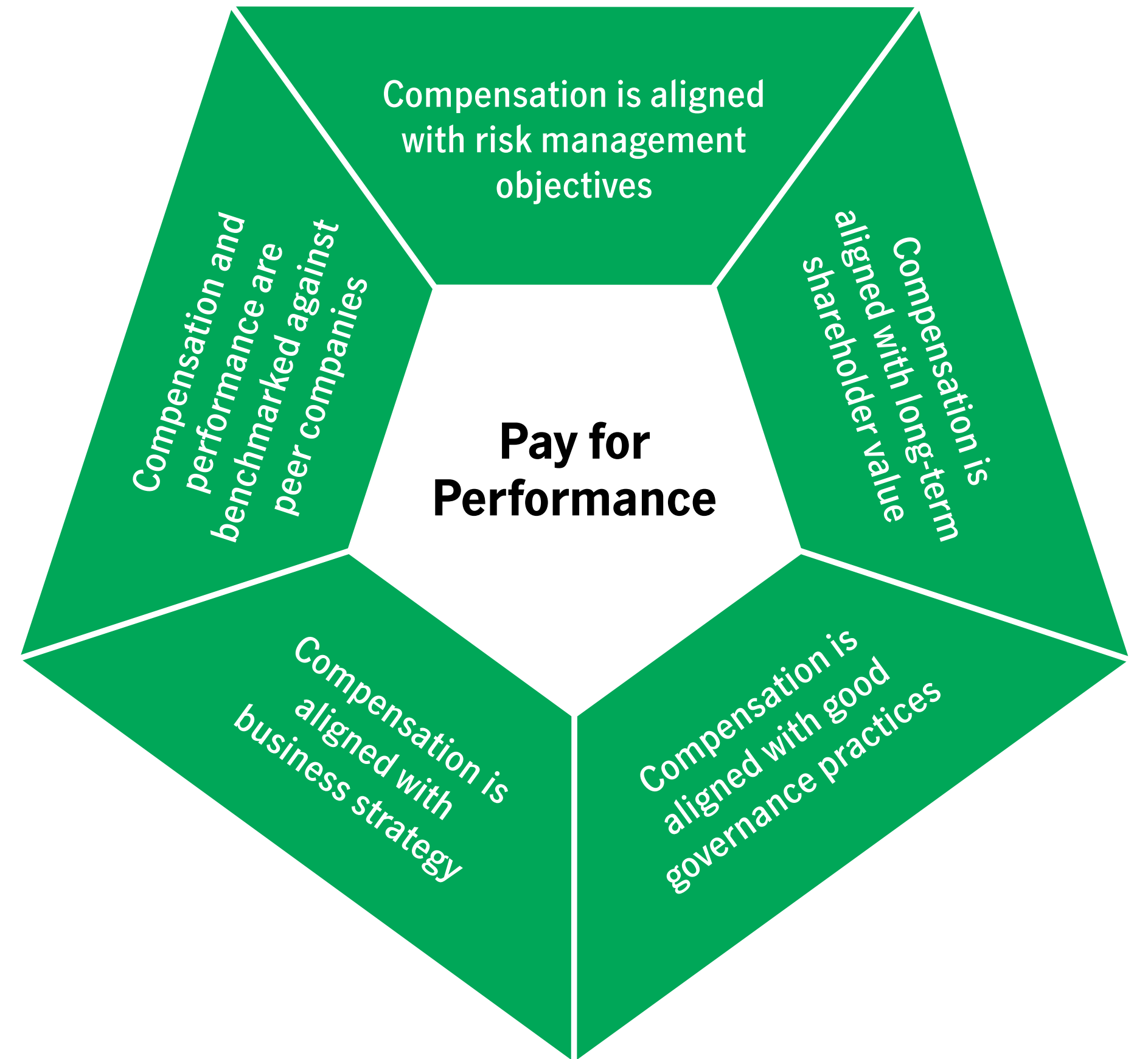
We expect executives to make decisions that are in the long-term interest of the company. Executive compensation is designed to contribute to our long-term sustainable growth by rewarding executives for strong performance in executing our business strategy.

Pay for performance is at the core of our approach to executive compensation. Compensation is tied to the achievement of our short-, medium-, and long-term goals, so that most of what our executives earn is variable and not guaranteed. In practice, this has meant that executives earn more when performance is strong and earn less when performance is not strong. The Board also has the discretion to adjust incentive payouts to reflect business performance.

Members of the executive team currently have performance goals linked to DEI, climate action employee engagement, and leadership accountability.

Additional information on our executive compensation approach is available in our [2023 Management Information Circular](#).

Photo captured by our colleague: Basel Kirmani, Hong Kong



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# Responsible Product Governance

## Summary of Our Approach

- The materials we provide to customers, investors, and other stakeholders must meet high standards of professionalism.
- Advertising and sales materials must be factual, easy to understand, and based on the principles of fair dealing and good faith.
- We commit to reflecting diverse representation throughout our advertising and marketing and ensure our materials are accessible to all.

[Learn more: Responsible Product Governance](#)



Managing conduct risk is central to Manulife’s values of Obsessing about Customers and Doing the Right Thing. Our values underpin our commitment to treating customers fairly and ensuring positive customer interactions.

We are enhancing our Conduct Risk Framework, which outlines best practices that our business should follow in all phases of the product and service cycle, including those regarding the fair treatment of customers, to continue to adhere to evolving regulator and customer expectations. The framework is composed of business principles for ensuring that conduct risk is appropriately identified, mitigated, managed, monitored, and reported. This ensures management has sufficient data, including both quantitative and qualitative risk and performance indicators, to understand whether the business is effectively managing conduct risk.

We continue to update our policies and processes to adhere to the regulatory requirements in the jurisdictions in which we operate. Conduct risk is a priority of global regulators. We define conduct risk as the risk of financial loss or other adverse consequences that arises from Manulife and/or our Distributors conducting business in a way that treats customers unfairly or in a harmful way.

Conduct risk is generally considered to include a number of core components regarding the fair treatment of customers, including<sup>71</sup>:

- Developing and marketing products in a way that pays due regard to the interests of customers
- Providing customers with clear information before, during, and after the point of sale
- Reducing the risk of sales that are not appropriate to customers’ needs
- Reasonably ensuring that any advice given is of a high quality
- Dealing with customer complaints and disputes in a fair manner
- Protecting the privacy of information obtained from customers
- Managing the reasonable expectations of customers

In 2022, we began updating and improving these guidelines in line with regulatory expectations on customer suitability and vulnerability based on markets and we are making these enhancements in response to operating changes in a post-pandemic world, as trends shift to less face-to-face sales due to technology advancements. At a high level, our guidelines outline our approach to product development, design, distribution, and servicing, as well as point-of-sale and post-sale processes. We also outline our approach to proactive monitoring and issue remediation within our guidelines.

We continue to ensure that the information disclosed regarding products, services, and markets is accurate and comprehensive in nature and that only suitable products should be presented to our customers. In addition, we continue to ensure our sales practices are ethical and compliant with relevant laws and regulations, as well as appropriate to the needs of the customer. Processes and procedures for servicing products and providing services should be accessible, transparent, and communicated appropriately throughout the product lifecycle. We also maintain a continuous assessment of the effectiveness of conduct risk mitigants and controls, which includes proactively monitoring for misconduct to enable timely remediation of issues.

Each business unit is expected to develop standards and processes to ensure regulatory compliance and is to take a proportionate approach considering the nature, scale, and complexity of their business, the jurisdiction, and market practices.

Manulife’s Code of Business Conduct and Ethics also addresses expectations and guidance on company materials. The materials we provide to customers, investors, and other stakeholders must meet high standards of professionalism and information accuracy. Advertising and sales materials must be factual, easy to understand and based on the principles of fair dealing and good faith. All promotional efforts, illustrations of products, and marketing concepts must be factual.

<sup>71</sup> These components align with the International Association of Insurance Supervisors (IAIS) Insurance Core Principle (ICP) 19.2.4.

