Manulife

Sustainability Report

2023

Manulife Financial Corporation

Table of Contents

About this Report

In seeking to minimize our environmental footprint, our annual Sustainability Report is only available in digital format. Additional information on our sustainability-related practices is available in the following publicly available reports:

- 2023 Annual Report
- 2024 Management Information Circular
- 2023 Green Bond Report
- 2023 GRI Index
- 2023 SASB Index

Scope

The Sustainability 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 designed 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 our website.

Boundaries

This report largely covers our activities during Manulife's 2023 fiscal year. All facts and figures are as of December 31, 2023, 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. All products, strategies or services referred to herein might not be available to all clients or in every jurisdiction.

Partnerships and Engagements

To continue our work to help protect and preserve the environment, support 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.

For more information, visit Partnerships and Engagements | Sustainability at Manulife.

2023 ESG Ratings

Key ratings and rankings[1]	Description	Score
S&P	As of December 2023, Manulife Financial Corporation is a member of the DJSI North America Index, ranking higher than 93% of our industry group.	93rd percentile
CDP	As of February 2024, Manulife Financial Corporation received a CDP Climate Change score of B, which represents a Management-level disclosure.	B
MSCI	As of December 2023, Manulife Financial Corporation received an MSCI ESG Rating of AA.	AA
Sustainalytics	As of December 2023, Manulife Financial Corporation was assessed by Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors.	ESG Risk level: Low
Corporate Knights Global 100	Manulife was ranked amongst Corporate Knights' 2024 Global 100 Most Sustainable Companies.	Ranked 98

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 our Impact Agenda, our Climate Action Plan and its implementation, our journey to net zero and statements related to other sustainability-related strategies. Forward-looking statements can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "suspect", "outlook", "expect", "intend", "estimate", "anticipate", "believe", "plan", "forecast", "objective", "seek", "aim", "continue", "goal", "restore", "embark" and "endeavour" (or the negative thereof) and words and expressions of similar import, and include statements concerning possible or assumed future results. 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.

The factors and assumptions that may impact the forward-looking statements in this report include limited availability of quality emissions and issuer data; variations in measurement methodologies; varying sector specific decarbonization efforts and our ability to implement decarbonization initiatives; shifting stakeholder and regulatory expectations; evolving economic conditions, technological advancements, and public policies; balancing sustainability commitments with an orderly transition across regions; and strategic, market, reputational, system and environmental risks.

In particular, we have relied on external methodologies to guide our emissions measurement and target setting approach for Manulife's scope 1 and 2 greenhouse gas emissions target and scope 3 financed emissions targets. Our decarbonization approach described in this report relies on currently available climate science, and on assumptions and estimations based on publicly available information and internal data. We caution that there are inherent limitations and uncertainties with available climate data and scenarios, and with quantification methodologies, that may impact our underlying assumptions and estimations.

Within our General Account, interim targets support us in understanding how our investments can contribute to decarbonization of the real economy and provide guideposts against which to measure our progress towards our long-term commitments. However, our targets, and our progress towards achieving them, may need to be revisited if the assumptions underlying net zero scenarios and pathways prove incorrect, or if regulatory, economic, technological, and other external factors needed to enable such scenarios and pathways fail to evolve. Manulife's commitment to achieve net zero financed emissions within our General Account's investments by 2050 does not include investments of our third-party clients, which are managed by Manulife's Global Wealth and Asset Management business.

Our reporting on progress towards achieving our short-term and long-term targets relies on various external frameworks, methodologies, taxonomies, and other standards, which may change over time, resulting in changes to, or restatements of, our reporting processes and results. The availability of quality and reliable data is a notable factor in our ability to set targets, make effective decisions against, and report on our progress towards our targets and strategic areas of focus for us. While we rely on third-party data sources, Manulife has not independently verified any third-party data, or underlying assumptions of such data, and cannot guarantee the quality of the data used. As a consequence of incomplete, inadequate, or unavailable data, our targets, and our progress towards achieving them, may need to be revisited.

Across all areas of our Impact Agenda and Climate Action Plan, we have assumed standard growth rates and changes to our business in the development of our targets and decarbonization approaches. Any changes to our business including our own investment, financing, underwriting, and lending activities may have a material effect on our ability to achieve our targets and to decarbonize.

Important information about risk factors that could cause actual results to differ materially from expectations and about material factors and assumptions applied in making our forward-looking statements may be found in our most recent Annual Report under "Risk Management and Risk Factors Update" and elsewhere in our filings with Canadian and U.S. securities regulators. The forward-looking statements in this report are, unless otherwise indicated, stated as of the date this report is issued and are presented for the purpose of assisting stakeholders 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.

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, investments, and insurance, operating as Manulife across Canada, Asia, and Europe, and primarily as John Hancock in the U.S. 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 2023, we had more than 38,000 employees, over 98,000 agents, and thousands of distribution partners, serving over 35 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 proud of the accomplishments and recognitions received in 2023 by Manulife globally. For more information, visit 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 is 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.

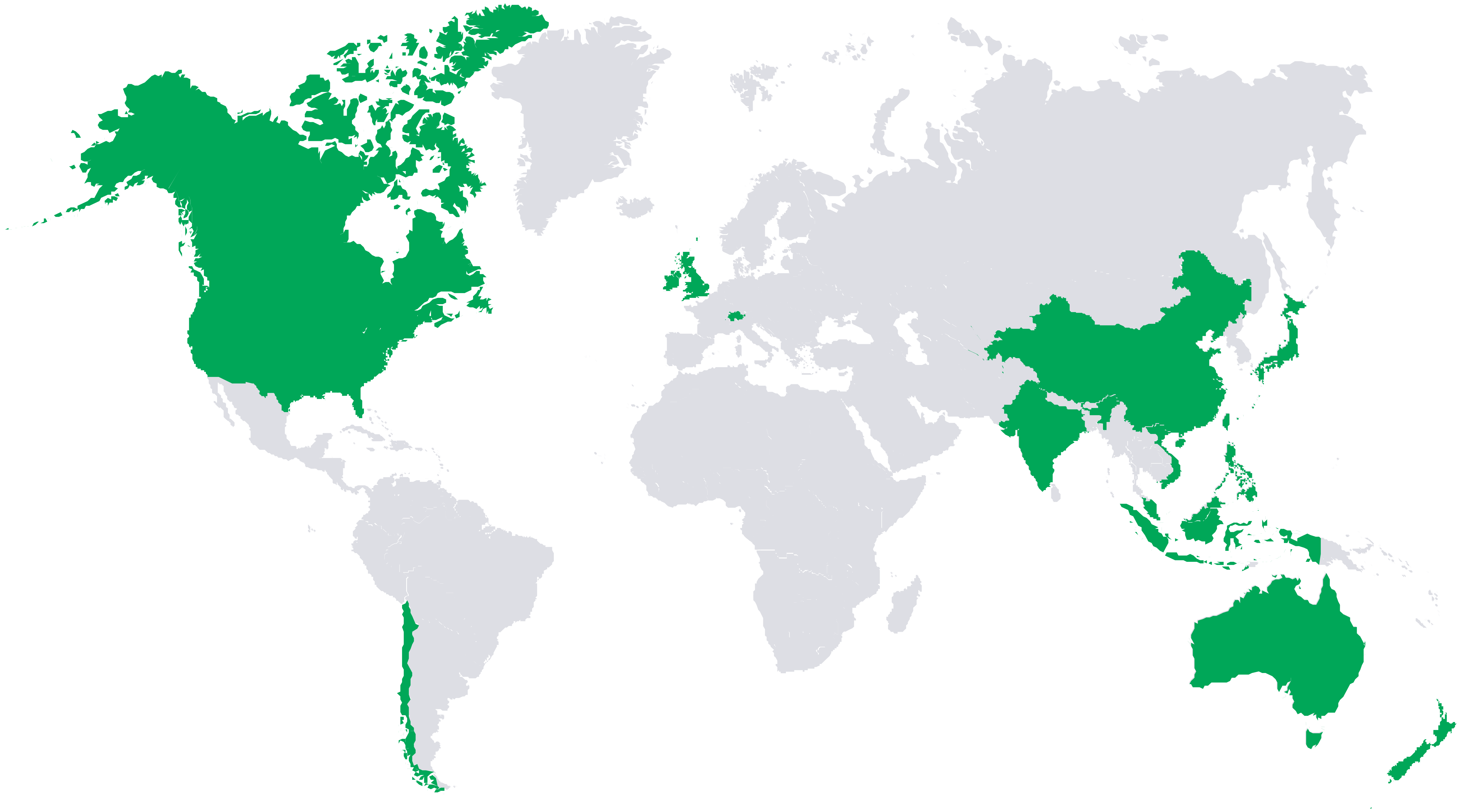
Share your humanity
We build a supportive, diverse and thriving workplace.

Get it done together
We are 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 leading international financial services provider, helping people make decisions *easier* and lives *better*.



Over **160** year history[2]

Over **35M** customers globally

Top **10** life insurer by market capitalization

Largest natural capital investment manager[3]

We provide life and health insurance products and insurance-based wealth accumulation products. Through our behavioural insurance offerings, we support our customers in living healthier, more active lives by rewarding them for making healthy lifestyle choices.

Through Manulife Investment Management, the global brand for our Global Wealth & Asset Management segment, we have a global presence across three business lines, providing investors with local insights on a global scale. We serve individuals, institutions, and retirement plan members worldwide.

Note: Manulife Investment Management offices located in the U.S., Canada, Japan, Hong Kong, Singapore, Taiwan, Indonesia, Vietnam, Malaysia, India, the Philippines, England, Ireland, Switzerland and mainland China. We have timberland and agriculture offices in Australia, New Zealand, and Chile.

Introduction

About this Report

About Manulife

CEO's Message

Global Trends Influencing our Strategy

Strategy

Sustainable Investing

Environmental

Social

Governance

Performance Data

Abbreviations and Acronyms

A Message from Roy Gori

At Manulife, we know the work we do every day helps people live longer, healthier lives. That sense of purpose is a powerful motivator for our colleagues, helping to drive the strong results we delivered in 2023.

We continued to make progress by focusing on areas where we can affect change, which are articulated in our three Impact Agenda pillars. I'm proud to share the highlights that demonstrate our progress.

To empower sustained health and well-being, we hosted the Longer. Healthier. Better. longevity symposium, focused on helping our customers live better lives. The symposium convened global leaders, academics, health and wellness experts, and media, to share the latest trends, research, science, and innovations shaping the future of the longevity economy.

In our Group Benefits business in Canada, we launched a new partnership with League, a leading healthcare technology provider, to give members a personalized and digital healthcare experience that is fully integrated with Manulife's group benefits ecosystem. We also enhanced our Behavioural Insurance offerings, expanding access to the GRAIL Galleri® multi-cancer early detection test through our John Hancock Vitality Program. The impact we have on customers is clear. Take one of our John Hancock customers, whose Vitality policy gave him access to the GRAIL test, which led to the diagnosis of his cancer early enough to create a treatment plan and improve his chance of survival. We are proud to be the first life insurance carrier to offer access to this technology.

To drive inclusive economic opportunities, we believe our winning team and culture are our competitive differentiators, and we remain committed to embracing diversity, equity, and inclusion to create a safe workplace and resilient workforce. We invest in our colleagues at every stage of their career by providing them with flexibility, benefits to make better health and wellness choices and continued development by offering best-in-class digital learning experiences and internal leadership and training programs.

For our customers, we design our products and services with similar values in mind. We became the first insurer to offer life insurance for people living with Human Immunodeficiency Virus (HIV) in Indonesia, building upon similar offerings that we have been providing in the United States and Canada since 2016. We also expanded beneficiary eligibility, allowing customers to appoint a same-sex partner as a beneficiary, improving our customers' rights to protection and security. This inclusive offering was launched in Hong Kong in 2022 and has since expanded into Japan.

Providing access to financial tools and resources within the communities where we operate is key to advancing our diversity, equity, and inclusion strategy. We announced a US$1 million commitment to Kiva, a global crowdfunding microlending platform. Through this partnership, we are helping scale up Kiva's lending partners in select markets in Asia by increasing their funding capacity. A Manulife Match Fund was also created to provide capital to microentrepreneurs around the world who would otherwise not have traditional access to financial services.

To accelerate a sustainable future, we continued to make progress on our Climate Action Plan. We strengthened our commitment to reducing emissions in our operations through an increased ambition to reduce our absolute scope 1 and 2 emissions target from 35% to 40% by 2035. We released our Climate Action Implementation Plan, which lays out our approach to managing the climate transition across our operations, owned investments, and products and services.

And we announced the first close of our Forest Climate Strategy, securing commitments totaling up to $224.5 million towards its $500 million targeted offering. Our Forest Climate Strategy offers qualified investors the ability to participate in natural climate solution markets, amplifying their potential benefits.

I am *proud* to lead a *company* with such an incredible *mission*.

When it comes to making decisions easier, and lives better, we know our work is never done. As a global life insurer, we care deeply about how long and well our customers live. And, as the world's largest manager of natural capital,[4] we have a fundamental interest in how biodiversity loss impacts our planet and economy. As we enter 2024, we see two trends shaping the world around us where we can contribute maximizing value for our customers and clients, while minimizing business risk:

People are living longer, but not healthier, as individuals are now spending approximately 50% of their lives in less-than-good health.[5] Solving the longevity challenge calls for a comprehensive approach that advances the longevity economy by promoting healthier lifestyles, addressing socioeconomic inequalities, and investing in innovation, research, and technologies. Across our global footprint, we intend to take the long view as we address each of these important areas of action to help drive the future of health and well-being.

Biodiversity is degrading faster than at any other time[6] and nature loss, if left unaddressed, will expose companies, communities, and customers to more financial and environmental risks. As we have shared in prior years, we must address nature loss, which is why we will continue to make investing in nature possible by developing investment methods focused on real asset classes that move the dial on achieving nature-positive goals. And we'll use those tools, learnings, and resources to drive collective action, centered around a widespread recognition that nature plays a vital role in sustaining our societies and economies.

Reflecting on what we've achieved this year, I am confident that through our all-weather strategy, our geographic footprint, and our winning team and culture, we'll continue to make great progress for our customers, communities, and the future we all share.

Roy Gori
President and Chief Executive Officer

Global Trends Influencing our Strategy

Climate Transition

The market is calling for additional detail on how corporations intend to achieve their climate goals and commitments and adequately manage climate risk. Transition activities must be implemented in order to make positive progress in the fight against climate change.

Manulife's Climate Action Plan establishes our ambitions, including science-based emissions reductions targets to contribute to the transition to a low-carbon economy and take meaningful action on climate change. We released our Climate Action Implementation Plan to describe our pathway for achieving these ambitions and outline the levers that will support our work in our operations, our owned investments, and our products and services.

Nature and Biodiversity

The widespread decline of natural resources is generating significant risks to the well-being of society and the economy. At Manulife, we are contributing to a more nature-positive world by investing in nature and are making tangible commitments to hold ourselves accountable in protecting and restoring the environment. By integrating economic and environmental data in the valuation of natural capital assets, we can better understand their value.

Within our timberland portfolio, we completed natural capital accounting balance sheets for all North American properties in 2023. Moving forward, we will further expand the account to include all of our global timberland and agriculture portfolios to better understand the value of our natural capital.

Longevity

Around the world, people are living longer, but not necessarily healthier. One-fifth of an individual's life, on average, is now expected to be lived with morbidity or in a state of illness.[7] Solving this longevity crisis will require a comprehensive approach to promoting healthier lifestyles, addressing socio-economic inequalities, and investing in new research, technologies, and innovations.

To sustain human health and longevity, we are taking action to improve three dimensions of longevity: personal health, financial well-being, and the planet's health. In 2023, we hosted our Longer. Healthier. Better. Symposium, convening global leaders to share the latest research and innovations driving the longevity economy and the future of health and well-being. In 2024 and beyond, we will continue to drive the longevity economy forward through continued thought leadership, investments in innovation, and partnering with leading subject matter experts and organizations to take action.

Within our agriculture assets, we're increasingly focused on regenerative agriculture, which incorporates all aspects of what the agriculture industry of the future needs to look like in order for it to contribute to meeting the sustainable development goals. In other words, farming in a way that produces healthy food but also contributes meaningfully to the well-being of those producing it — and to that of natural systems such as soil and water.

Financial Well-being

Access to financial tools, products, resources, and education is paramount to supporting individuals in living healthy lives as their lifespans become longer. However, inequality in financial literacy, readiness, and access to products exist across marginalized communities and socioeconomic circles, creating barriers for individuals to plan for their futures and close the wealth gap.

Manulife provides access to finance to traditionally underserved populations in several of our Asia markets, as well as in India through a joint venture with Mahindra. In Canada, we also help our clients achieve long-term financial security and offer PlanRight to empower our clients to optimize their retirement readiness. In the U.S., we are partnering with Black Enterprise on an innovative education and awareness campaign to support wealth building for the Black community. We will continue our efforts in supporting diverse communities with access to finance and leverage life insurance and retirement planning as wealth building tools to close socioeconomic and racial wealth gaps.

Digitization

There continues to be a need for organizations to innovate and embrace new technologies to keep up with an ever evolving, increasingly digital world. Within the financial services industry, we are seeing a significant opportunity to use AI-driven tools to streamline operations, contribute to cost savings through automation and data analysis, and offer personalized experiences for customers.

In 2018, Manulife became the first Canadian life insurer to underwrite using AI. Since then, we have continued to implement new use cases for the technology, using it to detect and prevent fraud, empower customers to improve their health outcomes, and optimize claims processing timing. We will continue to educate and train our employees on the benefits of GenAI to support a more productive workforce aligned to our values.

Our Impact Agenda

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

Through our Impact Agenda, we are staying true to our mission and creating a better tomorrow for our business, our communities, and the planet.

Through three interconnected pillars that outline the social and environmental areas where we have the greatest ability to affect change, our Impact Agenda serves as a lens to guide our business decisions and community impact.

Grounded in the principles of longevity, at Manulife, *better* means longer, healthier lives for our customers and our planet. We believe collective action can accelerate change, and by collaborating with likeminded partners, we know we can drive meaningful impact. Together, we can build a *better* world.

For more information, visit Impact Agenda | Sustainability at Manulife.

Empowering sustained **health and well-being** to support the journey towards a better life as a partner for progress.

Driving inclusive **economic opportunities** to create a more even playing field for underserved and underrepresented communities.

Accelerating a **sustainable future** to restore and preserve the planet we all share.

