

**Equator Principles**  
**Annual Compliance Statement**

**Financial Industry Benchmarking for Managing Social and Environmental Risk in Project Financing**

Manulife Financial Corporation adopted the Equator Principles in **April 2005**. The Principles apply to all new project financings globally with total project capital costs of US\$10 million or more, and across all industry sectors. According to Principle #10, Equator Principles Financial Institutions commits to report publicly at least annually about its Equator Principles implementation processes and experience, taking into account appropriate confidentiality considerations. Manulife's internal Environmental Policy and Procedures also require that annual environmental reviews be performed.

The following significant project financing and investments have been reviewed by Manulife's Chief Environmental Officer for adherence to the adopted and distributed Equator Principles and compliance with the Company's Environmental Policy and Procedures.

**Business Unit/Affiliate: Manulife Insurance (Malaysia) Berhad**

**Region: EAST ASIA**

**Sector: INFRASTRUCTURE, Project Financing**

**Category: C, (Projects with minimal or no social or environmental impacts)**

**Project 1**

Independent Environmental Impact Assessments (EIA) were performed for the last phases of a joint venture highway project in Malaysia in accordance with the Environmental Policy adopted by the consortium as part of its social responsibility initiatives. The joint venture project financing undertook the part-construction, operation and maintenance of a 772-km North-South Expressway, the 35-km New Klang Valley Expressway, the 169-km Federal Highway Route 2 between Subang and Klang, and the 23-km Seremban-Port Dickson Highway.

**Project 2**

The joint venture partners undertake the design, financing, construction and completion of government office complexes and residential housing for government officers. This project complies with Manulife's Environmental Policy and Procedures, although no local requirements exist for EIA studies in this type of joint venture project that involves leasing and construction of government complexes and residential housing.

**Project 3**

The joint venture undertakes the privatization of the Sungai Semenyih Water Supply Scheme from the Selangor State Government under a 30-year concession. Financing for this legacy project assumed the operation of existing water treatment plants and their infrastructure. The construction of the plants required approval of certain EIA studies



before its construction for review and approval by the local authorities and original investors.

Jack J. Smits M.Eng., P.Eng.  
Chief Environmental Officer  
Manulife Financial

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Compliance statements for the above projects confirm that project financing has been safeguarded against negative impacts on ecosystems or communities and where negative impacts have been identified, they have been mitigated and/or compensated for appropriately by the Company.

Jack Smits, M.Eng., P.Eng.  
Chief Environmental Officer  
Feb.25/2008