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# Public Policy

## Summary of Our Approach

- Policy dialogue and participation improves our ability to address critical issues and make strategic decisions that benefit our stakeholders.
- Employees who may directly engage government or regulatory officials as part of their roles are committed to high ethical standards as set out in our Code of Business Conduct and Ethics.
- Our industry membership with organizations that may promote public policy objectives does not imply that Manulife supports their political position or actions.

➔ **Learn more: [Public Policy](#)**

As a leading international financial services provider, Manulife is committed to participating in the political process in a way that is consistent with our commitment to ethical conduct and our practice of complying with all applicable laws and avoiding potential or actual conflicts of interest.

Active engagement in public policy improves our ability to understand and address issues that impact our stakeholders and allows us to contribute to informed government decision-making. In all jurisdictions where Manulife and its subsidiaries operate, we monitor and engage on public policy issues that could impact our business, customers, colleagues, and communities. As part of our efforts, we regularly report on lobbying activity, as required, to ensure accountability and transparency.

The Corporate Governance and Nominating Committee of the Board of Directors oversees the company’s public policy activity and receives regular reports on significant developments.

## Direct Engagement

The Regulatory & Public Affairs and Government Relations function coordinates our engagement with regulators and policymakers as well as many of our key industry and trade associations. The group also monitors legislative activities, analyzes regulatory and policy trends, and helps coordinate comments on regulatory and/or policy proposals.

Additionally, certain employees engage with government or regulatory officials as part of their roles, and we are committed to high ethical standards in these relationships. We maintain policies, such as the Code of Business Conduct and Ethics, to keep the confidence of our customers, investors, and other stakeholders with respect to this engagement.

For example, our policies stipulate that any lobbying efforts must be done in compliance with all local lobbying regulations, including Canada’s Corruption of Foreign Public Officials Act and Lobbying Act, and with all local reporting requirements. We recognize that we must take special care to use our corporate positions responsibly when dealing with government agencies and representatives. Unless a regulatory/government interaction is routine e.g., regular exams, regulatory filings, response to requests for information, any contact with a government official should be pre-cleared with The Board. Employees must not engage in lobbying activities on behalf of the company unless specific authorization is obtained.

All instances of lobbying activity are publicly disclosed, pursuant to relevant law. In 2022, the company spent US\$1,060,000 on federal lobbying expenses in the U.S., which include employee time spent on lobbying and associated travel and overhead expenses, as well as payments to external consultants and lobbyists and that portion of trade association dues designated by the associations as used for lobbying. These federal lobbying expenses are publicly disclosed on quarterly reports filed with the Clerk of the House of Representatives and Secretary of the U.S. Senate pursuant to the Lobbying Disclosure Act of 1995, as amended, and can be found here: [Q1 2022](#), [Q2 2022](#), [Q3 2022](#), [Q4 2022](#).

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**Key Public Policy Positions in 2022**

Issue	Audience/Jurisdiction	Position
<b>Privacy/Data</b>	Federal and Provincial Governments of Canada	Manulife is actively engaging with the government of Canada, Québec, Ontario, and British Columbia to encourage governments to modernize privacy laws while maintaining a harmonized approach that applies across all jurisdictions and ensures similar laws apply to all Canadians.
<b>Health Policy</b>	Federal and Provincial Governments of Canada	Manulife provides health insurance to five million Canadians and engages with the federal and provincial governments to try to ensure that changes to public programs do not disrupt benefits provided to our customers and that customers can more easily navigate between public programs and the insurance benefit we provide. In 2022, we engaged with the federal government on the extension of employment insurance benefits to 26 weeks to try to ensure coordination with short-term disability leave programs offered by employers.
<b>The Federal Insurance Companies Act</b>	Government of Canada	Manulife is governed by the Insurance Companies Act (Canada) and has been lobbying the government to remove restrictions on the ability of insurance companies to invest in infrastructure and fintech.
<b>Tax Policy</b>	Government of Canada	In 2023, Canada introduced IFRS17, which changed the accounting regime for insurance companies. In 2022, the government increased corporate income taxes on banks and insurance companies. Manulife engaged with the federal government on how the new accounting system and the new tax measures would impact Manulife and other insurers.
<b>Retirement Security</b>	United States Congress	John Hancock engaged with Members of Congress and staff, directly and through industry associations, in support of bipartisan legislation known as “SECURE 2.0,” which updated the 2019 Setting Every Community Up for Retirement Enhancement (SECURE) Act aimed at helping Americans save and invest for retirement. The legislation was signed into law by President Biden as part of a \$1.66 trillion “omnibus” spending package.
<b>Medicare Coverage of Multi-cancer Early Detection Screening Tests</b>	United States Congress	John Hancock engaged directly with Members of Congress and staff, joining more than 400 organizations across the country, in support of the bipartisan Medicare Multi-Cancer Early Detection Screening Coverage Act, which would allow for multi-cancer early detection (MCED) tests to be covered by Medicare, upon approval by the Food and Drug Administration (FDA).
<b>Group Capital Calculation/Liquidity Stress Testing</b>	Michigan Legislature; Governor of Michigan; Department of Insurance and Financial Services	John Hancock was the main driver behind the adoption of the National Association of Insurance Commissioner’s model legislation integrating the Group Capital Calculation and Liquidity Stress Testing in the State of Michigan. The seven-bill package passed the legislature almost unanimously and was signed by Governor Gretchen Whitmer on December 28, 2022.
<b>Climate Change and Sustainable Finance</b>	Canadian and United States Governments	Manulife engaged with regulators, directly and through industry associations, on climate policy and sustainable finance. Additionally, Manulife engaged with government officials responsible for environment, climate change, and/or natural resources to share our insights on environmental and climate change policy.

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**Political Contributions**

Manulife and its affiliates do not make corporate contributions to candidates for public office or political parties and do not use corporate funds to make independent political expenditures.

In accordance with U.S. federal law, John Hancock (and any subsidiaries therein) is prohibited from making political contributions to candidates seeking federal, state, or local office. John Hancock does, however, administer a separate segregated fund, known as the John Hancock Political Action Committee (JHPAC), which is composed of voluntary donations from eligible employees who choose to engage in the political process. All monies contributed to the JHPAC are held in a separate bank account from the general corporate treasury. The JHPAC is funded solely through these voluntary donations and its activities are overseen by a board of directors. The JHPAC operates on a bipartisan basis; as a matter of internal policy, the JHPAC does not contribute to state or local election candidates, nor does it support “Super PACs” or joint fundraising committees. All activities of the JHPAC, including fundraising and contributions, are disclosed by the company and reported to the Federal Election Commission (FEC). During 2022, the JHPAC contributed US\$47,500 to 32 Members of Congress of both major political parties, as well as two financial services industry PACs.

If you would like more information on the JHPAC, its public disclosures can be found on the [Federal Election Commission website](#).

In addition, the company respects and encourages individual employees' participation in the political process. However, as noted in the Code of Business Conduct and Ethics, political campaign contributions must be made exclusively from each person's private funds and cannot be reimbursed by the company. Similarly, anyone who chooses to volunteer in support of a political campaign must do so after work, on weekends, or during vacations. Such efforts cannot be undertaken during regular working hours. Moreover, no company facilities or assets – including, without limitation, office space, computers, or telephones – may be used in connection with such volunteer work.

**Industry Memberships**

Manulife frequently shares interests with organizations that advocate public policy positions on issues that are important to our company, the financial services industry, and the business community. As a result, organizations we join as a member may have interactions with government officials on matters of interest to our industry and may promote public policy objectives important to us, our stakeholders, or the broader community. Our membership in, or financial support of, these organizations does not imply that Manulife supports every position taken by these organizations or those of their other members. Where positions differ from ours, we voice concerns as appropriate by engaging with these organizations through boards, committees, or publicly, as necessary.

The following is a list of key organizations or trade associations to which Manulife belongs or has an affiliation that may engage in lobbying governments and to which we currently pay membership fees.