Impact Agenda Scorecard

Focus Area	Commitment	Metric	Target Year	Baseline Year	Baseline	2023 Results	Learn More
Empower Sustained Health and Well-being							
Behavioural Insurance	Innovate and scale our behavioural insurance platform	Qualitative	-	Annual	-	**Expansion to employees in select Asia markets**	Behavioural Insurance
	Vitality members maintained or improved overall health	% of John Hancock Vitality members reported similar or improved overall health year-over-year	-	Annual	-	**82%**	Behavioural Insurance
Employee Well-being	Continue to elevate well-being of our people — providing family friendly and mental health benefits programs	Qualitative	-	Annual	-	**Increased mental health benefits**	Employee Health and Wellness
Occupational Health and Safety[i]	Expand healthy building certifications for Manulife Investment Management managed real estate properties	# of healthy building certifications	-	Annual	-	**6 new buildings certified**	Occupational Health & Safety
Drive Inclusive Economic Opportunity							
Diversity, Equity, and Inclusion	Increase representation of women at the AVP level to 40%	% of women at the AVP level	**2023**	Annual	-	**39%**	Diversity, Equity, and Inclusion
	Increase representation of women at the VP+ level to 34%	% of women at the VP+ levels	**2023**	Annual	-	**34%**	Diversity, Equity, and Inclusion
	Increase racially and ethnically diverse representation at the Director+ level in North America by 30%	% of racially and ethnically diverse representation	**2025**	2022	14%	**53%**	Diversity, Equity, and Inclusion
	Increase Asia disability representation to 1.5% in 2023	% of disability representation in Asia	**2023**	2021	-	**1.0%**[ii]	Diversity, Equity, and Inclusion
Supplier Diversity	Increase spend with diverse suppliers to at least 4% by 2025	% of total spend with diverse suppliers in North America	**2025**	2020	0.06%	**4.5%**	Supplier Diversity
Financial Inclusion	Reach 1 million learners through our financial capabilities programs by 2025	# of financial capabilities program learners	**2025**	2023	-	**446,699**	Financial Inclusion
Accelerate a Sustainable Future							
Net Zero General Account Investment Portfolio	Net zero financed emissions in our General Account	Zero total financed emissions in ($MtCO_2e$)	**2050**	2019	-	**21.9 ($MtCO_2e$)**[iii]	Sustainable Investing in Asset Ownership Our Investments
	72% in per kWh reduction in emissions intensity from project financing activities by 2035 and/ or in line with a 2035 IEA target intensity of 0.14 $kgCO_2e$/kWh	Per kWh emissions intensity	**2035**	2019	0.13 $kgCO_2e$/ kWh	**In progress**[iv]	Sustainable Investing in Asset Ownership Our Investments
	Reduce portfolio temperature from 2.9°C in 2019 to 2.5°C in 2027 based on issuer's total value chain activities (scope 1, 2, and 3 emissions)	Listed debt and equity portfolio temperature score	**2027**	2019	2.9°C	**2.6°C**[v]	Sustainable Investing in Asset Ownership Our Investments
	Reduce portfolio temperature from 2.7°C in 2019 to 2.3°C by 2027, based on issuer's operational activities (scope 1 and 2 emissions)	Listed debt and equity portfolio temperature score	**2027**	2019	2.7°C	**2.1°C**[v]	Sustainable Investing in Asset Ownership Our Investments
Decarbonization	Reduce absolute scope 1 and 2 emissions 40% by 2035	% of absolute reduction in total scope 1 and 2 GHG emissions	**2035**	2019	272,218 tCO_2e	**8.7% reduction**[vi]	Our Operations
Sustainable Farmland	Certify 100% of eligible Manulife Investment Management managed farmland as certified sustainable	% of total eligible farmland certified sustainable	**2023**	Annual	-	**100%**	Managing Farms and Forests
Paper	Reduce paper volume by 35% and ensure remaining paper is from sustainable sources	% of absolute reduction in paper volume (page count)	**2025**	2019	411 million page count	**39% reduction 265.9M page count**[vii]	Our Operations Performance Data

i 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.

ii Based on employee self-identification.

iii This figure represents emissions data from 2022 reporting year.

iv As Manulife set its target for this asset class in 2023, we currently do not have accurate data to measure progress on our commitment for a complete reporting year. We remain committed to our target and will continue to monitor progress in alignment with industry guidance and best available data, as we embed decarbonization considerations in alignment with the latest available science. We will look to disclose our progress in a transparent and timely manner.

v Manulife utilizes a third-party vendor to access temperature score data and to monitor our portfolio temperature score. There are limitations associated with data availability and quality due to the limited availability of company reported emissions and a time lag in emissions reporting, as well as uncertainties in sectoral decarbonization efforts in the future, which can contribute to fluctuations in our portfolio temperature score that are outside of our control.

vi Manulife calculates greenhouse gas emissions annually and reports cumulatively against the 2019 baseline. 2023 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.

vii 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.

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 March 5, 2024, the CGNC includes the Chair of the Board and five other independent Board members.

Experience in and an understanding of ESG matters are considered essential characteristics for directors because of the importance of ESG to Manulife and the Board's role in overseeing Manulife's ESG framework. In 2023, environmental, climate and social experience was added as a key experience to our skills matrix to denote those directors who have a significant knowledge and understanding of relevant issues based on their respective experiences in their professional careers or as corporate directors.

Board members gain ESG experience through ongoing education sessions and reports on ESG strategy, trends, risks, and opportunities and are encouraged to attend sessions on ESG matters at meetings of the CGNC. In addition to these regular internal sessions, members of the CGNC 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 currently consists of our Global Chief Sustainability Officer (CSO) and 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 generally 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 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.

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 the execution of Manulife's Climate Action Plan and includes business segment representation.

Manulife's ESG Leaders Group consists 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 generally meets monthly to discuss the implementation of new practices and emerging industry trends.

In addition, our global Diversity, Equity, and Inclusion (DEI) strategy is led 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 drive 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.

ESG Governance at Manulife

Board of Directors

Board Risk Committee	Corporate Governance & Nominating Committee	Management Resources & Compensation Committee	Audit Committee

↓

Executive Sustainability Council

Oversees ESG and sustainability strategy and disclosures

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

↓

ESG Centre of Expertise

Discusses and aligns on sustainability-related matters

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

↓

Climate Change Taskforce

Develops and drives the Climate Action Plan

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	

Global Diversity, Equity, and Inclusion Council

Responsible for contextualizing the DEI strategy for business units and help to operationalize DEI efforts

Meets quarterly

President and CEO	Chief Human Resources Officer	Chief Diversity, Equity, and Inclusion Officer	Legal	Retirement	Marketing	Procurement	Actuary	Technology	Distribution	Risk	Human Resources	General Account	Finance

Climate Risk Governance

Climate-related risks are governed at various levels across the enterprise. In addition to the roles of the CGNC, ESC, ESG 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 evolving 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 evolving risks and risk management activities.

The ERC oversees the execution of the Company's enterprise risk management program. It establishes and presents for approval to the Board the Company's risk appetite and enterprise-wide risk limits and monitors our overall risk profile, including evolving risks and risk management activities. As part of these activities, the ERC monitors material risk exposures, endorses and reviews strategic risk management priorities, and reviews and assesses the impact of business strategies, opportunities and initiatives on our overall risk position.

The ERC is supported by several oversight sub-committees, including those listed, 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, monitors Manulife's overall credit risk profile, and approves large individual credits and investments.
- **Product Oversight Committee** – Oversees insurance risk, 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.
- **Information Risk Committee** – Establishes information risk policies, oversees the information risk management program, and provides strategic leadership, support, and guidance for information risk across Manulife.
- **Capital Outlook Committee** – Oversees capital management policy and capital positions. Provides direction on strategic capital matters. Identifies key evolving risks impacting capital and the ability to remit earnings from subsidiaries.
- **Segment-specific Risk Committees** – Oversee mandates like the ERC, but with a specific focus at the segment level.
- **Certain ERC oversight sub-committees** are further supported by management-level committees. For example, the Operational Risk Committee is further supported by an Information Risk Committee.

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 to develop or enhance internal guidelines, standards of practice, and other processes to provide more effective oversight.

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

Board Risk Committee

↓

Executive Risk Committee

↓

Credit Committee	Product Oversight Committee	Global Asset Liability Committee
Operational Risk Committee	Capital Outlook Committee	Segment-specific Risk Committees

Oversight functions

Global Risk Management	Global Compliance	Audit Services
	Global Actuarial	

ESG Material Topics

In 2023, Manulife conducted a global materiality assessment to ensure our sustainability strategy remains current, reflective, and relevant in relation to our business strategy and expectations of stakeholders.

Multiple internal and external stakeholder groups were engaged to help determine which topics were considered material, to ensure that these sustainability matters are prioritized by our businesses in alignment with their needs.

Our approach to identifying material topics considered a double-materiality perspective; the potential impact on Manulife (i.e., the potential risks and opportunities these topics may have on our business), and the potential impact by Manulife, externally (i.e., our business's impact on the economy, environment, and/or society).

The assessment enabled us to obtain meaningful insights into our material sustainability matters, while also facilitating continuous engagement with our stakeholders. The results derived from our stakeholder engagement process are reflected in the following matrix, which prioritizes the material sustainability matters based on their importance to stakeholders.

Looking ahead, we will be refreshing our materiality assessment on an annual basis, reflecting best practices and expectations from stakeholders. The results of our materiality assessments have been reviewed by both Manulife's Executive Sustainability Council and the Board of Directors' Corporate Governance and Nominating Committee.

For additional information, please visit Materiality.

Manulife's Potential Impact on the Planet and Society ↑

Areas of Impact

Environment
- Climate change & GHG emissions

Social
- Talent attraction & retention
- Human rights
- Community partnerships
- Diversity, Equity & Inclusion
- Financial inclusion
- Customer well-being
- Employee well-being

Governance
- Business conduct & ethics

Areas of Influence

Environment
- Biodiversity & nature
- Physical impacts of climate change
- Sustainable finance

Social
- Responsible sourcing

Governance
- Customer experience
- Legal & regulatory environment
- Data security & privacy
- Risk management

Areas of Importance

Environment
- Natural resource use

Governance
- Responsible product design & marketing

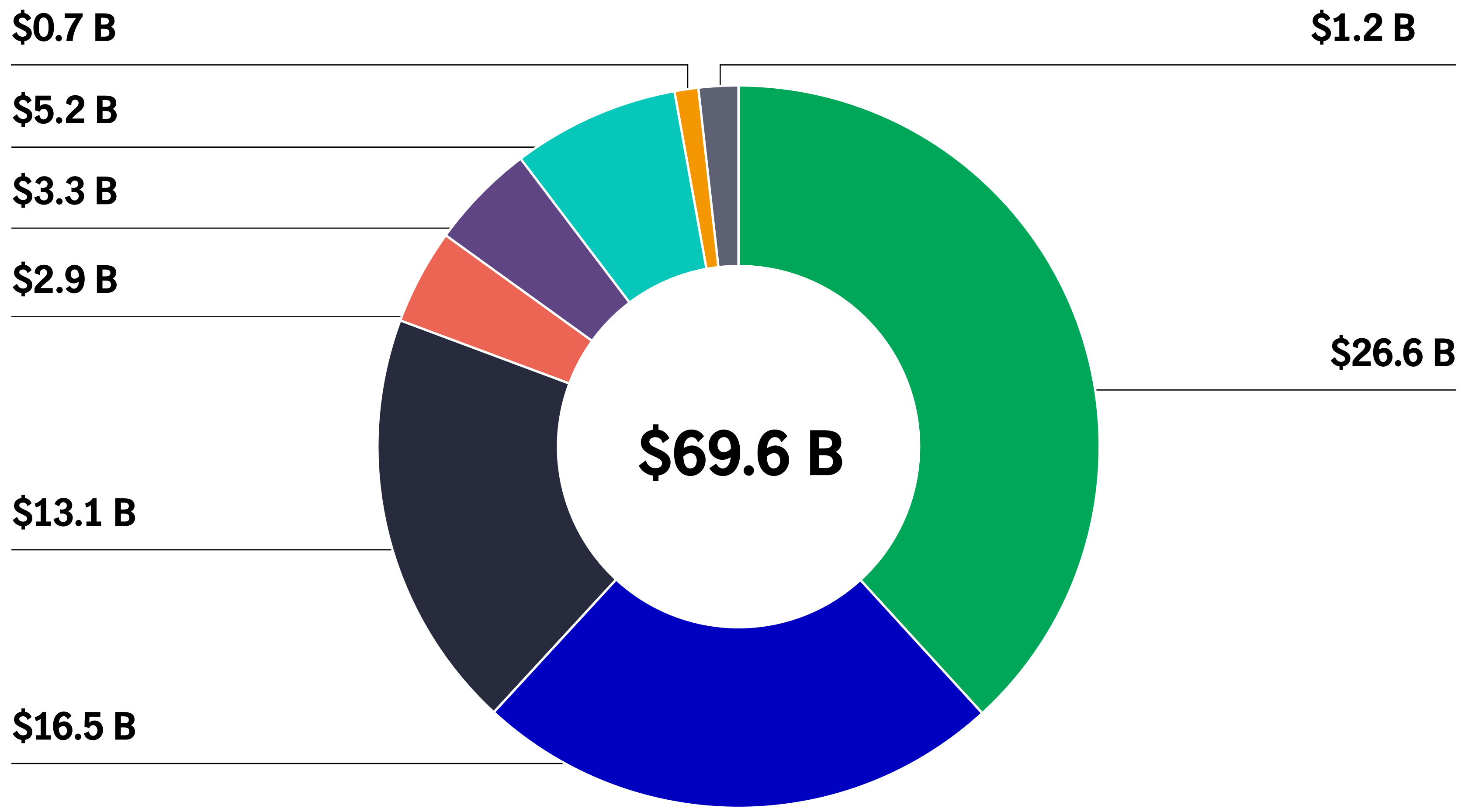
The Planet and Society's Potential Impact on Manulife →

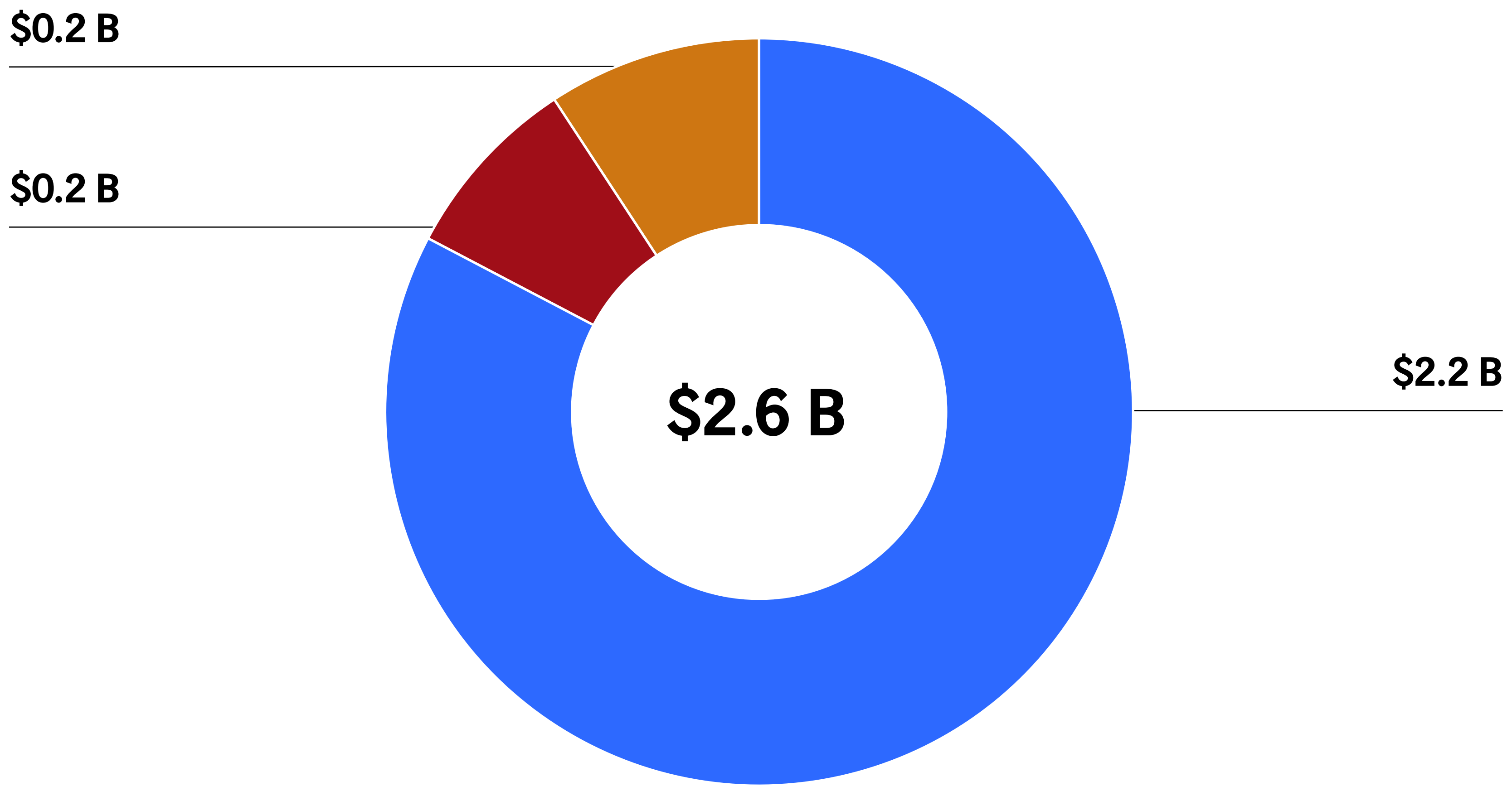
Supporting the Sustainable Development Goals

Through our Impact Agenda goals and business strategy, we are well-positioned to contribute towards 11 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
Zero hunger	We have partnered with industry leaders and community partner organizations to provide nutrition security solutions to individuals most in need. Additionally, we support the research and scaling of agricultural solutions through our asset management efforts.	Customer Experience and Well-being Community Investment
Good health and well-being	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.	Community Investment Wellness, Health, and Safety Customer Experience and Well-being
Gender equality	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 their development. We also encourage gender representation on public company boards through our stewardship activities in our asset management business.	Impact Agenda Diversity, Equity, and Inclusion
Clean water and sanitation	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 challenges.[8]	Environmental
Affordable and clean energy	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.	Environmental
Decent work and economic growth	We provide access to employment, promote financial inclusivity, and support education targeting underrepresented communities through our corporate and community investment initiatives.	Impact Agenda Community Investment Financial Inclusion
Reduced inequalities	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 champions our diversity, equity, and inclusion values and culture.	Community Investment Financial Inclusion Diversity, Equity, and Inclusion
Sustainable cities and communities	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.	Community Investment
Climate action	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.	Environmental Climate Action Plan
Life on land	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.	Environmental
Partnership for the goals	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.	Partnerships Engagements Public Policy ESG at Manulife

C$72.1 Billion in Total Sustainable Investments at Manulife[9]





Green Investments: $69.6 billion

$26.6 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.

$16.5 B, Sustainably managed timberland
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.

$13.1 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, Green transport
Private debt financing of electrified transport and mass public transit.

$5.2 B, Sustainably managed agriculture
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.

$1.2 B, Green bond investments
Public and private green bond investments in renewable energy, energy efficiency, clean transport, and sustainably managed forests.

Social Investments: $2.6 billion

$2.2 B, Access to affordable healthcare
Free or substantially subsidized and/or nonprofit 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).

Sustainable Investing in Asset Management[10]

Manulife Investment Management actively incorporates material sustainability factors into our investment strategies through objective analysis, knowledge sharing, and global collaboration, consistent with our fiduciary duty to clients.

In our view, the incorporation of material sustainability factors is an important driver of financial value. Through robust stewardship practices, we build strong relationships with all of our stakeholders, from clients and employees to tenants, borrowers, and investment partners to mitigate risk and enhance portfolio value over the long-term.

This belief manifests across multiple areas of our global business as operators of private assets, and equity and debt holders. Where we operate assets, we believe it's our responsibility to pursue sustainability processes and standards for our firm, our employees, and our clients.

Supporting our Clients

We believe in offering clients sustainable investing choices. From ESG integration to impact investments, we believe a broad range of products enables investors to better meet an equally broad range of client goals. We seek to support our clients' objectives by leveraging our sustainability and investment expertise across a broad range of public and private asset classes, as well as by offering multi-asset solutions. To meet the ever-evolving needs of our clients and the market, we continue to enhance our product offerings, take a consultative approach with clients, and host sustainability education and training for our employees, clients, and other industry participants.

We work to understand our clients' needs and objectives through regular interactions and endeavour to speak directly with them on an annual basis. We use their feedback, knowledge of sustainable investing, risk tolerance, and investment requirements to better inform client reporting through continued learning and transparency.

We also provide a suite of assessments, reports, and resources for our clients to use to perform a deeper dive into our active ownership and investing opportunities. These include:

- GRESB assessments and benchmarks – Aligned with GRESB's reporting cycle and benchmarking for institutional investors
- PRI signatory assessment – Aligned with the PRI's reporting cycle
- Sustainable Investing reports – Aligned with current best practice frameworks across our public and private markets asset classes
- Stewardship report – An annual report focusing on our culture of stewardship, risk management, and how our active ownership practices are driven by our client and stakeholder focus
- Proxy voting dashboard – Monthly public markets proxy voting records, which can be accessed through our institutional investor website
- Climate-related financial disclosures report – Public report aligned to the TCFD framework to report on strategy, governance, risk management, and metrics and targets related to climate change in our business
- Nature-related financial disclosure report – Public report informed by the recommendations of the Taskforce for Nature-Related Financial Disclosures (TNFD) covering our timberland and agriculture asset classes
- Manulife Investment Management case studies – Released through our institutional investor website, these highlight the issues, actions, and outcomes at the core of our sustainability and stewardship efforts

For our public markets assets, we will provide clients with more detailed portfolio information of engagement and proxy voting activities undertaken, upon request. We may share specific engagement outcomes or a review of votes on shareholder proposals to provide information as to how we practice stewardship on behalf of an asset owner. For private markets assets, we provide sustainability data collected from select portfolio companies to the ESG Data Convergence Initiative (EDCI).

Integration

We combine active investment management with a deep understanding and integrated analysis of sustainability issues.[11] The integration approach is supported and informed by the global and regional perspectives of our multidisciplinary 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 investment teams with sustainable investing insights
- Contributing to the design of bespoke sustainability investment solutions
- Frequent communication of sustainability information
- Engagement with management teams
- Training and education
- Guidance on exercising rights
- Guidance on regulatory requirements

Stewardship

Our approach to stewardship centers around improving the risk/reward profile of our clients' portfolios. Accordingly, we recognize that maintaining a strong stewardship program is inextricably linked to making better informed capital allocation decisions and managing investment risks. As long-term investors and as a steward of our clients' capital, we are able to use our broad experience with sustainability implementation, research, governance, and collaboration to manage sustainability risks and opportunities across our asset classes over extended time horizons.

Collaboration

Around the globe, we participate in a wide variety of collaborative initiatives with industry peers, nonprofits, NGOs, and supranational entities. This work allows us to expand the scope of our sustainability-focused activity as we seek to build more resilient portfolios on behalf of our clients.

Our collaborative initiatives may focus on individual investments or systemic risks — sometimes both in order to protect and enhance client portfolio value over the long term.

We seek to amplify our impact through:

- **Market education**
  Educating and engaging with a wide range of industry participants and seeking to be a leading voice on key sustainability issues
- **Regulatory/policy focus**
  Consulting and collaborating globally to appropriately influence the regulatory landscape, the development of global sustainability standards and encourage sustainability best practices
- **Issuer focus**
  Seeking to address systemic risks by working towards outcomes with individual issuers
- **Building expertise**
  Through collaboration, we enhance our issuer, industry, and topic-specific knowledge through interactions with issuers, investors, and third-parties

Private Assets

We are committed to sustainable investing and the sustainable management of assets, consistent with our fiduciary duty to clients. We incorporate material sustainability factors to inform our investment decision-making and processes across asset classes, positioning us well to combine our deep understanding of sustainability issues with active investment management.

For example, where we invest and operate assets, such as in our timberland, agriculture, and real estate portfolios, we seek to continuously improve sustainable investing and stewardship practices, while enhancing the value of our assets and effecting better outcomes for our stakeholders. In our infrastructure, private equity, and credit investments, we focus on building strong relationships with companies, sponsors, and co-investors, which fosters a meaningful approach to sustainability and enhances our influence over key assets and portfolio companies.

Our strategies integrate material sustainability factors throughout the investment life cycle:

1. We use our sustainable investing due diligence process, based on a combination of external resources including the SASB, the Principles for Responsible Investment (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 material sustainability factors, once an investment is made.
4. We communicate sustainability-related information regularly to our investors through investor annual or quarterly reports, at annual general meetings, or on an ad hoc basis upon request.

We reflect this in the way we manage our investments with three major sustainability considerations in mind: climate, nature, and people. We take a data-driven approach that relies on measuring and monitoring the actions we take in managing sustainability risks such as climate change impacts, biodiversity and nature impacts, and health and safety considerations.

Managing Farms and Forests

We believe good stewardship is good business. Our vertically integrated global farm and forest management team gives us the ability to craft and execute long-term asset management plans that promote forest and soil health and resilience, which are intrinsic to generating financial returns from biological assets. From our investment process to our management approach, pursuing sustainability so that our properties and assets continue to provide benefits long into the future is fundamental to our investment philosophy.

In our agriculture operations, 100% of our U.S. and Australian farmland investments were certified under the Leading Harvest Farmland Management Standard,[12] and our Canadian agriculture investments participated in a pilot program to launch the Leading Harvest Standard in Canada. Some assets are certified to additional agriculture standards on a case-by-case basis, including GLOBAL G.A.P., USDA GAP, LODI RULES, and SAI-FSA. Overall, 239 of the 259 properties, or approximately 92% of our agriculture assets under management in our global agriculture investment portfolio, carried one or more third-party certifications. As Leading Harvest expands to other countries in which we operate, we also intend to seek certification in Canada and Chile.[13] Our $5.8 billion agriculture portfolio spans over 399,000 acres of prime farmland and farmland plus investments in the U.S., Canada, Australia, and Chile.

In our timberland operations, 100% of our forests are certified under either the Sustainable Forestry Initiative® (SFI®) or Forest Stewardship Council® (FSC®), and our forests in Australia and New Zealand carry dual FSC and Programme for the Endorsement of Forest Certification (PEFC) certification. We have been managing our forests to these rigorous programs, which are essentially ESG standards for forest management, long before the concept of sustainable or ESG investing became mainstream. Our $15.8 billion timberland investment portfolio spans 5.4 million acres in the U.S., Canada, Australia, New Zealand, Chile, and Brazil.

With the proliferation of sustainability standards and regulations over the past few years, and in particular the emergence of the EU's sustainable finance taxonomy and Sustainable Finance Disclosure Regulation (SFDR), forest and agriculture certifications continue to prove their relevance. Whether it's our three sustainability themes of climate, nature, and people; sustainability issues; or the SFDR's Principal Adverse Impacts (PAIs), we believe those certifications (FSC, PEFC, SFI, Leading Harvest) comprehensively and credibly demonstrate sustainable asset management and provide critical independent assurance to our stakeholders of our sustainability practices.

We formally acknowledge the rights of Indigenous peoples and employ many First Nations descendants as contractors in our timberland and agriculture operations. In our North American operations alone, over half of the forest properties we manage sit within 10 miles of a federally recognized tribal or First Nations landholding, and one in six intersects such landholdings. In some cases, Indigenous communities contract with us to manage the forest on their behalf. We are committed to supporting and strengthening the local and Indigenous communities in which we operate, providing rural employment opportunities, public use of our land (timberland), public access to certain areas of land we manage (agriculture), and support for local causes.

Offering Sustainable Real Estate

Our real estate platform develops and manages commercial real estate for our clients around the globe. We incorporate material sustainability factors into our investment management and operational practices across the real estate value chain, from construction and acquisition of an asset to active asset management. These practices are supported by resources such as our proprietary sustainability investment and due diligence tool, sustainability clauses in our standard lease, and our proprietary Sustainable Building Standards.

Our real estate sustainability framework[14] outlines our approach, and our five sustainability commitments detail our key areas of focus: minimize environmental impact, support health and wellness, promote responsible business practices, engage our stakeholders on sustainability, and be accountable for our performance. The framework is based on responsible property investment and aligns with global standards. We validate our practices and performance through public and investor reporting and industry benchmarking aligned to globally accepted standards and disclosure frameworks, including the PRI, the CDP, and the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment.

To support the implementation of the framework, we have created a suite of proprietary tools across the real estate investment lifecycle. For new construction, our teams have access to sustainability design and contracting requirements. Our Sustainable Investing and Integration Guidebook provides guidance and tools to help investment teams integrate ESG risks and opportunities throughout the investment process, and our property management Sustainable Building Standards and sustainability budget dashboard provide asset managers guidance on sustainability improvement opportunities to be included in annual asset plans and budgets for our clients.

Our $24.4 billion sustainably operated platform offers core, core-plus, and value-add strategies spanning over 81.1 million square feet of office, industrial, retail, and multifamily assets, strategically located in Canada, the U.S., and the Asia-Pacific region. In 2023, 90% of our properties had one or more third-party sustainable building certifications.[15]

Investing in Infrastructure

Our infrastructure group acts on the belief that consideration of sustainability-related risk factors are material to creating long-term value, and we believe all stakeholders benefit from this approach. When we choose to invest in a company or asset, we look to secure meaningful influence combined with protective governance rights and to use our position to help advance the portfolio company's approach to material sustainability risks. 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.

Post-investment, we work with our investment partners to monitor the material ESG considerations for the investment, including voluntary annual ESG data collection from our portfolio, in alignment with the ESG Data Convergence Initiative framework and GRESB assessments. We take an engagement and partnership approach with our portfolio companies to identify and implement improvement opportunities to address material sustainability factors. We share insights on each asset's sustainability performance with our investors through regular reporting.

In 2023, we made the following enhancements to our approach:

- Developed and executed requirements for SFDR article 8 alignment for a new infrastructure product, resulting in all new fund investments being assessed for good governance practices and alignment with the environmental and social characteristics promoted by the fund.
- Supported our portfolio companies in identifying and implementing improvement opportunities, leading to a demonstrated improvement in their 2023 GRESB scores.
- Continued development of our ESG integration approach, including enhanced due diligence and monitoring processes that led to improved results on our PRI Infrastructure module in 2023.
- Continued to advance our climate risk management practices by formalizing our process for conducting asset-level physical climate risk assessments for all new investments, as part of our due diligence process.
- Refreshed our Sustainable Investing Infrastructure training program to include additional topical content related to climate change and SFDR.

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 sustainability risks can help us make more informed investment decisions. Profiling potential material risks and opportunities related to material sustainability factors across all assets is critical to preserving and enhancing the value of our investments.

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 risks are not overlooked.

In 2023, we made the following enhancements to our approach:

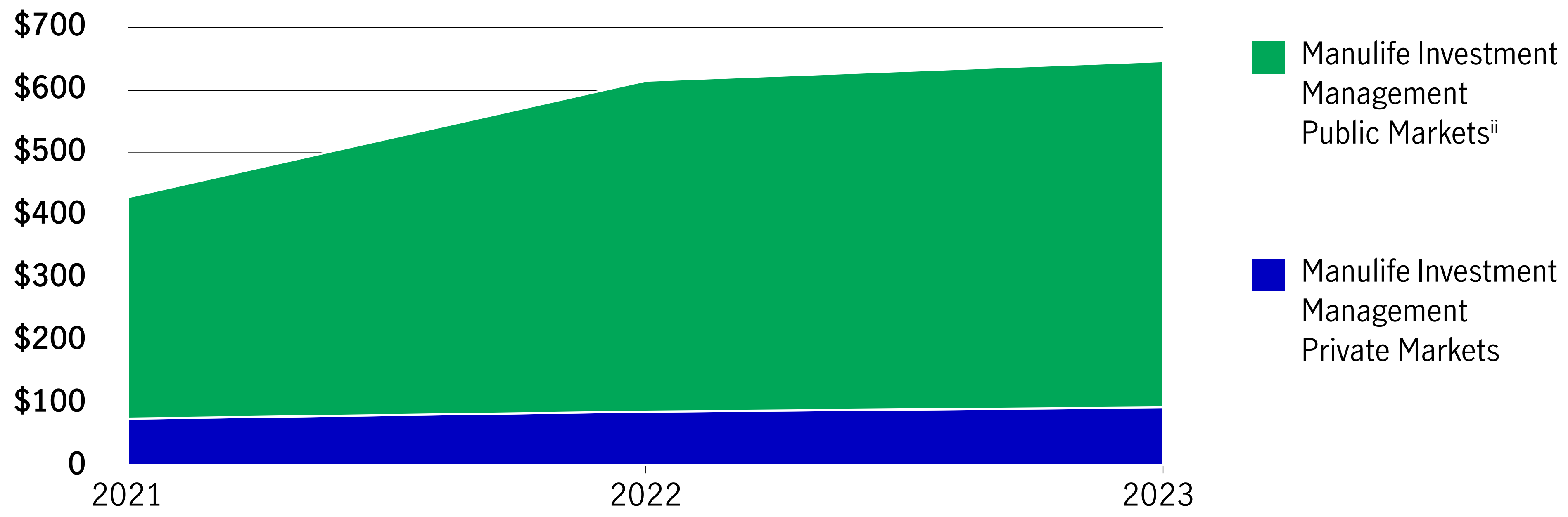
- Established the Private Equity & Credit (PEC) Sustainable Investing Committee, chaired by the Global Head of Private Equity & Credit.
- Formalized PEC's sustainable investing strategy and climate change strategy. This included establishing near-term priorities and longer-term commitments regarding our ESG and climate efforts.
- Expanded and formalized our PEC Sustainable Investing Working Group, to better support the development and execution of our global sustainable investing strategy and initiatives.
- Developed and rolled-out new proprietary due diligence tools across all our investment strategies.
- Developed and executed a new private equity product in alignment with SFDR article 8 disclosure requirements, resulting in all new fund investments being assessed for good governance practices and by the attainment of environmental and social characteristics promoted by the fund.
- Initiated a new thematic research project focused on building knowledge and insights on emerging sustainable investing risks and opportunities relating to artificial intelligence and digitalization.

Public Assets

We aspire to consider ESG issues alongside many other factors that should be weighed appropriately to inform investment decision-making. We believe ESG issues can impact the long-term success and profitability of a company so understanding them enables more informed investment decisions. As such, our investment professionals perform an assessment of ESG-related risks and opportunities on many issuers. Individual portfolio managers make the final decision on the extent to which a particular investment is likely to be positively or negatively impacted financially across all subjects, including ESG related matters. We actively engage with companies in which we invest on material ESG issues and often take ESG factors into account when voting proxies.

Separately, some clients may have ESG related investment objectives, and when implementing those clients' investment strategies, we will seek to achieve those investment objectives along with financial factors when considering the investment opportunities in a given mandate or portfolio. In those circumstances, ESG related guidelines or restrictions are agreed in writing with clients.

AUM with ESG Integration (C$ billions)[i]



i 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.
ii 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 the addition of new fund categories in FY22.

Enhancing ESG Integration in 2023

Since joining the PRI in 2015, we have worked to improve integration of sustainability factors into investment decision-making with iterative improvements each year. In 2023, we launched an ESG Research Framework for actively managed Public Markets investments that prompts analysis of the following indicators for an issuer where we have identified that indicator as financially material:

Category	Indicator
Environmental	Climate change – physical risk Climate – transition (including energy management) Resource management (air, water, pollution, & waste) Biodiversity
Social	Product quality and safety Labour practices (including occupational safety, labour rights, development & training, DEI) Community relations Privacy and security
Governance	Track record, culture, & ownership considerations Related party transactions & audit Board & management structure Executive compensation

Fixed Income[16]

- Our fixed income approach focuses on the material issues within each industry. In addition to the materiality of ESG risks, we seek to assess the timing of likely impacts to help ascertain whether or not the risk has been priced in or will impact creditworthiness. Fixed income teams may also engage with issuers to collect further information for their analysis or encourage better outcomes.

Listed Equity

- For listed equity, beyond integration of ESG data into the financial analysis, our teams may actively engage with company management and leadership to assess a company's exposure to sustainability risks and suggest potential strategies to help enhance its resiliency. These conversations can help shape the teams' modeling and define sensitivities around their estimates of fair value.

Asset Allocation

- Our asset allocation team uses a framework including macroeconomic analyses of ESG topics, incorporating ESG adjustments and scenarios into economic and fundamental market inputs driving asset class forecasts.

Engaging as Active Owners

An essential part of how we seek to enhance the resiliency of our clients' assets includes identifying issuers in our portfolios to engage and conducting dialogue with those companies. This includes where we manage assets on behalf of the Manulife General Account. We believe that encouraging issuers to advance management of their most material sustainability risks and opportunities may enhance their long-term competitiveness and profitability while seeking to generate collective prosperity for investors, issuers, and society overall.

We may use engagement as a tool to both gather information and influence the adoption of best practices. Engagement with issuers seeks to deepen our understanding of financially material sustainability risks underpinning issuer business strategies while providing opportunities for those issuers to better understand our clients' priorities, investment processes, and objectives.

As investors, we also play a key role in encouraging issuers to adopt sustainable business practices that promote stable long-term growth and reduce the potential exposure of the issuer to systemic sustainability risks over time.

We may engage with issuers on a range of substantive corporate, strategic, and ESG matters that could alter their valuation, fundamental standing, or strategy. We may support this dialogue through other channels including proxy voting, policy consultation, and by encouraging improvements in vendor data.