**Annual membership fees over \$200,000 in 2022 include:**

- American Council of Life Insurers
- Canadian Life and Health Insurance Association
- Investment Company Institute
- Finseca
- Life Insurance Association of Massachusetts

**Annual membership fees between \$50,000 and \$200,000 in 2022 include:**

- AHIP
- American Benefits Council
- Association of California Life and Health Insurance Companies
- C.D. Howe Institute
- Boston Asset Management Association
- Business Council of Canada
- European Fund and Asset Management Association
- Finance Montreal
- Greater Boston Chamber of Commerce
- Institute of International Finance
- Investment Funds Institute of Canada
- Life Insurance Council of New York
- Massachusetts Competitive Partnership
- Securities Industry and Financial Markets Association
- Women in Capital Markets

In addition to participation as a member/affiliate in various industry groups, Manulife consulted with multiple organizations in relation to ESG matters during the year including:

- OSFI B15 Guideline Consultation
- Canadian Securities Administrators (CSA) Disclosure Consultation
- Securities and Exchange Commission (SEC) ESG Disclosure Consultation IAIS Climate Risk Steering Group, with relation to climate scenario analysis and data collection/financial stability analysis

When engaging with certain regulators, such as OSFI, on industry-related topics and public policy matters, such as climate-risk and disclosures, we have a robust governance process in place, which includes ensuring company-wide alignment and informing senior leadership and the Board.





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## Governance

Indicators	2022	2021	2020
<b>Board membership<sup>1</sup></b>			
Total board members (#)	13	15	14
Independent board members (#)	12	14	13
Female board members (#)	7	7	6
Racially/ethnically diverse members (#)	3	3	1
Average tenure of board directors (years)	6.4	7.8	8.4
<b>Economic performance and impact</b>			
Assets Under Management and Administration (AUMA) (C\$ trillions) <sup>2</sup>	\$1.3	\$1.4	\$1.3
Dividends paid (C\$ billions) <sup>3</sup>	\$2.8	\$2.5	\$2.3
Goods and services purchased from suppliers (C\$ billions)	\$2.5	\$2.4	\$2.6
Total income and capital taxes paid (C\$ billions) <sup>4</sup>	\$1.4	\$0.8	\$1.6
<b>Taxes paid in Canada (C\$ thousands)</b>			
Federal	\$890,506	\$303,142	\$350,022
Provincial and territorial	\$553,611	\$212,563	\$280,174
British Columbia	\$336,895	\$90,579	\$66,032
Alberta	\$39,529	\$11,174	\$2,587
Alberta	\$26,065	\$621	\$4,438
Saskatchewan	\$26,065	\$621	\$4,438
Saskatchewan	\$4,940	\$1,551	\$411
Manitoba	\$4,940	\$1,551	\$411
Manitoba	\$6,409	\$1,995	\$461
Ontario	\$6,409	\$1,995	\$461
Ontario	\$222,522	\$56,255	\$46,557
Québec	\$222,522	\$56,255	\$46,557
Québec	\$12,878	\$8,349	\$10,324
New Brunswick	\$12,878	\$8,349	\$10,324
New Brunswick	\$5,481	\$1,806	\$340
Nova Scotia	\$5,481	\$1,806	\$340
Nova Scotia	\$13,220	\$6,889	\$4,377
Prince Edward Island	\$13,220	\$6,889	\$4,377
Prince Edward Island	\$968	\$286	\$51
Newfoundland and Labrador	\$968	\$286	\$51
Newfoundland and Labrador	\$4,109	\$1,476	\$255
Yukon	\$4,109	\$1,476	\$255
Yukon	\$218	\$43	\$9
Nunavut	\$218	\$43	\$9
Nunavut	\$202	\$14	\$3
Northwest Territories	\$202	\$14	\$3
Northwest Territories	\$355	\$121	\$35
Taxes paid in the U.S. (C\$ thousands)	\$355	\$121	\$35
Taxes paid in the U.S. (C\$ thousands)	\$305,362	\$261,984	\$994,694
Taxes paid in Asia (C\$ thousands)	\$305,362	\$261,984	\$994,694
Hong Kong	\$231,567	\$228,909	\$248,156
Hong Kong	\$103,906	\$46,615	\$74,071
Japan	\$103,906	\$46,615	\$74,071
Japan	\$45,568	\$63,615	\$73,908
Singapore	\$45,568	\$63,615	\$73,908
Singapore	\$28,306	-	-
Mainland China	\$28,306	-	-
Mainland China	\$2	-	-

<sup>1</sup> Data as of February 28, 2023, February 28, 2022, and February 28, 2021.

<sup>2</sup> Assets under management and administration is a Non-GAAP Financial Measure. For more information on Non-GAAP and Other Financial Measures, see "Non-GAAP and Other Financial Measures" in MFC's 2022, Management's Discussion and Analysis.

<sup>3</sup> Includes common and preferred share dividends and other equity distributions.

<sup>4</sup> Variation in taxes year over year is primarily due to changes in profitability on a country-by-country basis. Changes in local tax laws in the countries and regions in which we operate are also a factor.

## Governance (continued)

Indicators	2022	2021	2020
<b>Taxes paid in Asia (C\$ thousands) (continued)</b>			
Vietnam	\$2,179	-	-
Rest of Asia	\$51,605	\$118,678	\$100,177
Taxes paid in other jurisdictions	\$8,353	-	-
Other Taxes (C\$ thousands) <sup>5</sup>	\$1,120,336	\$1,144,043	\$992,648
Total taxes (C\$ billions)	\$2.6	\$1.9	\$2.6
<b>Public policy</b>			
Amount spent on political donations (US\$)	0	0	0

<sup>5</sup> Other taxes include property taxes, business taxes, payroll taxes, premium taxes, investment income taxes, and commodity taxes.

## Customers

Indicators	2022	2021	2020
Total Manulife customers (millions)	34	33	30
Claims and other benefits paid to customers (C\$ billions)	\$35	\$32	\$32
Debt financing authorized (C\$ billions)	\$5	\$8	\$8
<b>Customer experience</b>			
Global customer Net Promoter Score (NPS)	20	21	12
<b>Complaint resolution</b>			
Cases investigated by Manulife's Ombuds Office (#) <sup>1</sup>	189	289	307
Cases investigated by an independent complaint resolution body or regulator (#) <sup>2</sup>	55	78	76
Cases investigated that resulted in a recommendation different from Manulife's position (#)	0	0	0
<b>Data Security and Privacy</b>			
Number of substantiated privacy complaints from a regulatory body	0	0	0
Number of complaints received from outside parties and substantiated by Manulife <sup>3</sup>	0	-	-
Percentage of eligible employees who completed privacy and information security training	100%	99.4%	99.6%
Information security breaches or other cyber security incidents <sup>4</sup>	0	-	-
Data breaches <sup>5</sup>	0	-	-
Customers and employees affected by data breaches	0	-	-
Number of phishing simulation tests conducted globally with Manulife employees and contractors	357,543	336,129	337,138

<sup>1</sup> Canadian segment insurance product and services and Manulife Investment Management Guaranteed products.

<sup>2</sup> Represents cases investigated by OmbudService for Life and Health Insurance, Ombudsman for Banking Services and Investments, or Autorité des marchés financiers.

<sup>3</sup> In 2022, Manulife did not receive any material privacy complaints and did not experience any material privacy incidents.

<sup>4</sup> Manulife did not experience any data incidents that required reporting to global data protection authorities in 2022.

<sup>5</sup> A data breach is a security violation or incident that leads to unintended access to sensitive or critical data or its exposure to an unauthorized party. Manulife reports on material data breaches that would require reporting to global data protection authorities.