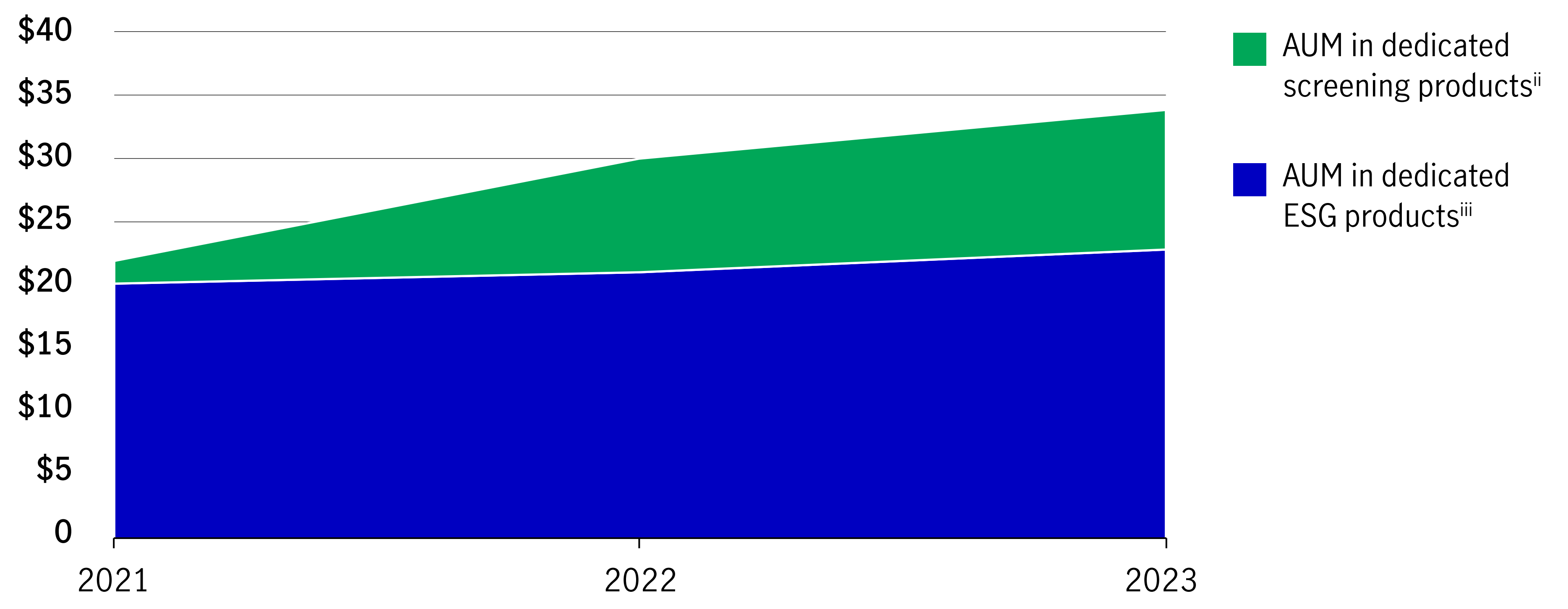
We see collaboration with other stakeholders as a powerful tool to encourage iterative development of sustainable operating environments that will best mitigate risk and enhance value for our client portfolios over the long-term. Towards this end, we can amplify our voice by not only joining with peers to engage issues, but also to enable systematic change by influencing development of robust disclosure frameworks and standards.[17]

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, Climate Action Equity Strategy, and Shariah-compliant Global Environmental Transition Strategy. These strategies use proprietary screening techniques and stewardship practices to offer investments in line with sustainability criteria.

Upon client request, we have the capability to offer sustainability-aligned exclusions and screens to support their sustainability needs and execute on specific investment policies. In 2023, we added a Client Exclusions Framework, which offers clients a thoughtful approach to exclude coal mining and coal-fired electricity assets.

AUM in Dedicated Client Products (C$ billions)[i]



i Data as at December 31, 2023. Data includes public and private market products.
ii Dedicated screening products includes 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.
iii Dedicated ESG products includes (1) sustainable strategies and (2) thematic strategies.

Sustainable Investing in Asset Ownership

Managing our Own Portfolio of Investments

Manulife's General Account consists of the Company's own assets, which largely support our policyholder liabilities in Canada, the U.S., and Asia. The General Account manages investments directly, as well as relies on Manulife Investment Management's capabilities. We invest capital to achieve returns to support the operations of our business and ensure we meet the promises we make to our insurance customers. We invest in public and private markets that support developed and growing economies, create and sustain jobs, and contribute to improvements in quality of life globally. We believe that delivering strong risk-adjusted returns includes the consideration of ESG-related risks and opportunities in our investment processes.

In 2023, we formed a General Account Sustainable Investments Committee, which meets quarterly, to provide oversight of our evolving ESG strategy. Its representatives include our Chief Investment Officer, Chief Sustainability Officer, and key leaders across the General Account in Compliance, Credit Risk, Portfolio Management, and Finance.

This past year, we also established a regional General Account ESG Council with participation across functional teams in Asia. The communication platform generally meets monthly and uses its connection across General Account teams and Asian life insurance companies to implement ESG initiatives within Asian investment portfolios. Within the council, all the teams collectively contribute expertise, share views, and provide advice on ESG-related matters.

Our Climate Change Working Group (CCWG), with the participation of our General Account investment analysts, continues to support ongoing engagement across the business segment on ESG matters and has supported activities such as climate-related risk sectoral heat mapping and development of ESG scoring 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 risk factors 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, the Company's Anti-Money Laundering and Anti-Terrorist Financing Policy, Manulife's Code of Business Conduct and Ethics, our Global Reputation Risk Policy, and the General Account Thermal Coal Statement.

To support ongoing ESG integration, the General Account uses a qualitative ESG scoring approach to assess issuer ESG-related risks for certain key asset classes. Investment analysts utilize ESG scoring to facilitate discussions throughout the investment cycle. This approach allows for the identification of factors that could exert influence on investment decision-making about asset allocation amount, investment limitations, and potential tenor restrictions. This is a process under continuous improvement and, in 2023, the application of ESG scores to investment decision-making processes was applied to a portion of the Asia balance sheet, complementing a similar approach in North America and Europe that was conducted from 2022 onwards.

Green Bond Issuances

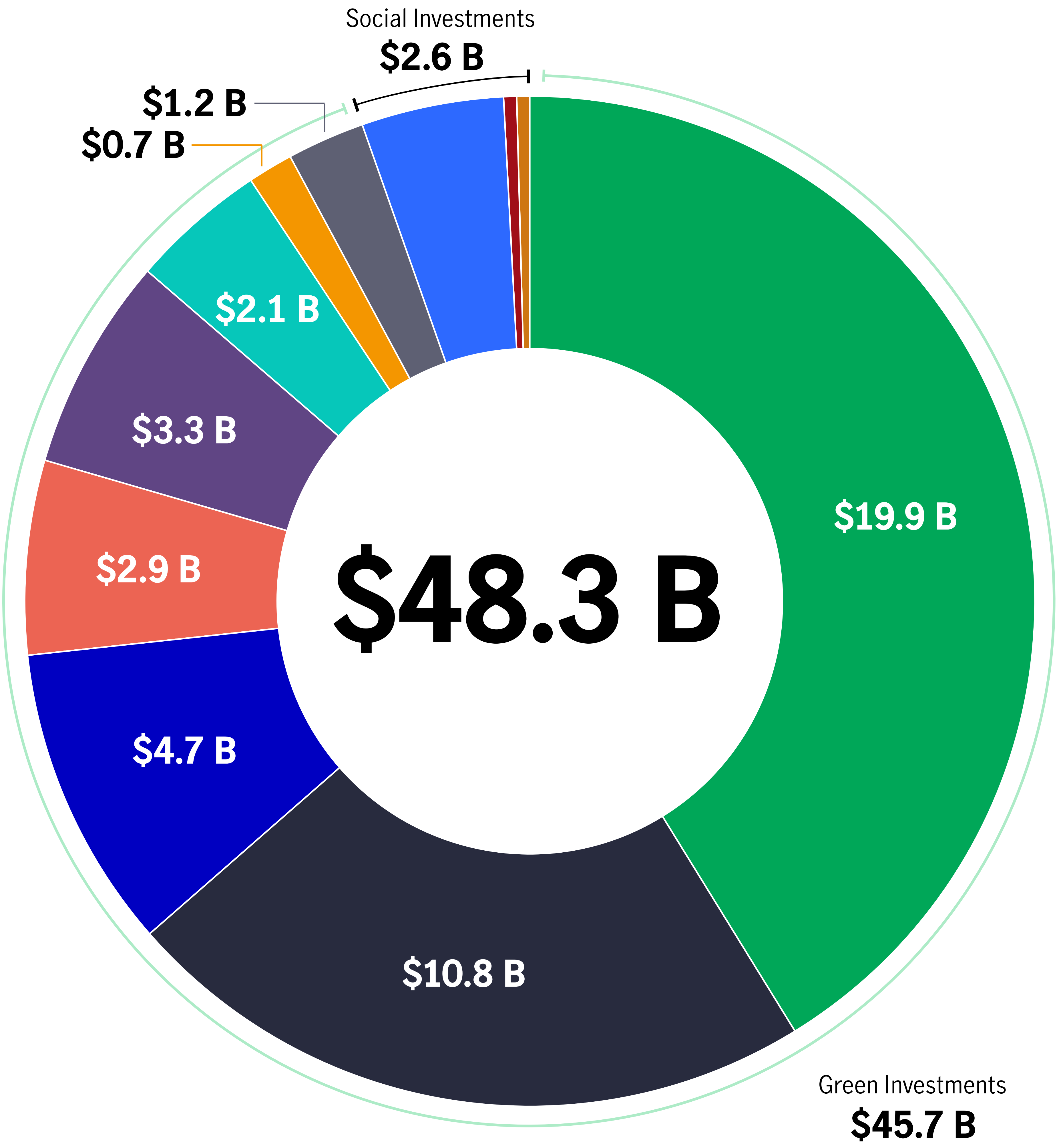
We were the first global life insurer to issue a green bond in 2017 with an inaugural issuance in Singapore and have since issued green bonds in Canada (2018) and in the U.S. (2022). With three issuances totaling $2 billion, our outstanding green bond amount is currently $1.5 billion. Sample investments from the green bonds proceeds include solar and wind energy in the U.S. and Canada as well as sustainably managed forests. Manulife's Sustainable Bond Framework has been developed in alignment with ICMA principles.[18] For more information, refer to our Green Bond Reports.

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. As a member of the Geneva Association, Manulife's General Account is a participant in ongoing insurer engagement on de-risking and investing in new technologies for net zero transition.

C$48.3 Billion in General Account Sustainable Investments

Our portfolio of sustainable investments has increased 75% compared to 2019.



11.6% of General Account Portfolio held in Sustainable Investments.

Green Investments: $45.7 billion

$19.9 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), Energy Star, or equivilant. Residential mortgages are not relevant to Manulife at this time and are excluded.

$10.8 B, Renewable energy
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.

$4.7 B, Sustainably managed timberland
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.

$2.9 B, Energy efficiency
Private debt and equity financing of energy efficiency upgrades at U.S. government sites.

$3.3 B, Green transportation
Private debt and equity financing of electrified transport and mass public transit.

$2.1 B, Sustainably managed agriculture
Private assets operated by Manulife subsidiary MIM Timberland and Agriculture and certified to the Leading Harvest Standard.

$0.7 B, Sustainable management of water resources
Private debt and equity financing of water recycling and purification businesses.

$1.2 B, Green bond investments
Public and private green bond investments in renewable energy, energy efficiency, clean transport, and sustainably managed forests.

Social Investments: $2.6 billion

$2.2 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) 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 area median income (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 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).

In 2023, we made the following enhancements to our global approach:

- Published near-term portfolio emission reduction targets aligned with science-based pathways for Financial Institutions outlined by the Science Based Targets initiative (SBTi), covering 42% of invested assets.[19]
- Released Manulife's Climate Action Plan Implementation Plan Report through which we formalized our high-level approach to Climate Action Plan commitments, describing our key areas of focus and intended decarbonization levers.
- Developed the General Account Thermal Coal Statement outlining our approach to restrict investment in thermal coal, in alignment with our commitment to net zero and efforts to manage risks associated with the transition to a low-carbon economy.
- Evaluated design options for integrating ESG performance metrics into investment teams' compensation, focused on future investments in listed debt and linked to Manulife's Climate Action Plan targets.
- Supported Manulife's inaugural corporate-wide nature risk assessment, with a sample of General Account's assets evaluated for exposure to nature-related risks and impacts.
- Supported climate risk management readiness exercises, including gap analyses, in anticipation of increased regulatory expectations from Office of the Superintendent of Financial Institutions (OSFI) and Monetary Authority of Singapore (MAS).
- Continued to enhance the incorporation of climate-related risks in investment processes, including evaluating wildfire risk in North American utilities investments.
- Continued development of an internal ESG database with the intent of providing a comprehensive platform for monitoring key ESG metrics across the General Account's investment portfolio.
- Conducted a third annual survey of industry peer ESG best practices in North America, with results consolidated and anonymously shared back with 19 survey respondents to give insights on industry level progress and leading practices.

The General Account ESG team in Asia also made several enhancements to their approach locally:

- Piloted a template linked to third-party ESG data providers to support identification of key ESG data, improving the ability of analysts to navigate the otherwise large volume of ESG reporting materials available.
- Conducted several comparative analyses of third-party data sets relied upon for emissions disclosures, including a review of emission data availability and quality for Asia issuers and countries.
- Sectorial environmental and social materiality assessments were introduced to Asian portfolios as a tool to conduct ESG reviews of investee companies.
- Supported the development and enhancement of local ESG-related guidelines, including the Green Financing Guideline in Manulife-Sinochem Life Insurance Co. Ltd and the local Environmental Risk Policy in Manulife Singapore Pte. Ltd.

Active Engagement

The largely debt focused composition of our portfolio means that we face unique challenges relative to entities with a higher concentration of equity-related investments. For example, issuer-level information regarding emissions or decarbonization targets is often much more limited, and our direct ability to engage and influence management teams' actions is impacted by the fact that debt investments generally do not have voting rights typical for equity investors. That said, we seek to participate in an active dialogue with management teams regarding their decarbonization activities, especially for those higher-emitting sectors.

We continue to explore additional avenues through which we can better engage with issuer companies, such as promoting the use of the Private Placement Industry Association (PPIA) ESG Questionnaire in private placement transactions.

We are in the process of developing a targeted engagement strategy and playbook to better equip investment analysts with the knowledge and skills to engage with the top emitters in our portfolio to encourage decarbonization, in line with our Climate Action Plan.

To share and learn best practices in ESG, we actively engage with peers in the U.S. insurers' ESG working group and annual peer-to-peer ESG survey. Where relevant to our business, we also participate in regulatory consultations and in special interest industry groups on climate change, including supporting the Canadian Sustainable Finance Action Council to contribute to ESG-related policy development.

Given that data reliability and availability is a key enabler of ESG integration and that we continue to identify areas of improvement to help investors like us make better decisions, we share feedback with our data providers and rating agencies to help improve the consistency and accuracy of reported data.

> Released Manulife's Climate Action Plan Implementation Plan Report through which we formalized our high-level approach to Climate Action Plan commitments, describing our key areas of focus and intended decarbonization levers.

Introduction
Strategy
Sustainable Investing
Environmental
Climate Action Plan
Our Operations
Our Investments
Our Products and Services
Climate-related Risks and Opportunities
Nature and Biodiversity
Social
Governance
Performance Data

Environmental

Performance Highlights

$45.7 B
in **green investments** held within Manulife's General Account.

81
urban **beehives** on 52 properties.

140,202 tCO_2e
scope 1 **emissions**.

490,000 acres
of **land protected** by Manulife Investment Management timberland and agriculture Sensitive Lands Program since 1985.

100%
of Manulife Investment Management timberland third-party certified as **sustainably managed**.[20]

102,442 tCO_2e
scope 2 **emissions** (market based).

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.

90%
of real estate investment portfolio certified to **green building certification**.[21]

21.9 $MtCO_2e$
estimated listed **equity** and **debt** portfolio emissions.

Abbreviations and Acronyms

Climate Action Plan

As a business, we are stronger when people and the planet thrive. Manulife recognizes the threats posed by climate change to our business, public health, and the livelihoods of the communities in which we operate and the urgent need to preserve the quality of our natural environment.

This includes how we manage our operations, how we make investment decisions, and how we develop and offer financial products and services.

For more information, visit Climate | Sustainability at Manulife.

Our Commitments

In 2021, we released our Climate Action Plan. Since then, we have made progress across all three pillars of our plan:

Our Operations[22]

At a Glance: Our Commitments

- As part of our commitment to reduce the emissions footprint of our operated assets, we are developing solutions to reduce absolute scope 1 and 2 emissions by 40% by 2035,[23] with an immediate focus on decarbonizing assets we both own and operate.

Learn more: Climate | Sustainability at Manulife

Among many other activities, Manulife is a steward of real assets (real estate, timberland, agriculture, and infrastructure assets), including assets owned by third parties.

In the near term, we are focused on targeted climate interventions in real estate, timberland and agriculture assets where we are able to exercise the greatest degree of influence – namely, the assets we directly own and operate, which are responsible for close to half of our real assets' scope 1 and 2 emissions. By taking this degree-of-influence approach, we are able to take effective actions to decarbonize our General Account portfolio of real assets. The decarbonization of these assets can be accelerated in our current decarbonization pathway. Across our scope 1 and 2 emissions, our targeted climate interventions in assets will focus on the 47% of emissions from assets that we both own and operate.[24]

In addition to our primary focus on owned and operated assets, we seek to be partners in helping decarbonize tenant-operated as well as third-party-owned assets, whether through explicit contractual terms, such as the Sustainable Building Standards for our global real estate portfolio, or through corporate collaboration. We will continue to work to engage with clients to understand their own climate objectives and challenges. As we make progress on our decarbonization commitments, we plan to expand and iterate on our approach, and gradually address the full scope of our operational emissions, including those beyond our direct influence.

Timberland and Agriculture

Day-to-day timberland and agriculture operations vary based on many factors such as type, scale, and environment. This results in a variety of emissions sources including prescribed burns, and fertilizer, fuel, and electricity use. Our timberland operations have de minimis scope 2 emissions, and the vast majority of scope 1 emissions sources are biological such as fertilizer and controlled burns. Our agriculture operations have significant scope 1 emissions from fleet vehicle fuel combustion and fertilizer use. Scope 2 emissions in our agriculture operations are from electricity consumption, related primarily to irrigation.

Given the complexity of these operations and limited existing pathways from which to build, we recognized the need to employ more creative solutions. As a result, in 2023, we established timberland and agriculture decarbonization working groups with representation from across our global business. Through these groups, we are committed to finding opportunities to decarbonize our operations efficiently and for the long term. The working groups are investigating decarbonization solutions, including incorporating new technology, improving efficiency, and aligning incentives, and we are working towards preparing decarbonization action plans and piloting the most promising solutions as a next step.

We are piloting decarbonization technologies in select markets in pursuit of our emissions reduction goals:

- **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.

While we are focused on emissions reductions in the first instance, the opportunity to sequester carbon in forests and soils is also an important component of our long-term net zero ambition.

Real Estate

Our real estate emissions vary by type, scale, and environment. For real estate, scope 2 emissions result from electricity, steam, and chilled water consumed at our properties; while scope 1 emissions result from fossil fuels used onsite and fugitive emissions from refrigerant leaks.

As more electricity generation switches to renewable sources in regions with high grid emissions factors, our real estate portfolio will benefit with corresponding reductions in scope 2 emissions.

While there are market-ready technical solutions to decarbonize real estate operations, most combustion-based space heating and hot water equipment installed to date in North America could, under normal life-cycle circumstances, remain in operation beyond 2035. As such, replacing this equipment requires real estate businesses to review capital expenditure allocations ahead of the projected replacement timelines in order to align electrification with current decarbonization pathways. In our buildings, we are focused on aligning equipment replacement cycles, including HVAC, lighting, and heating infrastructure, with the objective of finding low-carbon solutions.

> In 2023, Manulife Investment Management included decarbonization metrics as part of the real estate platform's annual incentive plans and engaged partners to support our roadmap for the global decarbonization of our portfolio. Over half of our real estate emissions footprint — comprising 42% of our real estate AUM — have detailed decarbonization plans to guide asset managers' decision-making.

Renewable energy is also an important piece of the net zero equation. However, the pathway to net zero does not start there and, when deployed in certain regions (already clean grids), renewable energy will have minimal impact on emission reduction in our assets. Energy efficiency is often the priority as it typically comes at low cost with a quick return on investment. For every kWh saved through energy efficiency, a kWh of renewable energy does not need to be generated on-site or purchased off-site to achieve net zero.

A key aspect of potential real estate decarbonization resides outside our direct control – which is in the decarbonization of the electric grid. Rapid upscaling of renewables by utilities in North America is expected to benefit all users of electricity. In the U.S., 45% of electricity generated is expected to be from zero carbon, renewable sources by 2030 and a reduction of nearly 40% in tCO_2e emissions from electricity relative to 2005 levels is anticipated by 2030.[25]

Occupied Corporate Real Estate

Manulife occupies a significant number of leased or owned offices globally which house our employees and agency sales operations. Where we occupy buildings owned by Manulife Investment Management and managed externally by our third party property managers, we leverage the strengths of our partners to drive sustainability. Where we occupy buildings as a tenant within a building owned and operated by third-party landlords, we work with these landlords to ensure our tenancy has as little impact on greenhouse gas (GHG) emissions as possible.

Our Corporate Real Estate team works closely with Manulife Investment Management to ensure GHG reduction strategies form part of the daily operating activities and capital planning for our corporate sites.

The implementation of a new data collection process in 2023 was positively received by stakeholders, and we continue to refine and adjust the process to improve source data reliability. Related to this work, we engaged a consulting firm to support data collection. Where we occupy leased properties, we continue to pursue green leases at all new lease negotiations and renewals globally. This enables us to choose the best performing properties and open a dialogue with prospective landlords on how we can collaborate to achieve environmental outcomes.

Energy Efficient Products, Designs, and Programs

In 2023, we managed multiple renovation projects in Asia and North America, where we were able to fit out our spaces with energy-efficient design and recycle and reuse existing products:

- Globally, waste management and reductions are taking place at many facilities through the continued implementation of centralized waste and source separation programs at new locations. We are also working with our partners to use recyclable or biodegradable products in our food service operations.
- Offices continue to incorporate sustainable building practices including LED conversions; paints, furniture, carpets, and adhesives with no volatile organic compounds; and the purchase of Energy Star electronics and appliances.
- Many North America Corporate offices and some Asia offices participated in Earth Hour or Earth Day in 2023.
- In Canada, we continued ongoing LED retrofits at our segment headquarters. Our office complex in Toronto is Building Owners and Managers Association (BOMA) Certified (Silver) and our Waterloo and Halifax offices also received BOMA recertification in 2023.
- Bee colonies were reintroduced to our Waterloo and Toronto offices, and new colonies were added to our Halifax and Boston offices.
- As part of the relocation of the iconic John Hancock sign from Fenway Park in Boston to the rooftop of our headquarters building, all lights were replaced with energy efficient LED lights.
- In Cambodia, central lighting timers have been installed to turn off in the evening, reducing consumption.
- In Hong Kong, we installed new rooftop signage, which resulted in 37% energy savings compared to the old sign, and we retrofitted the office with new LED tubes, resulting in energy savings of 26%.
- In Indonesia at Manulife's Menara building, solar panels were installed on the rooftop, and we also continue to see water and paper use reductions annually.
- Printing reduction of 8% and 50% in the Philippines and Singapore, respectively, continues to contribute to paper reduction.

Purchased Goods and Services

All RFPs include Manulife's Vendor Code of Conduct that requires vendors to agree to the Environmental Protection and Conservation clause. This clause calls for vendors to proactively minimize or mitigate the environmental impacts associated with their business activities through documented policies and procedures. By accepting our Vendor Code of Conduct, each potential vendor attests to their agreement and compliance with our policies.

As a signatory to the Sustainable IT Pledge, we are committed to cutting emissions from digital technologies. We integrate sustainability 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.

Our Investments

At a Glance: Our Commitments

As part of our commitment to invest in a sustainable future, we are mapping out a pathway to a net zero General Account investment portfolio by 2050 and working to achieve near-term science-based improvements in the carbon footprint of power generation project finance and listed debt and equity investments.[26,27]

Learn more: Climate | Sustainability at Manulife

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 2023, we continued to lay the groundwork for our net zero investment capabilities and:

- Published portfolio science-based targets in accordance with the SBTi methodology, covering 42% of our portfolio.
- Continued to grow our General Account portfolio of green investments to $45.7 billion, such as renewable energy, energy-efficient real estate, and sustainable forestry and agriculture.
  - Also grew our portfolio of transition-related equity investments to $690 million, with a focus on assisting in the funding of decarbonization solutions for high-emitting sectors.
- Furthered efforts to capture additional climate-related information regarding high-emitting sectors and identify avenues for portfolio management activities that contribute to real-world decarbonization.
- Published a General Account Thermal Coal Policy Statement to outline our approach to restrict new thermal coal investments, in alignment with our commitment to net zero and efforts to manage risks associated with the transition to a low-carbon economy.
- 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.
- Conducted training on science-based targets and carbon fundamentals for investment analysts and portfolio managers.

The 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 green, low carbon investments. Our accounting methodologies are informed by the requirements of the Partnership for Carbon Accounting Financials (PCAF), the recommendations of the TCFD, the guidance provided by the SBTi for financial institutions, and by leveraging S&P Trucost environmental data. To contribute to global climate change mitigation efforts, we have committed to a net zero investment portfolio for our General Account by 2050.

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 the PCAF methodologies for emissions accounting. The methods and assumptions underlying our targets follow the guidance established by the SBTi, which draws on the best available science-based pathways for limiting warming to well below 2 degrees Celsius, as established by the Paris Agreement. In seeking to align with 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.

Short-term Carbon Reduction Goals

1. Alternative Long-Duration Assets	A reduction in the absolute emissions of our owned real estate, timberland, and agriculture assets is expected through the achievement of Manulife's target to reduce scope 1 and scope 2 emissions by 40% by 2035 (see Our Operations section for additional information).
2. Power Generation Project Finance	A 72% reduction in per kWh emissions intensity from project financing activities by 2035 or in line with a 2035 International Energy Agency (IEA) target intensity.
3.Listed Debt and Equity	A reduction in the temperature score from 2.9 degrees Celcius in 2019 to 2.5 degrees Celcius in 2027, based on issuer's total value chain activities (scope 1, 2, & 3 emissions). A reduction in the temperature score from 2.7 degrees Celcius in 2019 to 2.3 degrees Celcius by 2027, based on issuer's operational activities (scope 1 & 2 emissions).

Listed Debt and Equity Portfolio Temperature Score

	Scope 1 and 2 emissions	Scope 1,2 and 3 emissions
2022 General Account Listed Debt and Equity Portfolio Temperature Score	2.1°C	2.6°C

The portfolio temperature score of our listed debt and equity portfolio for fiscal year 2022 is aligned to the SBTi methodology for financial institutions to measure the performance of our issuers and portfolio. Our performance to date reflects the combination of several factors including, an increase in our green investments and investment in low carbon assets, a reduction in our exposure to carbon-related assets, the impacts of an increasing amount of portfolio companies setting qualifying decarbonization targets, improvements across industries in the reporting of emissions data, and changes in the estimates provided by our third-party data sources. We recognize the associated limitations with data and measurement methodologies as they continue to evolve.[28] We remain committed to our targets and will continue to measure progress in alignment with available industry guidance. While we continue to make progress in achieving our targets, our approach will be iterative and expanded over time.

Our Areas of Focus

Financing the development and scaling of real-world decarbonization solutions – We continue to grow our portfolio of green investments and have established an initial $690 million commitment of funds dedicated to deployment into transition-related equity investments, with a focus on solutions for high-emitting sectors. We are also financing renewable power generation projects to keep our portfolio in line with IEA targets for emissions intensity per kWh.

Aligning portfolio management decisions to credible climate pathways in the real economy (SBTs) – We incorporate emissions-reduction commitments of issuers into investment decision making. This approach means we seek to invest in companies that are best positioned for the transition to the low-carbon economy, including management of potential transition risks associated with costs on carbon. Additionally, we are in the early stages of incorporating assessments of value-chain emissions into our decision-making processes. This includes incorporating decarbonization targets into investment analysts' performance evaluations, where applicable or relevant.

Accelerating the transition of high-emitting assets – We are supportive of targeted strategies that assist in the managed phaseout of high-emitting assets, and we continue to phase down investment in thermal coal, where local contexts enable us to do so. We are also evolving our underwriting assessment of fossil fuel investments in light of climate change.

ⓘ **Please see Manulife's Climate Action Plan Implementation Report for a detailed look at our General Account's approach to decarbonization.**

Investing in Green and Transition Solutions

We believe that decarbonizing 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.

We are pursuing scalable opportunities with attractive risk-adjusted returns to provide an appropriate match to our liabilities in the energy transition. To date, we have invested into projects and companies in areas such as hydrogen production, solar manufacturing, energy storage, and carbon capture technologies. We are continuing to consider avenues to appropriately measure and report on the impact of these investments and have raised the topic in diligence conversations with potential investees, fund managers, and other industry participants.

> Our commitment to invest in solutions that help our environment does not end at carbon. Our **$45.7 billion** General Account portfolio of green investments includes forests and farms and assets to sustainably manage water resources.

While we do not have a specific strategy targeting labelled issuance, we are an investor in fixed income tools with known use of proceeds towards sustainable, green, and social activities. As regulatory developments, such as the EU Taxonomy, improve standardization of labelling and improve investment confidence in the credibility of bond claims, we hope to expand our disclosure in this area.

As an example, in 2023, Manulife's General Account was the leading investor in Cambodia's first sustainable bond, which was issued by the only Cambodian homegrown mobile network operator in the country. Issued under the issuer's Sustainability Financing Framework, the bond followed ICMA principles and obtained a Second-Party Opinion from Moody's. Proceeds of the bond were designed to be deployed into environmental and social projects, such as cell sites with qualified energy efficiency, use of renewable energy, and expansion of network coverage development to rural areas. As the first of its kind in Cambodia, the investment has opened up new opportunities for the local capital market and helps contribute to momentum on sustainable financing in the country.

Our Products and Services

At a Glance: Our Commitments

As part of our commitment to build solutions to climate challenges, we are creating investment products that solve investor needs and contribute to a more sustainable future. As a global provider of life and health insurance products, understanding the impact of climate change on morbidity and mortality is important.

Learn more: Climate | Sustainability at Manulife

Manulife Investment Management

In our wealth and asset management asset classes, we draw on more than a century of financial stewardship to serve individuals, institutions, and retirement plan members worldwide. We continue to believe that unmitigated climate-related risks present a systemic threat to societal, environmental, and financial stability — and therefore to our assets and our clients' financial objectives — over the coming decades.

To understand the impact of climate change on investment decisions, we believe asset managers should assess the transition and physical risk posed by, as well as opportunities presented by, climate change to the companies and assets in which they invest.

In our role as investment managers, we believe it's important to encourage robust standards and regularly provide feedback to regulators, standards setters, and data providers on climate matters. Strengthening the policy, standard, and regulatory enabling environment on climate has the potential to protect investments over the long term for our clients.

In addition to the prudent integration of financially relevant climate-related risk management, our clients are becoming increasingly aware of the tangible opportunities presented by the transition to a net zero economy. To meet this demand we have designed dedicated strategies that are available to clients. These strategies can help to enable decarbonization of the real economy and empower customers to make their own sustainable choices and support their resilience in the face of a changing climate.

Manulife Investment Management's commitment to sustainability was most recently evidenced by our latest scores under the PRI assessment.[29]

In 2023, we maintained our signatory status with respect to the UK Stewardship code, established by the UK Financial Reporting Council, and continue to meet the high standards set by the code. These achievements reflect our work in sustainable investment through the integration of material sustainability factors, engagement, collaboration, reporting, and product offerings, all in service of our clients' investment goals.

Private Assets

Timberland and Agriculture

Manulife Investment Management's timberland and agriculture capabilities exist to create value through the sustainable management of natural resource investments. We offer investors over 30 years of experience investing in timberland and agriculture, building and sustainably managing globally diversified portfolios for the benefit of our investors while contributing to the environment and local communities. With over $21.7 billion in assets under management, we are the world's largest natural capital investment manager,[30] and we are committed to investing sustainably across our global portfolio of timberland and agriculture assets.

As of year-end 2023, our $15.8 billion timberland investment portfolio spans 5.4 million acres in the United States, Canada, Australia, New Zealand, Chile, and Brazil, and our $5.8 billion agriculture portfolio spans over 399,000 acres of prime farmland and farmland plus investments in the United States, Canada, Australia, and Chile. One hundred percent of our timberland portfolio is certified sustainable by independent third-party forest certification standards,[31] and one hundred percent of our U.S. farmland portfolio is certified to an independent third-party farmland certification standard; we are actively working on expanding certification across the rest of our global platform.[32]

Abbreviations and Acronyms

Sustainable forestry and farming practices allow us to actively manage and protect our clients' timberland and agriculture investments in ways that generate competitive risk-adjusted returns, and maintain or enhance economic, social, and environmental values. We provide an extensive range of on-the-ground forest and farm management services through our vertically integrated professional property management teams. Their expertise in sustainable forestry and agriculture practices enables us to customize management activities to reflect the investment objectives of each client and the unique characteristics of each property. From our investment process to our property management, we endeavor to manage assets today in such a way that they can continue providing benefits long into the future.

We manage both commingled investment strategies (global farmland and timberland; US permanent cropland and vertically integrated crop processing and storage) as well as separately managed account strategies in sustainable timberland and/or sustainable farmland, customized per client needs. We also launched our global **Forest Climate Strategy** in 2022 to provide investors with the opportunity to promote climate change mitigation through sustainably managed forests, where carbon sequestration is prioritized over timber production. The strategy seeks to invest in a globally diversified portfolio of sustainably managed timberland assets with strong carbon sequestration potential and high conservation value in the United States, Canada, Australia, New Zealand, and select countries in Europe and South America. The main objectives of the strategy include sequestering carbon, ensuring long-term protection of sensitive habitats, creating additional environmental and social impact through non-timber activities, and providing attractive risk-adjusted returns to investors.

Please see our Carbon Principles for more information on how we aim to generate highest-integrity carbon sequestration and value for both investors and the environment.

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 2023, we made the following enhancements to our approach:

- **Decarbonization Roadmap:** We conducted an analysis of our existing real estate portfolio to identify priority regions and specific assets for decarbonization implementation and specified which regionally aligned project types will drive the most impact. The accompanying historical emissions analysis highlighted the materiality of Manulife's corporate owned and occupied real estate assets against the global portfolio, resulting in a key focus in our reduction strategy. To distill the analysis into tangible next steps, we set out multi-year objectives related to each of the key project types identified to maximize impacts towards GHG reduction within our portfolio such as data coverage, efficiency, electrification/fuel switch, and renewables.
- **Decarbonization Progress:** We created a standard approach to evaluate property-level decarbonization plans to direct our consultants towards a consistent set of objectives and metrics when evaluating carbon reduction projects. At the end of 2023, over 70 building reports were completed (around 50% of real estate's scope 1 and scope 2 footprint). By the end of 2024, the aim is to have detailed decarbonization plans covering 80% of real estate's scope 1 and 2 footprint.

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.

In 2023, we made the following enhancements to our approach:

- We completed our second portfolio carbon footprint assessment, which allows us to quantify the overall carbon intensity and carbon risk exposure of our infrastructure portfolio.
- We leveraged the GHG emissions data collected from our portfolio companies and used third-party emission data to complement any gaps where data was not available.
- We continue to focus on ways to improve the quality and availability of GHG emissions data from our portfolio companies to improve assessment and manage carbon-related risks in our portfolio.

Private Equity and Credit

Our private equity and credit group's Sustainable Investing Framework outlines our approach to integrating sustainability and climate factors into the investment lifecycle. Climate-related risks and opportunities are assessed during due diligence and monitored post-investment, where material to the underlying investment.

Through our annual sustainability monitoring process, we collect voluntary ESG and climate data from our sponsors and portfolio companies, including scope 1, 2, and 3 GHG emissions and qualitative insights on climate-related governance and oversight practices. The monitoring process allows our teams to track and measure the sustainable investing performance of our investments across our portfolio.

In 2023, we made the following enhancements to our approach:

- Developed our inaugural climate change strategy, which was approved by our newly formed Private Equity & Credit Sustainable Investing Committee in June 2023. Our climate change strategy is consistent with Manulife Investment Management's overarching Climate Change Statement and establishes our near-term climate priorities and longer-term objectives. Our near-term climate objectives focus on deepening investment team training and education, research and development of new products and investment strategies, and applying our thought leadership and influence as global investors to shape industry-wide climate initiatives and priorities.
- We completed our second portfolio carbon footprint exercise to assess the carbon intensity of our portfolio and overall carbon risk exposure. We leveraged the GHG emissions data collected from our portfolio companies and used third-party estimated emissions where reported data was not available. We continue to focus on ways to improve the quality and availability of GHG emissions data from our portfolio companies, so that we can better assess and manage carbon-related risks to our portfolio.

Public Assets

Since joining the PRI in 2015, we have worked to improve integration of material sustainability factors into investment decision-making with iterative improvements each year.

ⓘ **For more information, please refer to our Public Markets section.**

Investment Stewardship

In 2023, our investment teams continued to engage directly with selected issuers on a range of sustainability topics. The common issues discussed included 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 publish engagement case studies publicly on our website to highlight some of the results of dialogue with issuers and provide information in the annual Manulife Investment Management Stewardship Report.

Additionally, global public markets sustainable investment professionals supported our investment team's engagement with two companies each in their portfolios that are most at risk of impacts from climate change. These conversations helped the teams assess the management of the low-carbon transition and physical risks of climate change at some of their biggest holdings, which may influence future adoption of best practices in climate risk disclosure and management at the relevant issuers.