Abbreviations  
and Acronyms

## Manulife Sustainable/ESG Investing

Indicators	2022	2021	2020
<b>Total Sustainable Investments (C\$ billions)<sup>1</sup></b>	<b>\$70.9</b>	\$67.4	–
<b>Percentage of Manulife GA Portfolio in Sustainable Investments</b>	<b>11.7%</b>	11%	–
<b>Total Green Investments (C\$ billions)<sup>2</sup></b>	<b>\$68.6</b>	\$64.5	\$39.8
Green buildings <sup>3</sup>	<b>\$27.7</b>	\$26.2	\$16.9
Sustainably managed timberlands <sup>4</sup>	<b>\$15.6</b>	\$15.8	\$4.0
Renewable energy <sup>5</sup>	<b>\$13.0</b>	\$10.7	\$9.8
Sustainably managed farmlands <sup>6</sup>	<b>\$4.5</b>	\$4.1	\$1.3
Energy efficiency <sup>7</sup>	<b>\$2.9</b>	\$3.4	\$3.9
Clean transportation <sup>8</sup>	<b>\$3.3</b>	\$3.0	\$2.7
Sustainable water management <sup>9</sup>	<b>\$0.7</b>	\$0.7	\$0.6
Green Bond Investments <sup>10</sup>	<b>\$0.9</b>	\$0.6	\$0.7
<b>Total Social Investments (C\$ billions)</b>	<b>\$2.3</b>	\$2.9	–
Access to affordable healthcare <sup>11</sup>	<b>\$1.9</b>	\$2.40	–
Access to affordable education <sup>12</sup>	<b>\$0.2</b>	\$0.30	–
Access to affordable housing <sup>13</sup>	<b>\$0.2</b>	\$0.20	–
<b>Total outstanding Green Bond issuance (C\$ billions)</b>	<b>\$2.0</b>	\$2.0	\$1.0
<b>AUM in dedicated client products (C\$ billions)<sup>14</sup></b>	<b>\$30.1</b>	\$21.9	–
AUM in dedicated ESG products <sup>15</sup>	<b>\$21.1</b>	\$20.1	–
AUM in dedicated screening products <sup>16</sup>	<b>\$9.0</b>	\$1.8	–
<b>AUM with ESG integration (C\$ billions)<sup>17</sup></b>	<b>\$615.0</b>	\$429.8	–
Manulife Investment Management Private Markets	<b>\$86.0</b>	\$74.7	–
Manulife Investment Management Public Markets <sup>18</sup>	<b>\$529.0</b>	\$355.1	–

<sup>1</sup> Sustainable investments include Green Investments (General Account and Manulife Investment Management third-party private investments) and Social investments (General Account private investments), as determined by Manulife Sustainable Bond Framework and the International Capital Market Association's Green Bond Principles (2017). Data excludes investments in public equity securities, with the exception of green bonds. Data prior to 2021 excludes Manulife Investment Management managed third-party investments.

<sup>2</sup> Private debt and equity investments, public securities excluded with the exception of several green bond investments.

<sup>3</sup> Direct equity investments and commercial mortgages, backed by green building certifications Leadership in Energy and Environmental Design (LEED), Buildings Owners and Managers Association (BOMA Best), Energy Star, or equivalent. Residential mortgages are not relevant to Manulife at this time and are excluded.

<sup>4</sup> Private assets operated by Manulife subsidiary Manulife Investment Management Timberland and Agriculture and private placements certified to Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) standards.

<sup>5</sup> Private debt and equity financing of energy from renewable sources, including investments in solar power generation and transmission, wind power generation and transmission, hydroelectric generation, geothermal, biofuel collection, biomass waste to energy, battery storage for solar, and wind power transmission.

<sup>6</sup> Private assets operated by Manulife subsidiary Manulife Investment Management Timberland and Agriculture and certified to the Leading Harvest Standard.

<sup>7</sup> Private debt and equity financing of energy efficiency upgrades at U.S. government sites.

<sup>8</sup> Private debt and equity financing of electrified transport and mass public transit.

<sup>9</sup> Private debt and equity financing of water recycling and purification businesses.

<sup>10</sup> Private debt and equity financing of water recycling and purification businesses.

<sup>11</sup> Free or substantially subsidized and/or non-profit facilities that provide accessible and affordable healthcare regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line, or households with income below 80% of the AMI. Investments correspond to (i) GA private investments related to the construction of healthcare facilities in Canada, the U.S., and the U.K and (ii) GA private investments in non-profit Canadian hospitals and non-profit long-term-care facilities.

<sup>12</sup> Free or substantially subsidized and/or non-profit institutions that provide accessible and affordable education regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line, or households with income below 80% of the AMI. Investments correspond to GA private investments in non-profit school boards (K12 Education) in Canada and the U.S.

<sup>13</sup> Housing at or below 80 percent of average market rent or that meet national/regional affordable housing definitions. Investments correspond to GA private equity investments in affordable multi-family real estate within the U.S. in accordance with local/regional standards (pro-rate amount taken for affordable portion).

<sup>14</sup> Data as at 31 December 2022. Data includes public and private market products.

<sup>15</sup> Dedicated ESG products include (1) sustainable strategies and (2) thematic strategies.

<sup>16</sup> Dedicated screening products include negative and norms-based screening strategies. Negative screening involves exclusion of specific environmental or social norms, industry sectors, or companies to avoid risk or better align with values.

<sup>17</sup> ESG integration is defined by Manulife as consideration and analysis of ESG factors as part of investment decision-making to help enhance risk-adjusted returns.

<sup>18</sup> Assessed based on Manulife Investment Management's proprietary integration progression levels and GWAM ESG process integration, which measures progress in ESG integration at the investment team level. Data includes public equity, public fixed income, and multi-asset strategies. YoY comparison may not be possible due to addition of new fund categories in 2022.

## Environment

Indicators	2022	2021	2020
<b>Energy use</b>			
Total energy use (ekWh) <sup>1</sup>	<b>2,753,205,715</b>	1,381,304,361	854,970,743
Manulife Investment Management Real Estate <sup>2</sup>	<b>662,111,625</b>	654,281,457	698,019,795
Green power (%)	<b>5%</b>	7%	6%
Manulife Investment Management Timberland and Agriculture <sup>3</sup>	2,091,094,090	727,022,904	156,950,948
<b>Energy intensity</b>			
Manulife Investment Management Real Estate (ekWh/sq. ft)	<b>11</b>	14	15
Manulife Investment Management Timberland and Agriculture (ekWh/net acre)	361.8	155.5	–
<b>Greenhouse gas emissions<sup>4</sup></b>			
<b>Total Scope 1 emissions (tCO<sub>2</sub>e)</b>	<b>121,418</b>	162,749	150,672
Manulife Investment Management Real Estate	<b>39,149</b>	35,642	37,285
Manulife Investment Management Timberland and Agriculture	<b>82,269</b>	127,107	113,387
Timberland	<b>49,138</b>	80,035	76,753
Agriculture	<b>33,131</b>	47,072	36,634
<b>Total Scope 2 emissions (tCO<sub>2</sub>e), location-based</b>	<b>118,710</b>	124,076	128,155
Manulife Investment Management Real Estate	<b>99,775</b>	106,154	117,978
Manulife Investment Management Timberland and Agriculture	<b>18,935</b>	17,922	10,177
Timberland	–	–	–
Agriculture	<b>18,935</b>	17,922	10,177
<b>Total Scope 2 emissions (tCO<sub>2</sub>e), market-based</b>	<b>109,250</b>	109,442	113,249
Manulife Investment Management Real Estate	<b>90,315</b>	91,520	103,072
Manulife Investment Management Timberland and Agriculture	<b>18,935</b>	17,922	10,177
Timberland	–	–	–
Agriculture	<b>18,935</b>	17,922	10,177
<b>Scope 3 emissions (tCO<sub>2</sub>e)<sup>5</sup></b>			
Manulife Investment Management Timberland and Agriculture	<b>675,537</b>	391,014	359,186
Tenant leased properties <sup>6</sup>	<b>193,092</b>	195,684	199,569
Contractor fuel use <sup>7</sup>	<b>482,445</b>	195,330	159,617
Corporate Real Estate leased properties	<b>30,994</b>	–	–
Purchased good and services – Other <sup>8</sup>	<b>1,003,493</b>	6,570	8,445
Purchased goods and services – Paper	<b>4,547</b>	5,649	5,696
Purchased goods and services – Third-party data centers electricity use <sup>9</sup>	<b>100</b>	921	2,749

<sup>1</sup> Manulife total energy use covers Manulife Investment Management Real Estate and Manulife Investment Timberland and Agriculture operations.

<sup>2</sup> Includes Manulife Investment Management Real Estate use of natural gas, diesel, steam and chilled water use. Electricity consumption includes Manulife Investment Management Real Estate and data centres.

<sup>3</sup> Includes Manulife Investment Management Timberland and Agriculture and third-party contractors' use of natural gas, propane, aviation, gasoline, diesel, bunker and ethanol fuel. Increase in the total energy use is mainly driven by inclusion of data from additional activities, and fuel types.

<sup>4</sup> Manulife Greenhouse gas emissions are calculated using methodologies consistent with the Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (2015, revised edition), GHG Protocol: Scope 2 Guidance (2015), GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) and Technical Guidance for Calculating Scope 3 Emissions (2013) as appropriate. Manulife regularly reviews and enhances our protocols for accounting of GHG emissions across the business on an ongoing basis.

<sup>5</sup> Manulife continues to evolve our Scope 3 emissions accounting methodologies and improve data coverage to include all categories.

<sup>6</sup> Emissions are attributed to Timberland and Agriculture properties leased to third-parties. Excludes properties leased to Manulife and Manulife Investment Management Real Estate properties where tenants manage consumption, as processes for data collection and management remain under development.

<sup>7</sup> Emissions are attributed to fuel used by contractors' equipment on Manulife Timberland and Agriculture properties. 2022 figure also includes emissions from contractors' shipping and hauling activities.

<sup>8</sup> YoY comparison for Scope 3 emissions for Purchased Goods and Services category may not be possible due change in calculation methodology.

<sup>9</sup> Global average Power Usage Effectiveness (PUE) is factored in while calculating the total energy use by third-party data centres.



## Environment (continued)

Indicators	2022	2021	2020
<b>Greenhouse gas emissions (continued)</b>			
<b>Scope 3 emissions (tCO<sub>2</sub>e)<sup>5</sup> (continued)</b>			
Capital Goods – IT Infrastructure	24,139	–	–
Waste <sup>10</sup>	1,982	1,416	1,751
Business travel	6,464	1,974	6,044
<b>Emissions intensity (Scope 1 &amp; 2)</b>			
Manulife Investment Management Real Estate (kgCO <sub>2</sub> e/sq. ft)	2.3	3.1	3.4
Manulife Investment Management Timberland (MtCO <sub>2</sub> e/net acre)	0.091	0.019	–
Manulife Investment Management Agriculture (MtCO <sub>2</sub> e/net acre)	0.15	0.17	–
<b>Removals from owned forests and farms (MtCO<sub>2</sub>e)<sup>11</sup></b>	<b>-1.25</b>	<b>-1.51</b>	<b>-1.38</b>
<b>Portfolio carbon footprint</b>			
Total portfolio coverage (% of total AUM) <sup>12</sup>	–	34%	30%
Listed Equity and debt	–	90%	74%
Estimated listed equity and debt portfolio emissions (MT CO <sub>2</sub> e) <sup>13</sup>	–	29.0	32.0
<b>By sector (MT CO<sub>2</sub>e)</b>			
Power generation & utilities	–	16.4	17.3
Energy, including oil & gas <sup>14</sup>	–	3.1	4.0
Materials	–	2.4	2.9
Industrials	–	1.2	1.4
Consumer goods <sup>15</sup>	–	1.7	1.6
Healthcare	–	0.1	0.1
Financials	–	3.7	4
IT	–	0.3	0.3
Communication services and other undefined sectors	–	0.2	0.2
Real estate	–	0.1	0.1
<b>By Issuer country</b>			
Canada	–	3.5	–
United States	–	15.8	–
All others	–	9.5	–
<b>Estimated weighted average carbon intensity (WACI) (tCO<sub>2</sub>e/mCAD)<sup>16</sup></b>			
Listed equity	–	225	258
Fixed income	–	788	729

<sup>10</sup> Excludes waste and recycling managed directly by tenants and waste from Manulife Investment Management Timberland and Agriculture operations.

<sup>11</sup> Annual CO<sub>2</sub> removals include annual increase in carbon stock within standing forest inventory (biogenic growth), plus carbon store in wood products harvested during that year. Due to year-on-year variation introduced by forest inventory estimation methodologies as well as harvesting schedules, we report a five-year average of carbon removals. CO<sub>2</sub> removals may fluctuate over time due to planting and harvesting cycles and the use of a 5-year average moves. As demand for harvested wood products has strengthened relative to supply over the past half-decade in response to housing shortages and pandemic-related needs, harvesting has increased to take advantage of stronger wood markets.

<sup>12</sup> Prior year portfolio coverage re-adjusted to reflect new portfolio coverage definition.

<sup>13</sup> For the purpose of reporting, Manulife utilized a Trucost methodology for compilation of publicly available data and therefore, incorporates scope 1, 2, and Scope 3 – upstream emissions (where significant to the sector). Emissions are reported per the Partnership for Carbon Accounting Financials (PCAF), utilizing the Global GHG Accounting and Reporting Standard for the Financial Industry. Due to the nature of publicly available emissions disclosure across industries, data lags by one fiscal year and represents a specific point-in-time based on data availability from data providers. Data is not externally assured and may be adjusted in future publications due to changes in the organizational portfolio, in addition to improvements in availability, controls, and quality of data.

<sup>14</sup> Includes companies mainly involved in the production, transport or processing of raw materials whose principal end goal is energy generation, that is coal, oil, gas, uranium, and biofuels.

<sup>15</sup> Includes companies mainly involved in consumer staples and discretionary goods.

<sup>16</sup> Indicates the carbon intensity of money invested, providing a measure of responsibility for emissions and contribution to climate change. Due to market forces, year-on-year performance comparison may be challenging.

## Environment (continued)

Indicators	2022	2021	2020
<b>Portfolio carbon footprint (continued)</b>			
<b>Carbon-related assets (C\$ million)</b>			
Carbon related assets (C\$ million)	\$74,423	–	–
Carbon-related assets as % of the total portfolio (AUMA)	17%	–	–
Total GA Portfolio as of Q4'22 SIP (C\$ millions)	\$414,001	–	–
<b>Waste<sup>17</sup></b>			
Waste recycled (tonnes)	5,401	4,036	5,757
Diversion rate (%)	48%	47%	50%
<b>Paper use</b>			
Paper consumption (tonnes)	1,790	2,224	2,242
Use of paper with recycled fibre content (%)	4%	7%	10%
<b>Water use<sup>18</sup></b>			
Real estate water consumption (million m <sup>3</sup> )	2.7	2.4	2.1
Real estate water use intensity (m <sup>3</sup> /sq. ft)	0.05	0.05	0.04
Length of watercourses depending on our Timber and Agriculture practices for maintaining water quality (miles)	19,199	20,000	–
<b>Biodiversity</b>			
Acres of forest and farmland managed by Manulife Investment Management Timberland and Agriculture (millions)	5.8	6.3	5.8
Acres of land protected by Manulife Investment Management Timberland and Agriculture Sensitive Lands Program since 1985 (millions)	0.48	0.48	0.47
Percentage of forest with a conservation designation (%)	21%	25%	–
Percentage of farms that have regenerative practices (%)	98%	61%	–
Percentage of area of total farms that have regenerative practices (%)	97%	46%	–
Trees planted by Manulife Investment Management Timberland and Agriculture since 1985 (billions)	1.30	1.25	1.19
Percent of farmland third-party certified as sustainably managed	91%	–	–
Percent of farms with biodiversity assessment	100%	–	–
Number of agriculture stream miles protected by BMP (Best management practices)	754	–	–
Percent of forest third-party certified as sustainably managed	100%	–	–
Percent of forests with biodiversity assessment	100%	–	–
Number of timberland stream miles protected by BMP (Best management practices)	18,444	–	–
<b>Green buildings</b>			
Real Estate certified under a sustainable building certification program (million sq. ft)	67	55	48
Real Estate certified under a sustainable building certification program (%)	82%	82%	81%

<sup>17</sup> Based on waste diversion reports and waste audits, covering 61% of Corporate and Real Estate properties. Excludes waste and recycling managed directly by tenants and waste from Manulife Investment Management Timberland and Agriculture operations.