Our sustainable investment team also started dialogue with several issuers across our holdings that have exposure to deforestation risks in their supply chains. We have engaged these issuers to understand their exposure, policies, governance, and targets related to the risk.

We continue to execute our proxy votes in support of a variety of financially material ESG-related proposals including requests to report on climate risk, water management, and human rights along with proposals to enhance shareholder rights, in accordance with our fiduciary duty to clients and maximizing long-term shareholder returns. We also participated in dedicated collaborative initiatives where we believe we can have a material impact in addressing financially material sustainability issues. We are active participants in initiatives such as Climate Action 100+, The 30% Club, the Ceres Valuing Water Finance Initiative, Climate Engagement Canada (CEC), and Asia Investor Group on Climate Change (AIGCC).

Thematic Strategies and Collaborations

We offer several sustainable investment strategies including our Sustainable Asia Bond Strategy, Sustainable Asia Equity Strategy, Climate Action Bond Strategy, Climate Action Equity Strategy, and a Shariah-compliant Global Environmental Transition strategy. This suite of sustainable investment products uses 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.

ⓘ **For more information on our solutions, please see Manulife Investment Management's Sustainability page.**

In 2023, we made the following enhancements to our approach:[33]

- Developed a new sustainable ESG research framework to enhance integration across our actively managed fixed-income and equity portfolios
- Contributed input to enhance guidance and frameworks released by Climate Action 100+ and The Finance for Biodiversity Pledge
- Launched a Shariah-compliant Global Environmental Transition Strategy to expand our sustainable investment strategy offerings
- Participated in United Nations Environment Programme's (UNEP) 8th Asia-Pacific Climate Change Adaptation Forum (APAN) in South Korea
- Co-led collaborative engagements with PT Perusahaan Listrik Negara in Indonesia and Hong Kong-based utility company CLP Holdings through AIGCC's Asia Utilities Engagement Program
- Joined the Climate Action 100+ Lead Investor Strategy Session to discuss the Phase II initiatives, which will shift focus from corporate climate-related disclosure to the implementation of corporate climate transition plans
- Became an inaugural member of the newly established Canadian Sustainability Standards Board (CSSB)
- Supported 2023 CDP Non-Disclosure Campaign to encourage issuers to disclose sustainability data through the CDP platform. We both signed on to the general letter to issuers and directly engaged with issuers as part of our work
- Offered training to investment teams on ESG topics related, but not limited, to the European Deforestation Regulation and deforestation risk; impact of a recession on the sustainable debt market; U.S. Inflation Reduction Act (IRA) for the oil and gas sector; potential impact of generative AI in the consumer sector; and data centers in the industrials sector
- Appointed Chair of the PRI Québec Network Advisory Committee in Canada
- Led several climate engagements in Canada through Climate Engagement Canada, seeking to encourage decarbonization of large issuers not covered by Climate Action 100+ in that market through collaborative engagement
- Participated in the International Corporate Governance Network (ICGN) Stewardship Committee, providing input on several global developments in 2023, including global stewardship code updates
- Supported the Canadian Coalition for Good Governance (CCGG) 2023 Engagement Program, provided input into engagement discussion content, and serve on the group's Policy Committee
- Engaged with peers, both sovereign entities and extractive industry issuers, on sustainability issues through our work with the Emerging Markets Investors Alliance (EMIA)

Life and Health Insurance

Manulife aims to be at the forefront of analysis of the impacts of climate change on products and underwriting for life and health 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 engage with external experts on relevant initiatives. Our focus is on research and data collection to inform products, product pricing, underwriting, claims, and actuaries as we learn more about the impact of physical climate-related risks on morbidity and mortality rates.

Our changing climate has an impact on human health. Every country and individual will be affected, 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.

Our guidelines and customer pricing are based on historical data, and we continuously seek to understand how changes in our environment may impact our customers through shifts in incidence rate or severity of certain conditions. We have frameworks in place to study the experience and inform decisions that lead to changes. We have a country classification process that requires us to analyze risks associated with each country where we sell products. We include environmental risks factors as part of the scoring, and we refresh the scores every three years to allow us to take into account any significant shifts in experience. Our claims experience together with the results of the country classification process are then reflected as adjustments to products, underwriting guidelines, or pricing.

Aging is also a key consideration. We understand that each age group comes with different risks, and we underwrite according to those risks. The elderly population has unique risks, which we have covered in our proprietary underwriting guidelines. We consider factors such as mobility, cognition, weight loss, and complex co-morbidities and generally require that our most experienced underwriters review these cases. We often require older age exams specifically designed for the older ages.

Manulife has a proprietary life insurance manual that is managed and maintained to reflect multiple risks including environmental impacts, obesity, emerging health issues, and other topics. We have a steering committee comprised of medical directors, chief underwriters, research underwriters, risk managers, actuaries, and others to ensure we stay abreast of changes. Our experts review publications in all major medical journals and our internal experience from claims to make informed decisions and update the manual.

In 2023, we made the following enhancements to our approach:

- Researched the possibility of creating a claims dashboard to facilitate trend analysis to help us identify shifts in experience for chronic conditions that are expected to worsen due to climate change (e.g., higher incidence of respiratory illness, infectious disease). The work will continue in 2024 with the help of our analytics team.
- Participated in the development of the Geneva Association publication "Climate Change: What does the future hold for health and life insurers?" as well as Global Asia Insurance Partnership's "Too Hot to Insure" publication.

Reinsurance

Manulife Re is the global property and casualty 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, most of them with very strong ESG programs. 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 reinsurance 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 can rebound and rebuild after a major catastrophe is an important component as it helps severely affected societies to recover.

Climate-related Risks and Opportunities

In addition to our Climate Action Plan, we are taking steps to *improve* the resilience of our business in the face of changing *climate*.

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

The 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 on 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, now being overseen by the IFRS Foundation.

We have been a supporter of the TCFD since 2017 and are committed to adopting and aligning our disclosures to its framework and recommendations, now being overseen by the IFRS Foundation.

Taskforce on Climate-related Financial Disclosures (TCFD) - Disclosure Index

TCFD Pillar/Recommendation	Manulife Action Summary
Governance (pages 40)	
Describe the Board's oversight of climate-related risks and opportunities.	The BRC oversees the management of our principal risks, as well as 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 CGNC receives regular updates on relevant ESG topics, including Manulife's Impact Agenda and Climate Action Plan.
Describe management's role in assessing and managing climate-related risks and opportunities.	Climate-related risks are governed at various levels across the enterprise. The roles of the CGNC, ESC, ESG CoE, Climate Change Taskforce, ERC, and BRC consider climate-related risks and opportunities through the ongoing monitoring and reporting of evolving risks and are supported by various sub-committees and oversight functions.
Strategy (pages 40-42)	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	We monitor climate-related risks and opportunities within our business strategy over short- (1-5 years), medium- (5-15 years), and long-term (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 the transition to a low-carbon economy continue to be considered.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	We are a long-term oriented underwriter and investor — monitoring and evaluating the impacts from climate-related risks and opportunities remains ongoing and continues 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.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate-related scenario analysis is conducted at the business unit level to understand the implications of climate-related risks – see pages 44–46 for business-specific approaches.
Risk Management (pages 43-46)	
Describe the organization's processes for identifying and assessing climate-related risks.	We have established an 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.
Describe the organization's processes for managing climate-related risks.	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, which we continue to iterate upon. Climate-related risks continue to be managed at business unit level; Global Risk Management also continues to enhance enterprise-wide risk management practices and supports business units' capabilities.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	We monitor climate-related risks through our evolving risk framework and regularly engage with senior leadership to discuss the prioritization and feasibility of contingency planning actions associated with various evolving risks, including environmental risks. We also expanded our Environmental Risk Policy to articulate Manulife's risk appetite related to environmental risks and continue to further integrate into our enterprise-wide risk appetite framework.
Metrics and Targets (pages 47-48)	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	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, portfolio warming potential, weighted average carbon intensity, enterprise value including cash, and sovereign climate risks.
Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	See pages 95-96 for scope 1, scope 2, and scope 3 emissions disclosures.
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	We are committed to achieving 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 reduction targets to put us on the path to meeting our commitment of net zero General Account financed emissions by 2050.

Governance

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. Members of the CGNC participate in at least one externally facilitated ESG-related education session every two years. In 2023, an external subject matter expert delivered an education session for the CGNC detailing board responsibility for climate oversight and other ESG issues.

The ERC and BRC consider climate-related risks and opportunities through the ongoing monitoring and reporting of evolving 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 work activities. The BRC oversees the management of our principal risks and related programs, policies, and procedures to manage these risks.

Risk management activities addressing climate-related risks will continue to evolve over time as knowledge and capabilities further mature, and as applicable standards, frameworks, and methodologies continue to emerge and coalesce. Our aim is to ensure that Manulife's risk management approach matures as the landscape of ESG risks evolves in complexity and scale. We also to continue to develop our risk framework to meet emerging regulatory expectations, including those in OSFI's B-15 Guideline.

Business and functional unit heads are expected to promptly escalate any instances where risks, including climate-related risks, are having or may be expected to have a significant impact on current business operations or business strategy. Our practices continue to mature across different areas of the organization, including those outlined in the sections below.

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 team's 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 annual employee performance review and remuneration metrics across investments teams, as relevant. 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 the ESG Governance section for more information on how climate risk is governed at Manulife.**

Strategy

In 2023, we continued to monitor climate-related risks and opportunities within our business strategy over short- (1–5 years), medium- (5–15 years), and long-term (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.

Additionally, we continued to pursue approaches to further integrate environmental risks into our enterprise-wide risk appetite framework, guided by our Environmental Risk Policy. Our Environmental Risk Policy will be updated in 2024 to meet upcoming regulatory requirements, including OSFI's B-15 Guideline: Climate Risk Management. We aim to build out further guidance on how to manage and report climate-related risks, while we continue to enhance our resilience measures.

An internal ESG data collection control effectiveness review was completed in 2023, focusing on GHG emissions and sustainable investments metrics. This resulted in several identified issues and recommendations for which Corrective Action Plans (CAPs) were created, with expected closure of all actions by 2024. CAPs included the implementation of a common data solution for all data owners, the automation of manual processes, and the development of procedural documentation across metrics.

Our Asia Risk Management team continues to assess regulatory requirements across the markets in which we have operations and is responding accordingly. Regulators in certain markets have issued requirements or surveys on climate risk, including Singapore, Hong Kong, and Malaysia. We have completed a climate risk survey in Hong Kong and will meet requirements that must be complied with by the end of 2024 in Malaysia, as we continue to enhance our capabilities in Singapore.

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

Manulife's **General Account** identifies and assesses climate-related risk in alignment with its ESG guidelines, specifically for General Account assets backing in-force liabilities. ESG risks are also considered during the rating and annual review process by investment analysts. For each credit within the portfolio, an annual risk assessment report is created which explicitly requires an assessment of the most salient risks of a credit, including climate change and other ESG risks.

With notable concentration of fixed income assets in our portfolio, the General Account also considers climate factors through monitoring material climate issues and encouraging climate awareness by our borrowers, as appropriate, as part of general ongoing investment surveillance.

In some cases, this may present a challenge as many of our investments are in companies and assets that are privately held; as such there may be limited to no publicly available information. Regular reviews throughout our existing investment processes provide opportunities for analysts to further understand exposure to the General Account and include discussion of material climate risks and opportunities in investment reviews and approval materials.

To achieve our targets in line with real-world decarbonization objectives and at the lowest possible cost, we envision an "all of the above" approach that combines the following strategies, which can contribute to the management of transition-related impacts to our portfolio:

Our General Account Investments Transition Toolkit

Allocate

Pursue new investment opportunities that tilt investments towards lower emission intensity, green, or transition factors: We are specifically dedicating funds to investments in this area to complement our existing lending activities in renewables, hydrogen fuels, energy efficiency improvements, and solar ground leases.

Further, to drive integration of climate factors into the General Account's portfolio management decision-making, we are aligning our compensation structure to support rebalancing of the portfolio towards better performers or away from poorer ones alongside other investment objectives. To this end, we are working to integrate specific climate-related targets into the General Account as a portion of overall investment team compensation, to support these objectives in practice.

Engage and influence

Proactively and constructively provide feedback and supporting portfolio companies to encourage transition, with enhanced minimum due diligence expectations: We expect portfolio companies to work towards improvement in disclosure of their carbon footprint, starting with scope 1 and 2 emissions, and for issuers with material impacts, to set targets to achieve absolute emissions reductions in the real economy.

Within the General Account, 10% of issuers were responsible for 90% of measurable scope 1 and 2 emissions in our listed debt and equity holdings in 2022. Going forward, we intend to engage directly on an annual basis with our top 10 portfolio emitters, utilizing an escalating engagement strategy. Engagement will focus on communication of Manulife's climate objectives and metrics, company historical performance against relevant benchmarks, barriers to transition, and importantly, avenues for investment in decarbonization efforts.

Advocate

Directly and/or indirectly advocate for policies that are supportive of net zero investment objectives: This includes engagement with industry peers, such as support for the development and implementation of a Private Placements Industry Association questionnaire on ESG and regular participation in peer working groups, including U.S. and Canadian insurance peers.

Divest

Align portfolio companies or sectors to our risk appetite: We are a long-term oriented, buy-and-hold investor. Manulife may divest where investments are significantly and/or irreversibly misaligned to our investment goals and risk appetite. However, we believe divestment as an immediate strategy is not the most effective approach to reducing emissions in the real economy and have seen limited academic and real-world evidence to support divestment as a primary tool for climate impact. Investment gives us the right and ability to raise concerns directly with companies' management, either through ownership as an equity investor or in due diligence and monitoring as a fixed income investor.

Divestment does not appear to encourage companies to improve their practices and, in fact, can cause them to move away from commitments – this is particularly borne out by prominent examples of GHG emissions increases from real assets after they have been sold. For fixed income investors in particular, divestment introduces risks related to portfolio diversification and involves costs that could put our ability to meet our long-term promises to our policyholders and shareholders at risk. Finally, divestment transfers emissions from one investor's balance sheet to another and does not necessarily produce emissions reductions in the real economy.

Offset

Own carbon offsets or net negative carbon assets (e.g., sustainably managed timberland) and invest in projects that generate credible offsets in hard-to-abate sectors: The General Account is a significant owner of Manulife Investment Management-managed timberland and agriculture, offering potential natural climate solutions long-term. We continue to monitor the emergence of frameworks for financial institutions' net zero strategies as they relate to offsetting our produced or financed emissions. That said, we prefer that issuers in which we invest prioritize emissions mitigation strategies where feasible and that they disclose instances where they employ credible and verified offsets for hard-to-abate emissions categories.

We expect to benefit from "natural decarbonization": Over time, our portfolio could benefit from the maturation and roll-off of investments in high-emitting sectors and from the tailwinds emerging from societal shifts in attitude towards energy consumption, supportive government policies, and evolving economic factors, that are taking place globally.

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. A just transition minimizes the impact on affordability and accessibility of energy for everyday people, while maximizing social and economic opportunities in these regions.

In **Manulife Investment Management's timberland and agriculture** asset classes, consideration of climate risks and opportunities is factored into all of our products and investment strategies. We believe these are important to our investment and asset management and therefore we use the same processes and procedures to screen for risks, regardless of product or investment strategies: for acquisition due diligence, we use our proprietary Sustainability Toolkit to evaluate climate as well as other types of risk; for asset management, we monitor and seek to mitigate climate-related risks as part of our property management plans, which are prepared in alignment with requirements of third-party sustainability certification standards.

We built our 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. This toolkit highlights both potential risks and opportunities, and it enables us to quantify risk through stoplight indicators used to rate inherent risk, risk mitigation potential, and residual risk. We then aggregate these upward to produce an overall numerical sustainability score for the asset, which can be used in our underwriting. The completed toolkit is provided in every deal package presented to our natural resource investment committee to ensure that investment decisions explicitly consider relevant sustainability risks and opportunities. Together with our deforestation policy, carbon principles, and carbon toolkit, this approach ensures that we systematically consider all identified material sustainability factors in our investment process.

Within our **Manulife Investment Management real estate** platform, we identify and monitor various climate-related risks that are essential to making better-informed decisions and ensuring our business and buildings are built for the future. We have identified several transition and physical risks and opportunities across various timeframes that are outlined in the 2023 Manulife Investment Management Real Estate Sustainable Investing Report on pages 9 and 10.[34] The identified transition risks include regulation, market, technology, and reputational risks, while the identified physical risks include a set of acute and chronic risks. In this report, we identified the transition and physical risks that will potentially affect our business over the short term (1–5 years), medium term (5–10 years), and long term (beyond 10 years).

Manulife Investment Management's infrastructure teams regularly assess material ESG risks and opportunities for each new investment as part of the investment due diligence process as guided by our Infrastructure Sustainable Investing Framework. Physical and transition risks and opportunities are assessed during due diligence processes and post-investment monitoring, where they are material to the investment, including collecting and monitoring performance on relevant key performance indicators (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 risk assessments on our funds and portfolio assets.

In 2023, **Manulife Investment Management's private equity and credit** group established a SIC to support the implementation of Manulife Investment Management's Sustainable Investing and Sustainable Risk Statement within private equity and credit. The SIC approved private equity and credit's inaugural Climate Strategy, which outlines near-term priorities and longer-term objectives for evolving how we integrate climate considerations across the investment cycle and into each private equity and credit investment strategy. Core pillars include monitoring our portfolio carbon footprint, enhancing our investment teams' climate knowledge, generating climate-focused market insights, and partnering with industry groups and private equity peers through external initiatives.

Through **Manulife Investment Management public markets**, we aim to identify material climate risks and opportunities over various timeframes and may reflect their financial or other impact in our investment analysis while mitigating the impact through our stewardship approach. We may take actions to appropriately account for climate-related factors in each asset class according to the internal, technical, and market dynamics along with regional expression, where financially relevant. This takes place through our sustainability integration process, engagement strategy, collaboration, and the development of climate-focused investment frameworks.

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. In 2023, we created a long-COVID taskforce, and conducted research to determine the impact of interruption of care and mental health. We leveraged research papers and publications from both the private and insurance sectors. We also conducted a year-over-year comparison of our claims to determine their trends. We are reviewing the data to identify any unexpected emerging trends. We are using the taskforce to discuss the potential impact of climate risk on mortality and morbidity, and this research to date has been used to inform decisions.

Risk Management

Guided by our Environmental Risk Policy, and 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, as well as legal and reputational risk. Climate risk, therefore, is not a new risk and is instead treated 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. 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.

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.

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). 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. This allows us to understand the types of resiliency measures that should be embedded across the risk categories and ensure we have the necessary processes and programs to address resiliency gaps. 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.

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.

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

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

Climate-related risks	Risk
Damage to Company-owned real assets or to critical infrastructure	• Operational Risk • Physical Risk
Higher claims experience	• Product Risk • Physical Risk
Changes in customer preferences or expectations towards our products and services	• Strategic Risk • Transition Risk
Litigation related to misrepresentation or insufficiency of climate-related financial disclosure	• Operational Risk • Legal/Reputation Risk
Increase in regulatory requirements or new government policies	• Strategic Risk • Transition Risk
Sudden changes in valuations of invested assets	• Market/Credit Risk • Transition Risk
Scarcity of resources to comply with heightened regulations	• Operational Risk • Transition Risk
Growing anti-ESG sentiment among stakeholders	• Strategic Risk • Legal/Reputation Risk

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.