<sup>18</sup> Based on utility bills for Real Estate properties where Manulife has full operational control. Excludes Manulife Investment Management Timber and Agriculture properties.



## Colleagues

Indicators	2022	2021	2020
<b>Global Manulife employees (#)<sup>1</sup></b>	<b>40,018</b>	38,137	39,322
Regular	<b>38,167</b>	36,404	37,198
Temporary	<b>241</b>	220	269
Contractor	<b>1,610</b>	1,513	1,855
<b>Age of Employees (%)<sup>2</sup></b>			
<30	<b>23%</b>	23%	-
30-50	<b>61%</b>	62%	-
>50	<b>16%</b>	16%	-
<b>Employee costs</b>			
Total employee costs (C\$ millions) <sup>3</sup>	<b>\$4,235</b>	\$4,675	\$4,401
<b>Retention, tenure, and advancement</b>			
<b>Turnover</b>			
Voluntary turnover rate (%) <sup>4</sup>	<b>15%</b>	12%	7%
Involuntary turnover rate (%)	<b>2%</b>	5%	-
Total turnover rate (voluntary and involuntary) (%)	<b>17%</b>	17%	-
Men	<b>8%</b>	20%	-
Women	<b>9%</b>	15%	-
<30	<b>27%</b>	22%	-
30-50	<b>15%</b>	16%	-
>50	<b>11%</b>	15%	-
<b>Tenure</b>			
Average employee tenure (years) <sup>5</sup>	<b>7</b>	7	7
<b>Advancement</b>			
Open positions filled by internal candidates (%)	<b>32%</b>	39%	26%
Open positions filled by internal candidates (#)	<b>3,811</b>	2,533	-
<b>Employee engagement</b>			
Employee engagement score (on a five-point scale)	<b>4.4</b>	4.3	4.3
Employees participating in engagement survey	<b>95%</b>	95%	95%
<b>Employee engagement by gender</b>			
Another gender	<b>4.4</b>	-	-
I do not wish to disclose	<b>4.4</b>	-	-
Man	<b>4.3</b>	-	-
Not provided	<b>4.1</b>	-	-
Woman	<b>4.4</b>	-	-
<b>Employee engagement by age group</b>			
<30	<b>4.5</b>	-	-
30-40	<b>4.4</b>	-	-
40-50	<b>4.4</b>	-	-
>50	<b>4.3</b>	-	-

<sup>1</sup> Includes regular active and on paid leave employees, and contingent workers that are temporary and contractor employees.

<sup>2</sup> Includes active regular employees and employees on paid leave.

<sup>3</sup> At GAAP rates. Includes global permanent staff. Figures include salaries, overtime, bonuses, employee benefits, options, and share units.

<sup>4</sup> Includes active regular employees and employees on paid leave. Excludes exits due to retirement and involuntary departures.

<sup>5</sup> Includes active regular employees and employees on paid leave.

## Colleagues (continued)

Indicators	2022	2021	2020
<b>Employee training</b>			
Investment in training (\$/employee)	<b>\$1,059</b>	\$847	-
Investment in training (total spend)	<b>\$40,204,661</b>	\$31,759,058	-
Time spent in training (# hours/employee)	<b>25.7</b>	19.8	9.3
<b>Average training hours by employee age group</b>			
<30	<b>44.7</b>	-	-
30-50	<b>21.7</b>	-	-
>50	<b>13.4</b>	-	-
<b>Percentage of eligible employees who completed Code of Conduct and Business Ethics training</b>	<b>100%</b>	-	-
<b>Workforce diversity<sup>6</sup></b>			
<b>Gender breakdown</b>			
Man (%)	<b>44%</b>	44%	45%
Woman (%)	<b>56%</b>	56%	55%
Other (%)	<b>0.1%</b>	0.1%	0%
I do not wish to disclose (%)	<b>0.3%</b>	0.2%	0%
<b>Asia<sup>7</sup></b>			
Man (%)	<b>42%</b>	42%	43%
Woman (%)	<b>58%</b>	58%	57%
Other (%)	<b>0.04%</b>	0.05%	-
I do not wish to disclose (%)	<b>0.1%</b>	0.06%	-
<b>Women Insurance agents</b>			
Women Insurance agents (%)	<b>61%</b>	71%	68%
Women Insurance Top performers (%)	<b>69%</b>	68%	70%
<b>Canada</b>			
Man (%)	<b>41%</b>	42%	43%
Woman (%)	<b>59%</b>	58%	57%
Other (%)	<b>0.2%</b>	0.1%	-
I do not wish to disclose (%)	<b>0.3%</b>	0.2%	-
<b>U.S.</b>			
Man (%)	<b>53%</b>	55%	56%
Woman (%)	<b>46%</b>	45%	44%
Other (%)	<b>0.1%</b>	0%	-
I do not wish to disclose (%)	<b>0.6%</b>	0.4%	-
<b>Other regions<sup>8</sup></b>			
Man (%)	<b>60%</b>	61%	63%
Woman (%)	<b>35%</b>	34%	35%
Other (%)	<b>1%</b>	0%	-
I do not wish to disclose (%)	<b>4%</b>	4%	2%

<sup>6</sup> Data as of December 31, 2022. Includes active regular employees and employees on paid leave.

<sup>7</sup> Includes Cambodia, mainland China, Hong Kong, India, Indonesia, Japan, Macau, Malaysia, Myanmar, Philippines, Singapore, Taiwan, and Vietnam.

<sup>8</sup> Includes Australia, Caribbean, Europe, New Zealand, and South America.



## Colleagues (continued)

Indicators	2022	2021	2020
<b>Workforce diversity (continued)</b>			
<b>Diverse Sexual Orientations (% of total employees)<sup>9</sup></b>	-	1%	-
Canada	2%	2%	-
U.S.	2%	2%	-
Asia	3%	-	-
<b>Disability (% of total employees)</b>	-	1%	-
Canada	1%	1%	-
U.S.	4%	3%	-
Asia	1%	-	-
<b>Visible minorities and Indigenous peoples (North America in aggregate) (%)<sup>10</sup></b>	23%	19%	17%
Canada	24%	19%	-
Black	3%	2%	-
Indigenous People	1%	0.6%	-
Asian <sup>11</sup>	14%	9%	-
Hispanic or Latino	1%	-	-
Others	5%	-	-
U.S.	22%	21%	-
Black or African American	5%	5%	-
American Indian or Alaska Native	0%	0.2%	-
Hispanic or Latino	5%	4%	-
Asian	10%	11%	-
Native Hawaiian	0.1%	-	-
Others	1%	-	-
<b>Diversity in leadership</b>			
% of racially and ethnically diverse leaders <sup>12</sup>	19%	-	-
<b>Vice President and above (%)</b>			
Man (%)	67%	68%	73%
Woman (%)	32%	31%	27%
Other (%)	0%	0%	-
I do not wish to disclose (%)	1%	1%	-
Visible minorities and Indigenous peoples (North America in aggregate) (%)	14%	11%	10%
<b>Canada</b>	19%	12%	-
Black	1%	1%	-
Indigenous Peoples	0%	0%	-
Non-white Latin American	0%	0%	-
Asian <sup>11</sup>	13%	7%	-

<sup>9</sup> Includes lesbian, gay, bisexual, or another diverse sexual orientation.

<sup>10</sup> Includes the U.S. and Canada only.

<sup>11</sup> Includes East Asian; Non-White West Asian, North African, or Middle Eastern; South Asian and Southeast Asian

<sup>12</sup> Director and Above in North America.

## Colleagues (continued)

Indicators	2022	2021	2020
<b>Workforce diversity (continued)</b>			
<b>Vice President and above (%) (continued)</b>			
<i>Visible minorities and Indigenous peoples (North America in aggregate) (%) (continued)</i>			
<b>U.S.</b>	9%	9%	-
Black or African American	1%	1%	-
American Indian or Alaska Native	0%	0%	-
Hispanic or Latino	2%	2%	-
Asian	6%	6%	-
<b>Assistant Vice President (%)</b>			
Man (%)	62%	62%	-
Woman (%)	37%	38%	-
Other (%)	0.1%	0%	-
I do not wish to disclose (%)	1%	1%	-
Visible minorities and Indigenous peoples (North America in aggregate) (%)	19%	16%	-
<b>Canada</b>	23%	18%	-
Black	1%	1%	-
Indigenous Peoples	1%	1%	-
Non-white Latin American	0.5%	0%	-
Asian <sup>11</sup>	15%	10%	-
Other	5%	-	-
U.S.	15%	14%	-
Black or African American	1%	1%	-
American Indian or Alaska Native	0.2%	0%	-
Hispanic or Latino	3%	2%	-
Asian	10%	10%	-
Other	0.4%	-	-
<b>Manager and Director</b>			
Man (%)	56%	57%	57%
Woman (%)	44%	43%	43%
Other (%)	0.04%	0.1%	-
I do not wish to disclose (%)	0.3%	0.3%	-
Visible minorities and Indigenous peoples (North America in aggregate) (%)	22%	19%	17%
<b>Canada</b>	23%	18%	-
Black	2%	1.40%	-
Indigenous Peoples	0.3%	0.5%	-
Non-white Latin American	1%	0.4%	-
Asian <sup>11</sup>	16%	10.9%	-
Other	4%	-	-

## Colleagues (continued)

Indicators	2022	2021	2020
<b>Workforce diversity (continued)</b>			
<b>Vice President and above (%) (continued)</b>			
<i>Visible minorities and Indigenous peoples (North America in aggregate) (%) (continued)</i>			
U.S.	20%	20%	-
Black or African American	4%	3%	-
American Indian or Alaska Native	0.3%	0%	-
Hispanic or Latino	3%	3%	-
Asian	12%	13%	-
Other	-	-	-
<b>Diversity in hiring</b>			
<b>Total new hires<sup>13</sup></b>	<b>8,479</b>	-	-
Man (%)	43%	-	-
Woman (%)	55%	-	-
Other (%)	0.3%	-	-
I do not wish to disclose (%)	1.4%	-	-
<b>New hires by age</b>			
< 30	50%	-	-
30-40	32%	-	-
40-50	13%	-	-
>50	4%	-	-
<b>Racially and ethnically diverse new grad hiring rate</b>			
Canada	65%	59%	38%
U.S.	34%	40%	34%
<b>Pay received by women as a percentage of men</b>			
Vice President and Senior Officer	99%	99%	99%
Assistant Vice President	99%	99%	-
Management and Professional	99%	99%	-
Individual Contributors	100%	100%	-
<b>Pay received by racial minorities<sup>14</sup></b>			
Vice President and Senior Officer	98%	-	-
Assistant Vice President	101%	-	-
Management and Professional	101%	-	-
Individual Contributors	100%	-	-
<b>Global Absentee rate (%)<sup>15</sup></b>	<b>1.1%</b>	1%	1%
<b>Severe Injuries (#)<sup>16</sup></b>	<b>0</b>	0	0
<b>Freedom of association</b>			
Percentage of employees represented by an independent trade union or covered by collective bargaining agreements	2%	2%	-

<sup>13</sup> Includes regular hires.

<sup>14</sup> Data covers North America only.

<sup>15</sup> Global Absentee rates cover 99.8% of employee population. Absences include any unplanned sick days and exclude holidays, earned personal days, extra personal days, and vacation days.

<sup>16</sup> A critical injury refers to a serious injury that places life in jeopardy and involves an employee who is unconscious or experienced a significant loss of blood, an acute fracture or amputation of a limb, burns over major portions of the body, loss of sight, or other significant losses that require immediate medical attention in a hospital setting. This also includes serious violent crime (resulting in an injury, death, or a near miss) while at a company event or traveling on company business.

## Community Investments (millions)

Indicators	2022	2021	2020
<b>Type of Contribution<sup>1</sup></b>			
Cash contributions <sup>2</sup>	\$22.1	\$21.7	\$21.0
Management costs <sup>3</sup>	\$2.5	\$1.9	-
Monetary value during work hours volunteering <sup>4</sup>	\$0.5	-	-
In-kind donations	\$0	-	-
<b>Total company investment<sup>5</sup></b>	<b>\$25.1</b>	-	-
Employee donations <sup>6</sup>	\$4.8	\$3.7	\$4.2
<b>Volunteering</b>			
Volunteer hours (#) <sup>7</sup>	22,099	17,704	31,795
Employee volunteer hours	22,099	17,704	22,567
Volunteerism during work hours	14,117	8,510	9,854
Volunteerism outside of work hours	7,982	9,194	12,713
<b>Supplier Diversity</b>			
Total Spend Amount with Diverse Suppliers (C\$ millions)	\$34.6	-	-
Total percentage of Spend with Diverse Suppliers	2.16%	-	-

<sup>1</sup> All contributions are aligned with the Business for Societal Impact (B4SI) framework and guidance for inclusion.

<sup>2</sup> Comprises all voluntary cash contributions made by Manulife to charitable organizations/projects.

<sup>3</sup> Includes salaries, technology, and operating costs of Manulife's Community Investment program.

<sup>4</sup> Average hourly rate (excluding executive pay) used to calculate employee time spent volunteering during work hours.

<sup>5</sup> Includes cash, management costs, and monetary value of during work hours volunteering.

<sup>6</sup> Includes payroll giving and direct contributions by Manulife employees. Increase in employee donations attributed to Manulife's shift to a year-round employee giving program.

<sup>7</sup> Increase in hours volunteered in 2022 is attributed to an increase in in-person volunteer activities, largely facilitated by our return to office following the COVID-19 pandemic.

## Debt financing for business

Amount of debt financing authorized in 2022

C\$ thousands	\$0– \$24,999	\$25,000– \$99,999	\$100,000– \$249,999	\$250,000– \$499,999	\$500,000– \$999,999	\$1,000,000– \$4,999,999	\$5,000,000 and greater	Grand total
British Columbia	119	2,042	4,409	13,384	35,951	206,175	386,329	648,409
Alberta	57	748	837	2,509	6,187	27,583	348,382	386,303
Saskatchewan	8	–	–	–	–	2,627	–	2,635
Manitoba	–	145	591	1,820	–	4,011	5,000	11,567
Ontario	90	3,796	9,413	8,384	34,778	92,256	1,340,051	1,488,768
Québec	193	3,715	7,736	7,124	14,780	95,259	158,550	287,357
New Brunswick	46	265	400	780	–	13,061	10,000	24,552
Nova Scotia	27	141	–	289	1,063	5,631	93,861	101,012
Prince Edward Island	–	50	146	–	–	–	5,000	5,196
Newfoundland and Labrador	–	42	–	442	800	–	30,700	31,984
Yukon	–	–	–	–	–	–	–	–
Nunavut	–	–	–	–	–	–	–	–
Northwest Territories	–	–	200	–	–	–	–	200
Total Canada	540	10,944	23,732	34,732	93,559	446,603	2,377,872	2,987,982
Total U.S.	–	–	–	–	–	19,215	2,645,187	2,664,402
Total Europe	–	–	–	–	–	–	184,846	184,846
Total Asia	–	–	–	–	–	–	–	–
<b>Total</b>	<b>540</b>	<b>10,944</b>	<b>23,732</b>	<b>34,732</b>	<b>93,559</b>	<b>465,818</b>	<b>5,207,906</b>	<b>5,837,231</b>

## Geographic breakdown of employees, by employment type

Includes active regular/temporary employees, contractors, and employees on paid leave.