In 2024, we aim to focus on the following risks and opportunities at an enterprise risk management level:

- Enhancing overall climate-risk framework, including building out existing policies and standards
- Further expansion of climate risk metrics and updates to our climate risk appetite
- Continuing to build capabilities across our second line of defense to support effective risk oversight and enhanced climate-risk framework
- Ongoing monitoring and compliance to climate risk-related regulations including implementation of OFSI's B-15 guideline

Our Singapore Risk team performed a climate operational scenario analysis in Singapore on its main outsourcing partners to better understand how acute climate events could disrupt the services that are outsourced from Singapore. The scenario analysis helped the team understand how to respond if services in the country are disrupted for a longer period and allowed them to identify outsourced services that might need to have alternative options should there be a longer period of disruption.

Our Group Capital Management function performs stress testing analysis to assess the potential impact of climate transition risks. The analysis in 2023 focused exclusively on near-term transition risks, which found that the market risks from transitioning to a low-carbon economy are not expected to threaten Manulife's solvency.

In our path to continuous enhancement, we also leverage various strategic levers to assess and manage climate risk across our business segments.

Within our **General Account**, we assess the carbon emissions of our listed debt and equities portfolio. Carbon emissions measurement is a recommended measure of climate risk through the TCFD and enables us to identify exposure to transition risk. This assessment utilizes third party data sources and internal models to assist in the calculation of these measures. In addition, Manulife has identified higher-risk sectors within the portfolio defined as "carbon-related assets."

Physical climate risk is identified as an emerging investment risk. Our General Account investment teams have enhanced their knowledge of physical climate risk and conducted a review of the physical climate risk exposure and mitigation strategies employed by North American utility companies. This effort aims to help teams understand the climate resiliency of our investments in North American utility companies.

In 2023, we developed sustainability targets for relevant asset classes within the General Account in alignment with the methodology for financial institutions outlined by the SBTi, in combination with the PCAF methodologies for emissions accounting. Sector-specific and asset-class-specific targets have been established for the financed emissions of our General Account. We have also evaluated our portfolio's alignment to global warming pathways using a temperature score metric to support forward-looking assessments of issuer decarbonization contributing to both our Climate Action Plan and management of climate-related transition risk.

In addition, an internal gap analysis was completed to assess readiness against OSFI's B-15 guideline: Climate Risk Management, with the involvement of the General Account. A similar gap analysis was also completed against the Environmental Risk Guidance issued by the Monetary Authority of Singapore (MAS). We continue to work closely with our internal teams to address the identified gaps.

The General Account applies an active approach to third-party data and uses tools that we complement with our own industry and first-hand knowledge through engagement to understand companies' vulnerabilities and strengths. We have developed differentiated analytical techniques, including scenario analysis, to help inform our security selection and valuation, portfolio positioning, and TCFD-recommended metrics like carbon footprints and temperature alignment.

Among our priorities for the year ahead are the consideration of upcoming climate-related risk regulations affecting our General Account investments and enhancing the integration of scenario analysis tools through our risk program.

Within our **Manulife Investment Management's timberland and agriculture** portfolios, relevant climate-related risk factors include hurricanes, floods, wildfires, droughts, and pest and disease outbreaks across both timberland and agriculture investments. Well-managed forests and farms are more resilient. As such, our foresters and farm managers focus on maintaining and enhancing forest (timberland) and soil (agriculture) health. Good management is critical for protecting against losses related to these hazards, which are projected to grow in frequency and magnitude as climate changes intensify.

Climate change also presents opportunities for forest and agriculture investments, which in this context, is a means to naturally remove carbon from the atmosphere. In addition to carbon sequestration, forests may also provide other ecosystem services, such as wildlife habitat, local cooling effects, and flood attenuation. Some of these can be monetized (in the form of carbon credits or payments for other ecosystem services) and some cannot or have not been to date, but all are beneficial to society and the environment. Climate change may also benefit farmland investments in some geographies through longer growing seasons that may expand the range of viability for certain crops. While carbon credits may offer the potential for future monetization of sequestration benefits, in our view, the primary benefit of sequestration is soil health.

We recognize that despite these well-known risks and opportunities, the actual impact of climate change is far from certain. As such, we do our best to plan for multiple possible futures through climate scenario analysis. In 2022, we acquired a tool that has enabled us to conduct scenario analysis for potential acquisitions. We look forward to conducting this analysis across our entire global portfolio.

Among other enhancements, in 2023 we surveyed which regenerative practices are being used across our farmland assets worldwide and found that 93% of properties are using three or more regenerative practices, setting a baseline against which we will aim to improve. We also continued running trials on farmland properties, exploring opportunities for greater resource efficiency and carbon sequestration, including biochar and regenerative agriculture pilot projects.

Manulife Investment Management's real estate platform is exposed to risks and opportunities from the environment in which we operate, and we recognize that climate risk is a core real estate issue. As the impact of climate change is increasingly felt, it is vital for our investors, employees, and tenants to understand the importance of addressing the issue. We seek to integrate climate considerations into each stage of the real estate investment lifecycle. We use a stepwise process to ensure that teams are putting into place essential measures to make our portfolios more resilient.

While we continue our efforts to mitigate climate change by transitioning our operations and supply chains to low carbon, we also recognize the need to build climate resilience within our real estate portfolios and across our management practices. The nature and level of these risks are dependent on structural forces that will shape our short- and long-term decisions, and we expect our business will be affected in both positive and negative ways by the climate transition as the opportunities will depend on our action and response. Reducing our carbon footprint is critical to managing our clients' risks and improving their overall financial returns.

In 2023, we conducted a climate scenario analysis to further understand how climate change will impact the real estate business and what actions we can take to prepare. The workshop, which included members from real estate senior leadership, identified risks and opportunities based on two future scenarios:

- **Scenario 1:** Failure to act (>4°) – participants believe that physical climate risks will increase costs and reduce value; supply chain disruptions and market variability from changing climate conditions will also affect our business.
- **Scenario 2:** Paris-aligned (<2°) – participants expect sizeable investments to overcome transition risks; despite these costs, participants identified significant opportunities in being an early mover in transitioning to net zero.

The study identified risks and associated business implications from future climate states and assessed current and potential preparedness strategies to address climate risks. The results of the assessment were shared and presented to senior leadership and will be used to inform internal processes, as well as responses to industry frameworks.

Our **Manulife Investment Management infrastructure** team is an active participant in the energy transition in the United States, investing in renewable energy generation and systems, including solar, wind, and battery storage, as well as in carbon-efficient urban transport. Through these investments, we aim to meet the needs of our stakeholders while accelerating the evolution towards a lower-carbon economy. To that end, we have formalized a process for identifying and assessing physical climate risks alongside due diligence that evaluates material ESG considerations for all new investments. Over the investment period, we collect ESG data from our portfolio companies on an annual basis, which includes metrics on GHG emissions, and indicators to understand climate strategy and processes.

In 2023, we conducted our second carbon footprint assessment of our portfolio with year-over-year data building upon our first carbon footprint assessment from 2022. We enhanced our methodology through the collection of emissions data from portfolio companies and by using the reported data to supplement estimated data.

In addition, we continue to work with our portfolio companies on target setting and improvement initiatives. Two of our portfolio companies have set net zero targets – specifically, targeting net zero scope 1 and scope 2 GHG emissions by 2040 and 2050, respectively.

Manulife Investment Management private equity and credit's climate-related risks and opportunities are assessed as part of the underwriting process and monitored post-investment, where material to the underlying investment. We also monitor core climate metrics, including GHG emissions, climate governance and oversight, and the existence of a decarbonization strategy at our portfolio companies and sponsors through our annual ESG questionnaire.

In **Manulife Investment Management public markets**, climate risks are integrated into our overall approach to risk management, with overlapping lines of defense. We believe this approach helps ensure that we understand the extent of these risks in our clients' portfolios. We identify and assess 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.

As a component of risk management, we conduct scenario analysis across uncertain future pathways and seek to understand the potential impact of different climate scenarios on our investment strategies. 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 systematically, as we believe this builds resilience into our portfolios and for all our stakeholders. We may take a variety of actions towards managing climate-related risks and opportunities across our investments. Broadly summarized, our actions relate to asset allocation and selection, investment analysis and research, proxy voting, and participating in collaborative engagements focused on addressing risk related to climate change.

Within our **life and health insurance** business, we developed a framework to assess the impact of climate-related risks on mortality and morbidity rates by country. We consider 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. We also have a framework to update our proprietary underwriting manual. If we see an emerging health issue related to specific impairments, we would be able to research and make changes.

For example, if we started to see a spike in claims related to infectious diseases, we would review the guidelines to determine if the guidelines are adequately identifying higher-risk individuals to ensure that risk is accurately reflected in our rates. If a new disease were to emerge as result of climate change, we would also be able to address it in our manual. Within our group life business, we have a geographic concentration of life limits and classify countries where we have sales as high risk or low risk. For example, we consider the exposure to natural disasters and climate risk. We review our limits at minimum every three years to determine if the risk profile of a country has changed, warranting an upgrade or downgrade.

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 natural catastrophe events as opposed to a frequency of smaller climate events. This approach was further enforced in 2023 as we were able to limit exposure from climate-related events. We currently estimate our exposure limit in 2024 to be approximately US$250 million (net of reinstatement premiums) for a single event and approximately US$500 million (net of all premiums) for multiple events.[35]

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 (mainly to the U.S., Europe, Australia, New Zealand, and Japan) and peril coverage mainly to hurricane/typhoon and earthquakes, and by working with clients to ensure increased retentions are incorporated in their underlying business, we have materially reduced the potential for climate-driven, unmodelled types of perils such as floods, tornados, hails, etc.

This gives us the opportunity to focus on well-modelled and well-understood perils that incorporate the latest climate-related adjustments 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. All covers written are renewed annually allowing the company to reassess peril and territory coverage scope at each contract renewal.

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.

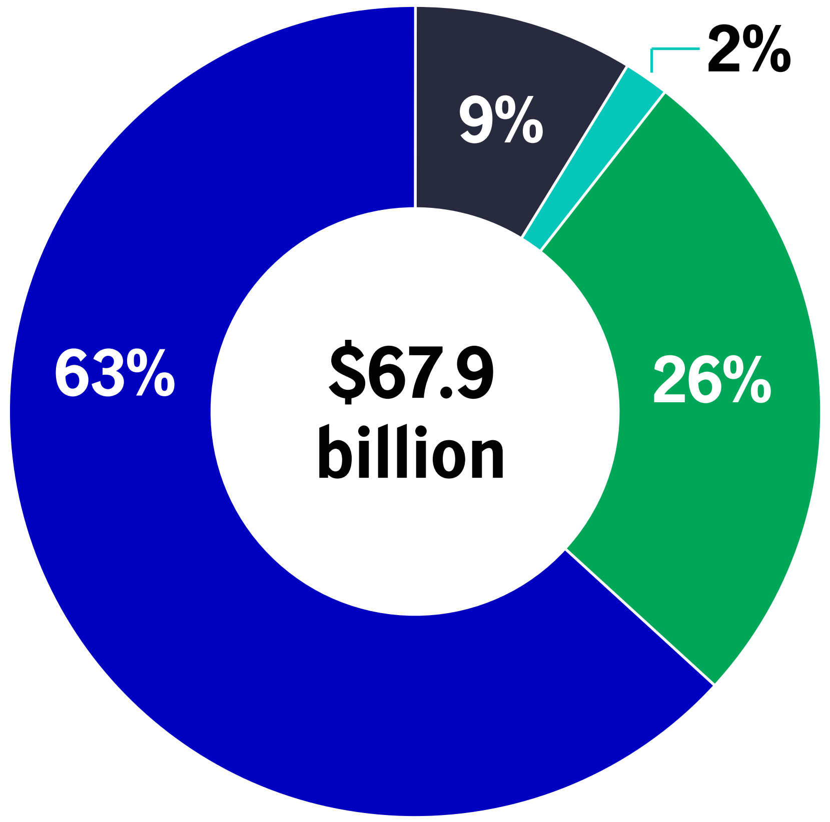
Metrics and Targets

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 reducing 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.

Our total exposure to carbon-related assets, held in our **General Account**, was $67,986 million, or 16% of the total portfolio, as of December 31, 2023. Carbon-related assets are identified based on internal sub-sector classifications. Sub-sectors in scope are informed by TCFD guidance and, at this time, include oil and gas, oil and gas services, pipelines, coal, electric and gas utilities, building materials, and basic materials. Carbon-related assets are based on sectors recommended by the TCFD and represent sectors that may be financially vulnerable to climate transition risks such as rising costs on carbon, that could lead to possible devaluation or impairment or stranding of assets.

Exposure to Carbon-related Assets within Manulife's General Account (2023)[i]



Energy 26%
Utilities 63%
Basic materials 9%
Industrial 2%

i Based on GICS sector classifications

> 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.

ⓘ **Please see the Sustainable Investing section for more information on our green investments.**

The General Account has conducted several trainings on climate-related risks and opportunities, namely through a business unit-wide presentation on ESG, a physical climate risk training with the General Account Climate Change Working Group, training on carbon fundamentals with investment analysts, and training on our emission reduction targets with investment teams, the portfolio management team, and the credit risk team. The General Account also conducts periodic ESG communication sessions on topics about ESG strategy, policy development, target setting, as well as regulatory and industrial trend development digests with different levels of board members.

In our **Manulife Investment Management timberland** portfolio, we continue to track well against our short-term commitments. In 2023, we made the following progress against these targets:

- **Decarbonization strategy launch:** We began the process of mapping the decarbonization levers at our disposal and piloted new technologies designed to reduce emissions. We continued this process over the course of 2023 with the establishment of our timberland decarbonization working group, and this work is ongoing.
- **Launch of Forest Climate Strategy:** We also launched this strategy focused on carbon sequestration. We acquired a contiguous 89,000-acre block of timberland in Maine with a diverse mix of naturally regenerated spruce fir and northern hardwood tree species. The strategy centers on storing carbon, generating high-integrity carbon credits, and aiming to offer carbon-focused investments for investors and corporates working towards net zero.
- **Net zero commitment partnerships:** We partnered with Manulife's five Australian and New Zealand timberland investment companies to support the climate commitments they made in 2021 on behalf of their investors. These timberland investment companies drafted TCFD-aligned climate disclosures, including analysis of any modifications to forest management required to achieve these net zero commitments.

Our **Manulife Investment Management agriculture** team set four short-term targets for the steps we need to take now to reach our net zero targets. In 2023, we made the following progress against these targets:

- **Improve GHG quantification methods:** We piloted the GHG Protocol Land Sector and Removals Guidance draft, greatly improved the proportion of primary data feeding into our GHG inventory, and green-lighted a project to quantify our soil carbon sequestration.
- **Launch our decarbonization strategy:** We held a workshop with the leadership of our North American operations leadership to discuss equipment and technology options for decarbonization and routes to implementation.
- **Scale regenerative agriculture:** We surveyed property managers on all our agriculture properties to understand which regenerative practices they use (almost 98% use at least one regenerative practice, and the majority of farms use three or more).
- **Systematically understand climate risk:** We contracted with a third-party climate risk data provider that will allow us to systematically analyze climate risk for all agriculture assets under management, as well as potential acquisition opportunities.

For **Manulife Investment Management's real estate** assets, we use several metrics and KPIs to manage and monitor progress in our real estate portfolio. These are also used to identify and monitor the potential financial effects associated with climate change on our clients' assets. Some of the metrics we use include GHG reduction, energy, water, and waste reduction, asset-specific targets, and physical risk data.

- **GHG reduction:** We are developing solutions to reduce absolute scope 1 and 2 emissions by 40% by 2035, with an immediate focus on decarbonizing assets we both own and operate. This carbon reduction goal will keep us accountable and help measure our GHG emissions reduction in line with our global targets.
- **Energy, water, and waste reduction:** We monitor property and portfolio energy, water, and waste performance through our proprietary Sustainable Building Standards annually. Properties aim to conduct an energy audit to identify improvements every three years.
- **Physical risk data:** We track property resilience scores, which combine third-party physical risk data with property resilience survey results. We also track the number of properties located in 100-year flood zones and report in alignment with the SASB through our insurance program.[36]

In 2023, our **Manulife Investment Management private equity and credit** team completed our second portfolio carbon footprint exercise, using a combination of reported emissions and third-party estimates. Our portfolio carbon footprint assessment enables us to better assess and manage potential carbon-related risks to our portfolio and helps inform our near- and longer-term climate priorities.

The **Manulife Investment Management public markets** team continues to train our investment professionals on the latest in climate-related risks and opportunities, including topics such as carbon standards, emerging sustainability regulation, and climate science and policy. The sustainable investing team supports the collection of research and related discussions on climate through an internal ESG information hub and has developed a tool to evaluate climate risk at a portfolio and issuer level. This tool is housed on a central global research platform that investment teams and professionals can access.

For some public markets portfolios, we may use exposure to fossil fuel reserves, emissions disclosure to assess exposure to a potential increase in carbon pricing or transition risk, or weighted average carbon intensity (WACI) data in metric tons of carbon dioxide equivalent (tCO_2e/$M sales) to assess the relative efficiency of emissions.

Please see Manulife Investment Management's TCFD report for more information.

Going forward, we will continue to focus on improving the availability of reported emissions from our portfolio companies by engaging with our sponsors and industry peers to encourage better GHG emissions data reporting across the private equity industry.

Please see the Performance Data section for more information on our performance metrics and targets.

Nature and Biodiversity

Governance

Nature is an element of our overall ESG integration framework, and we are committed to protecting and restoring natural ecosystems through our financing activities and investments. Nature and biodiversity are 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.

Please see the ESG Governance section above for more information on how nature and biodiversity matters are governed at Manulife. For more information, visit Nature and Biodiversity.

Strategy

Preserving our natural resources is critical to the well-being of future generations. Nature is made up of both the living (biodiversity of ecosystems, species, and genes) and non-living (land, soil, water, and air) realms. Biodiversity is the variety of life on earth and is at the heart of a healthy environment. At Manulife, we believe in safeguarding forests, wetlands, and natural habitats where biodiversity thrives.

Manulife Investment Management was a member of the informal working group for the 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's inaugural timberland and agriculture nature disclosure was informed by the recommendations of the TNFD. 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 have 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. Additionally, as members of the World Business Council for Sustainable Development (WBCSD), we have co-led a project with other forest sector companies to develop the Forest Sector Nature-Positive Roadmap, which details how the forest sector can contribute to a nature-positive future.