As at December 31, 2022.

Country/Territory	2022			
	Total	Regular	Temporary	Contractor
Australia	84	78	1	5
Barbados	18	18	0	0
Belgium	28	28	0	0
Bermuda	18	18	0	0
Brazil	14	14	0	0
Cambodia	689	674	0	15
Canada	12,127	11,503	1	623
Chile	32	31	0	1
Mainland China	3,289	2,904	10	375
Germany	2	2	0	0
Hong Kong	2,470	2,353	51	66
India	2	0	0	2
Indonesia	1,270	1,198	14	58
Ireland	9	9	0	0
Japan	1,498	1,279	122	97
Macau	37	33	4	0
Malaysia	507	489	10	8
Mexico	0	0	0	0
Myanmar	124	97	17	10
New Zealand	88	86	0	2
Philippines	10,074	9,997	0	77
Singapore	860	782	5	73
Switzerland	5	5	0	0
Taiwan	72	66	6	0
Thailand	0	0	0	0
United Kingdom	71	70	0	1
United States of America	5,316	5,150	0	166
Vietnam	1,314	1,283	0	31
<b>Total</b>	<b>40,018</b>	<b>38,167</b>	<b>241</b>	<b>1,610</b>



# Abbreviations and Acronyms

<b>A4S</b>	Accounting4Sustainability	<b>ESCM</b>	Ecosystem Services Market Consortium	<b>LiDAR</b>	Light detection and Ranging	<b>SASB</b>	Sustainability Accounting Standards Board
<b>AA</b>	Advanced Analytics	<b>ESG</b>	Environmental, Social, and Governance	<b>LMS</b>	Learning Management System	<b>SBTi</b>	Science Based Targets initiative
<b>AI</b>	Artificial Intelligence	<b>ETFs</b>	Exchange-traded Funds	<b>LTE</b>	Learning Technology Ecosystem	<b>SDGs</b>	United Nations Sustainable Development Goals
<b>AIFs</b>	Alternative Investment Funds	<b>FLAG</b>	Forest, Land, and Agriculture	<b>LXP</b>	Learning Experience Platform	<b>SFAC</b>	Sustainable Finance Action Council
<b>AML</b>	Anti-Money Laundering	<b>FSC®</b>	Forest Stewardship Council®	<b>MBPS</b>	Manulife Business Processing Services	<b>SFI®</b>	Sustainable Forestry Initiative®
<b>ANT</b>	Anti-Terrorist Financing	<b>GA</b>	Manulife General Account	<b>MLK</b>	Dr. Martin Luther King Jr.	<b>SIC</b>	Sustainable Investing Committees
<b>ATM</b>	Automated Teller Machines	<b>GHG</b>	Greenhouse Gas	<b>NCS</b>	Natural Climate Solutions	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>B4SI</b>	Business for Societal Impact	<b>GICS</b>	The Global Industry Classification Standard	<b>NIST</b>	National Institute of Standard and Technology	<b>TNFD</b>	Task Force on Nature-related Financial Disclosures
<b>BEPS</b>	Base Erosion and Profit Shifting initiative	<b>GPs</b>	General Partners	<b>NGOs</b>	Non-governmental Organizations	<b>UITF</b>	Unit Investment Trust Funds
<b>BRC</b>	Board's Risk Committee	<b>GRESB</b>	Global Real Estate Sustainability Benchmark	<b>NPS</b>	Net Promoter Score	<b>UNEP</b>	United Nations Environmental Program
<b>CCWG</b>	General Account Climate Change Working Group	<b>GRI</b>	Global Reporting Initiative	<b>OECD</b>	The Organization for Economic Co-operation and Development	<b>UNGC</b>	United Nations Global Compact
<b>CEO</b>	Chief Executive Officer	<b>HCD</b>	Human-Centred Design	<b>OSFI</b>	Office of the Superintendent of Financial Institutions	<b>WBCSD</b>	World Business Council for Sustainable Development
<b>CGNC</b>	Corporate Governance and Nominating Committee	<b>HVAC</b>	Heating, Ventilation, and Air Conditioning	<b>PACs</b>	Political Action Committees	<b>WCK</b>	World Central Kitchen
<b>CIFAR</b>	Canadian Institute for Advanced Research	<b>ICMA</b>	International Capital Markets Association	<b>PCAF</b>	Partnership for Carbon Accounting Financials	<b>WEF</b>	World Economic Forum
<b>CoE</b>	Centre of Expertise	<b>I-CRT</b>	Intelligence-led Cyber Resilience Testing	<b>RCP</b>	Representative Concentration Pathway	<b>WLU</b>	Wilfrid Laurier University
<b>CSO</b>	Chief Sustainability Officer	<b>IFRS</b>	International Financial Reporting Standards	<b>RMS</b>	Risk Management Solution		
<b>DC</b>	Defined Contribution	<b>IIAG</b>	ISSB Investor Advisory Group	<b>PRI</b>	Principles for Responsible Investing		
<b>DEI</b>	Diversity, Equity, and Inclusion	<b>ILO</b>	International Labour Organization	<b>PWDs</b>	Persons With Disabilities		
<b>ELT</b>	Executive Leadership Team	<b>IPCC</b>	Intergovernmental Panel on Climate Change	<b>RFP</b>	Requests for Proposals		
<b>ERC</b>	Executive Risk Committee	<b>IRS</b>	Internal Responsibility System	<b>rNPS</b>	Relationship Net Promoter Score		
<b>ERGs</b>	Employee Resource Groups	<b>ISSB</b>	International Sustainability Standards Board	<b>ROI</b>	Return on Investment		
<b>ERM</b>	Enterprise Risk Management	<b>JHPAC</b>	John Hancock Political Action Committee	<b>RTO</b>	Return to Office		
<b>ESC</b>	Executive Sustainability Council	<b>JHSC</b>	Joint Health and Safety Committee				
		<b>KPI</b>	Key Performance Indicator				
		<b>LDI</b>	Liability-driven Investing				

# About Manulife Investment Management

Manulife Investment Management is the global wealth and asset management segment of Manulife Financial Corporation. We draw on more than a century of financial stewardship to partner with clients across our institutional, retail, and retirement businesses globally. Our specialist approach to money management includes the highly differentiated strategies of our fixed-income, specialized equity, multi-asset solutions, and private markets teams—along with access to specialized, unaffiliated asset managers from around the world through our multimanager model.

Manulife Investment Management conducts ESG engagements with issuers but does not engage on all issues, or with all issuers, in our portfolios. We also frequently conduct collaborative engagements in which we do not set the terms of engagement but lend our support in order to achieve a desired outcome. While we conduct outcome-based engagements to enhance long term-financial value for our clients, we recognize that our engagements may not necessarily result in outcomes that are significant or quantifiable. In addition, we acknowledge that any observed outcomes may be attributable to factors and influences independent of our engagement activities.

We consider that the integration of sustainability risks in the decision-making process is an important element in determining long-term performance outcomes and is an effective risk mitigation technique. Our approach to sustainability provides a flexible framework that supports implementation across different asset classes and investment teams. While we believe that sustainable investing will lead to better long-term investment outcomes, there is no guarantee that sustainable investing will ensure better returns in the longer term. This ESG Report describes certain ESG-related processes and activities of our internal investment teams, some of whom manage assets on behalf of the Manulife General Account.

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Ways to contact us:  
**manulife.com**  
**johnhancock.com**  
**manulifeIM.com**

**Manulife**

Attention: Corporate Sustainability  
200 Bloor Street East  
Toronto, ON M4W 1E5  
Canada