Manulife Investment Management's timberland and agriculture Sustainability Toolkit considers factors such as sensitive lands, protected areas, biodiversity, and threatened and endangered species during acquisition due diligence. Additionally, Phase I environmental audits are completed on all properties prior to acquisition. The information from the Sustainability Toolkit and the Phase I audit allows us to make informed decisions about risk and to identify opportunities for potential value-added services that could be incorporated into our management approach after acquisition. Our Policy on Deforestation outlines how we manage critical habitat and other areas with recognized high biodiversity value – we do not engage in deforestation directly or indirectly in these areas.

For more information on our deforestation policy, please see Manulife Investment Management's Sustainable Investing.

Forests are ecosystems, with an environment comprised of living plants and animals. Our objective is to produce a healthy return for our clients by keeping these ecosystems healthy. These ecosystems are a form of natural capital, and they provide services to us and our investors in the form of timber that can be sold to make useful products and to society in the form of regulating services (such as carbon sequestration or water filtration) and cultural services (such as recreational opportunities or aesthetic values).

Farming requires healthy soils and good water, which is why ecosystem resiliency and watershed protection are our two key nature-related priorities. As managers of agricultural investments, the success of our clients' portfolios depends on access to reliable, affordable, and quality water resources, along with fertile soils well suited to the crops we grow. Consistent with our sustainable investment principles, we also have a responsibility to manage these resources in a way that promotes the health of the ecosystems and communities that depend on them.

We are stewards of our employees and their families, contractors with whom we work, and the communities in which we operate. We are also stewards of the environment, including the water, soil, air, plants, and animals entrusted to our care. We seek to manage farmland and timberland to maintain and enhance their ecological health and productivity well into the future.

> In 2023, we improved our farmland portfolio so that 100% have regenerative practices in place.

One tool we believe to be invaluable for tracking progress on halting and reversing nature loss — as well as for informing decisions that will make this possible — is natural capital accounting. Moreover, it is a key component of our evolving approach to nature. Our 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. This approach culminates in a natural capital balance sheet and income statement, which, together, facilitate 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 affect both the asset owner and society in general. In 2022, we analyzed two pilot properties and, in 2023, we expanded this approach across our entire North American timberland portfolio. Moving forward, we will further expand the account to include all of our global timberland and agriculture portfolios.

Within our **Manulife Investment Management real estate** asset class, there is a growing understanding that biodiversity loss and climate change represent crises that are interlinked: Climate change degrades many ecosystems, making the species that inhabit them more vulnerable and reduced biodiversity, in turn, diminishes the ability of ecosystems to act as carbon sinks that support human populations in a number of ways.

From building construction to operations, the real estate sector is highly dependent on nature. We recognize the huge material inputs that the construction and maintenance of our buildings require. From an operations perspective, we also understand the role nature plays in protecting against flooding, providing clean water, reducing temperatures during heatwaves, and, for many buildings, creating a pleasant environment.

Microhabitat: We have continued our partnership with urban agricultural provider, Microhabitat to plant gardens on the rooftops and grounds of buildings we own. Approximately 3,600 pounds of vegetables, edible flowers and herb are produced per season from our 12 urban farms located in three cities across Canada. We have made a significant impact by providing 16,335 portions of vegetables to the community, supporting various local food banks with our abundant harvest.

Alvéole: In 2023, we continued our partnership with urban beekeeping company Alvéole, and expanded our growth in the United States. Manulife now has beehive projects in 13 cities across Canada and the United States with 67 urban beehives on 55 Manulife properties. At the peak of the season, we estimate that this represents over 3,400,000 honey bees, who collectively pollinate over 1,555 square kilometers.

The **Manulife Investment Management public markets** team takes a variety of actions to appropriately consider nature and biodiversity. We conduct regular sustainability portfolio reviews with our investment teams where we review material sustainability issues including biodiversity, water, and deforestation among other topics. As part of our approach, our sustainable investment team as well as external speakers provide training at investment team meetings or on an ad-hoc basis where support is needed or requested. In 2023, we offered nature and biodiversity training, including a session on deforestation risk, covering the best practices to demonstrate deforestation-free supply chains, and the potential impact from regulations, such as EU deforestation-free regulation. In addition, our newly designed ESG Research Framework identifies issuers where nature and biodiversity risks and opportunities may be material and guides investment professionals through an assessment of those risks.

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. One way we are thinking about this is through biodiversity loss increasing zoonotic transmissions. Natural habitats can be destroyed either due to deforestation or natural hazard, leading to migration of both animals and humans, bringing them in closer proximity to one another. Taking COVID as an example, the increased probability of zoonotic transmission could lead to future pandemics, increases in vector borne, and other infectious disease, as a result of loss of biodiversity.

Below are examples of peer and industry associations that we support, actively participate in, or are a member of:

- American Bird Conservancy
- Farmland Capital Alliance
- Finance for Biodiversity Foundation
- Leading Harvest
- Massachusetts Institute of Technology (MIT) Joint Program on the Science and Policy of Global Change
- Michigan State University Forest Carbon and Climate Program
- National Alliance of Forest Owners (NAFO)
- Pollinator Partnership
- Sustainable Forestry Initiative (SFI)
- Water Education Foundation
- World Business Council for Sustainable Development (WBCSD)

Risk and Impact Management

Natural capital is defined as the world's stock of natural assets, including minerals, soil, air, water, and all living things.[37] All living things – our woodland, freshwater, farmland, coastal areas, oceans – are natural capital assets because they provide the services that make human life possible. Through natural capital accounting, Manulife Investment Management's timberland and agriculture investment teams seek to quantify the extent to which we are contributing to, or detracting from, the natural capital assets under our management, as well as the extent to which such contributions may positively or negatively affect both the asset owner and society in general.

Our **Manulife Investment Management's timberland and agriculture** operations are regularly audited by internal and external parties to ensure that we are maintaining performance standards set for the areas we work. These include local environmental regulations and third-party certification standards. Auditors pay close attention to how we manage biodiversity-sensitive areas, and protection of these areas is criteria for continued certification.

Within **Manulife Investment Management real estate**, we believe that neglecting nature can negatively affect the value and resiliency of our clients' real estate assets. For this reason, we make a serious effort to safeguard surrounding ecosystems and natural habitats in which biodiversity thrives. We continue to review and update our processes to ensure best practices for benefiting nature and biodiversity are incorporated across the investment lifecycle.

As part of our approach to stewardship and asset management, our Sustainable Building Standards incorporate initiatives focused on the preservation of local biodiversity and nature. This includes requirements such as installing beehives or other wildlife shelters and eliminating pesticide use. We also developed guidance material to support bird-friendly management practices by identifying preventative measures such as integrating responsible lighting control and other operational protocols at our properties where feasible.

We have been actively engaging in initiatives to support nature within the built environment for several years. This includes integrating rooftop greenscapes and gardens, hosting beehives at our properties, promoting bird-friendly property operations guidance, promoting water conservation, and supporting urban tree planting.

Within **Manulife Investment Management private equity and credit's** group, nature factors are assessed during due diligence and monitored post-investment, where they are material to the underlying investment, as part of our regular ESG integration approach. The sustainable investing team supports related due diligence and stewardship by providing expertise and research to investment teams. Our multi asset class private markets platform enables us to leverage insights and knowledge from teams that are more advanced on managing nature and biodiversity issues, such as our timberland and agriculture group.

In 2023, we updated our annual ESG questionnaire that we send to sponsors by adding biodiversity-focused questions to assess potential exposure to biodiversity-related risks. We continue to enhance and evolve how we assess nature in the investment process, including consideration of biodiversity risk assessments frameworks for due diligence to further develop our approach to diligence of biodiversity-related risks in our investments.

Manulife Investment Management infrastructure investment teams evaluate ESG considerations as a regular part of the underwriting process, recognizing the need to systematically identify and assess material ESG risks and opportunities. Nature-related factors are assessed during due diligence and monitored post-investment, where they are material to the underlying investment, as part of our regular ESG integration approach. The Sustainable Investing team supports related due diligence and stewardship practices by providing expertise and research to investment teams. In 2023, we updated our monitoring process by adding biodiversity-focused questions to our annual ESG data collection questionnaire to inform our understanding of our assets' potential exposure and actions taken to mitigate any biodiversity impacts of their businesses. We continue to enhance and evolve how we assess nature in the investment process, including consideration of biodiversity risk assessments of our portfolio, and further development of our approach to diligence of biodiversity related risks in our investments.

Within **Manulife Investment Management public markets** asset classes, we assess nature-related risks for our active portfolios where financially material. We monitor risks and opportunities through our sustainable investment activities related to nature and biodiversity. These include portfolio reviews, in which the sustainable investment team may help identify risks and opportunities related to nature through regular portfolio reviews. These reviews are portfolio-specific and utilize sustainability data to identify nature risks and opportunities most relevant to the portfolios. We also conduct proxy voting, and through associated research and analysis we may review nature-related risks and opportunities, which are financially relevant. In addition, as part of our engagement efforts, we have identified a subset of issuers across our portfolios where we believe deforestation is a critical risk in their supply chain. This effort involved dialogue to better understand their management of that risk and to support the responsible phase-out of deforestation and forest degradation in our investment portfolios. We also may engage with issuers individually as nature factors arise through the natural course of research and issuer engagement.

Performance and Metrics

During 2023, Manulife performed a pilot assessment to better understand our key nature issues to drive nature-positive opportunities and manage financial risk exposure. The pilot aimed to provide a preliminary view of our potential nature impact and exposure areas, within a selected scope based on strategic areas across our business and data availability. The assessment leveraged the application of the TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach. The assessment included an industry scan of best practices and frameworks to support integration of nature and biodiversity considerations as part of our investment process. This effort included piloting external databases and tools such as the Integrated Biodiversity Assessment Tool (IBAT), World Wildlife Fund (WWF) Water Risk Filter, and Sectoral Materiality Tool from Science Based Targets Networks (SBTN) to identify and assess key nature and biodiversity metrics to understand our potential impact.

The pilot also identified key insights for enhancing future assessments, including potential high-risk areas to be prioritized, while recognizing the challenges around data availability and limitations around current nature-based tools currently available in the market. Moving forward, we will continue to develop strategies to address our nature footprint, and the data gaps and limitations identified throughout this pilot assessment. We continue to make enhancements to our approach and determine how nature and biodiversity risks are incorporated into our business and managed and reported over time, including the integration of TNFD's recommendations into our reporting.

Setting targets around nature is challenging because it requires good baseline data and the ability to measure aspects of nature, such as biodiversity, has historically been difficult to do. For this reason, **Manulife Investment Management's** current nature targets are process oriented and focus on establishing the measurement protocols required for monitoring current state and progress. As signatories to the Finance for Biodiversity Pledge,[38] we have pledged to fulfill the four targets below by the end of 2024 at the latest:

1. **Collaborate and share knowledge on assessment methodologies, metrics, targets, and financing approaches:** In 2022, we launched our "Nature-positive ecosystem," a practical guide to major initiatives focused on protecting and restoring nature.
2. **Engage with companies and incorporate criteria for biodiversity in our ESG policies:** Incorporating biodiversity into our ESG policies is directly relevant to our real assets investments. We have policies on biodiversity and deforestation, and we incorporate multiple biodiversity-related considerations into both investment due diligence and property management.
3. **Assess the impact of our investments on biodiversity and identify drivers of its loss:** We are building a system of natural capital accounts across our global timberland and agriculture operations to capture, quantify, and potentially monetize the relationship between our operations and nature that will enable us to track how our agriculture operations affect biodiversity, land, and water.
4. **Set and disclose science-based targets to increase positive and reduce negative effects on biodiversity:** We are engaged in multiple external work streams focused on applying emerging guidance from the TNFD and Science Based Targets for Nature, and we'll leverage this work to inform our nature target-setting process.

In 2023, our **Manulife Investment Management's timberland and agriculture** asset class released its inaugural nature disclosure informed by the recommendations of the Taskforce for Nature-related Financial Disclosures (TNFD). As a responsible steward of timberland and farmland for over 30 years, and a producer of sustainable food, fiber, and solid wood products, we have always been committed to meeting our clients' investment objectives while conducting our business in a way that maintains and enhances our environment, nourishes our communities, and empowers our people. This disclosure explains how we operate and shares our progress while acknowledging that we still have work to do. The scope of the disclosure includes our timberland and agriculture assets and the activities within those asset classes that are within our direct operational control.

Please see our Timberland and Agriculture Nature Disclosure (TNFD) for more information.

Biodiversity	2023	2022	2021
Acres of forest and farmland managed by Manulife Investment Management timberland and agriculture since 1985 (millions)	**5.8**	5.8	6.3
Acres of land protected by Manulife Investment Management timberland and agriculture Sensitive Lands Program since 1985 (millions)	**0.49**	0.48	0.48
Percentage of forest with a conservation designation (%)	**23%**	21%	25%
Percentage of farms that have regenerative practices (%)	**100%**	98%	61%
Percentage of area of total farms that have regenerative practices (%)	**100%**	97%	46%
Trees planted by Manulife Investment Management timberland and agriculture since 1985 (billions)	**1.35**	1.30	1.25
Percent of farmland third-party certified as sustainably managed	**93.5%**	91%	-
Percent of farms with biodiversity assessment	**100%**	100%	-
Number of agriculture stream miles protected by BMP (Best management practices)	**856**	754	-
Percent of forest third-party certified as sustainably managed	**100%**	100%	-
Percent of forests with biodiversity assessment	**100%**	100%	-
Number of timberland stream miles protected by BMP (Best management practices)	**17,044**	18,444	-

Within our **Manulife Investment Management real estate** asset class, we updated our internal guidance to consider nature for new developments and acquisitions. This includes considerations such as increasing tree canopy on streets and parking lots, converting hardscapes to green or cool paving, using native plants for landscaping, installing a green roof on usable roof space, and net-positive biodiversity impacts for greenfield developments.

In 2023, we completed an assessment to better understand Manulife Investment Management real estate's impact and dependencies on nature and biodiversity. This external database assessment was completed on a subset of the real estate portfolio as a pilot and part of a larger project completed in partnership with the broader organization enterprise. The results of the industry scan and database assessment helped identify gaps and opportunities to update our tools and processes to mitigate the risks and impacts on nature. As an evolving topic, we will continue to evaluate tools and best practices as they become available to advance our efforts to scale up our nature-positive agenda.

For more information and methodology, please refer to our Performance Data section.

Social

Performance Highlights

$27.9 M
Manulife's total **community investment** contribution.

23%
of leaders director or above self-identify as **racially and ethnically diverse** in North America.

2.1 M
customers globally have access to our **behavioural insurance** platform.

30,509 hours
volunteered by Manulife employees.

56%
of roles are held by **women** globally.

$42 M
invested in **employee training and development,** averaging $1,111 per employee.

+23 NPS
a 22-point **improvement** from 2017.

99%
pay received by women as a percentage of men (global workforce).

89th percentile
top quartile **employee engagement** ranking amongst financial services peers.

Community Investment

Our Strategy Summarized

- 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. Our approach takes many forms, including direct funding, employee giving and matching programs, and volunteering, which leverages skills-based activities.

Learn more: Community Investment

During the year, we partnered with many organizations within the communities in which we work and live to advance our Impact Agenda and its three interconnected areas of focus - empowering sustained health and well-being, driving inclusive economic opportunity, and accelerating a sustainable future.

Empower Sustained Health and Well-being

We aim to empower sustained health and well-being by increasing the accessibility for individuals to make easier and healthier behaviour choices through our community investments. As a natural extension of our life insurance business, we put a specific focus on solutions that promote good health by encouraging small, everyday actions to improve how well and long people live.

From increasing access to healthy foods and physical activity opportunities to promoting lifestyle changes by empowering people to make improved decisions in their journey to better health, through our partnerships we are committed to helping our clients, customers, colleagues and communities to live better.

In 2023, we continued investing in organizations providing underserved communities with nutritious foods, including **Gawad Kalinga**, which empowers families to grow their own nutritious food in the Philippines; **Tufts University's Food is Medicine Institute,** which aims to integrate food-based nutrition interventions into health care to treat disease and advance health equity; and **Community Food Centres Canada (CFCC)**, whose mission is to develop food skills and provide dignified food access to Canadians.

Manulife's partnership with CFCC supports innovative programs like FoodFit and Market Greens, as well as Community Food Centres across the country. During the year, we supported over 132,000 participants through these programs with CFCC, helping to remove economic barriers for Canadians looking to make changes to support their health and well-being and increase their access to fresh and nutritious fruits and vegetables to help counter diet-related illness and improve well-being.

To provide well-being opportunities, we made recreational activities more accessible to Indigenous girls through our partnership with **Fitspirit** in Canada and promoted physical wellness through our sponsorships of the **127th Boston Marathon** and the **Angkor Wat International Half Marathon (AWHM)**. This year, Manulife Cambodia marked its tenth year as principal sponsor at the **AWHM**, where we engaged participants from 78 countries. As part of our **AWHM** sponsorship, we organized an internal fundraising campaign to support the **Angkor Hospital for Children (AHC)**, a non-profit pediatric healthcare organization, to raise a total of US$100,000 this year. Since 2022, our support of **AHC's** community outreach programs provided more than 58,000 rural Cambodians with education to improve quality of healthcare, including reduction in maternal and infant morbidity.

Drive Inclusive Economic Opportunity

We work to drive inclusive economic opportunities by partnering with organizations to make financial solutions more accessible and by providing targeted employment initiatives in fields related to our business and aligned to our diversity, equity, and inclusion objectives.

We are committed to ensuring individuals have access to financial assistance to achieve their potential through partnerships with **Windmill Microlending**, where the Manulife Fund for Newcomers in Finance and Healthcare provides microloans to help new immigrants to Canada upgrade their professional skills to gain employment, and **Kiva**, where our US$1 million commitment is helping increase Kiva's lending capacity in emerging markets in Asia. To launch our partnership with Kiva, in October 2023, the Manulife Match Fund doubled individual contributions made through the Kiva.org platform to help borrowers meet their goals faster. The US$300,000 fund supported over 5,000 borrowers across 53 countries with 86% of the entrepreneurs being women.

By providing individuals globally with access to financial education, they gain knowledge, strategies and tools to facilitate their ability to make financial decisions, and set long-term financial goals. This is activated through our partnerships with **St. James' Settlement's** FinKids Academy program for under-resourced primary school students in Hong Kong, our Manulife Philippines **PesoSmart** financial literacy program for underprivileged children, and our John Hancock **MLK Scholars** program in the United States. Since 2008, we have invested over US $16 million in the MLK Scholars program to create inclusive career opportunities for more than 6,000 student participants. In partnership with the City of Boston, the program provides summer jobs, financial education, and professional development opportunities to youth at our Boston office and 30 non-profit organizations throughout the city. The program leverages youth employment to create opportunities for long-term employment and benefits the organizations that employ MLK Scholars by engaging Boston's diverse student population in potential career paths in their industries.

Accelerate a Sustainable Future

Alongside our partners, we are accelerating a sustainable future by supporting the transition to a low carbon economy. We 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 restore and sustain our planet's health and the well-being of local communities that depend on our planet for their livelihood.

Through partnerships with **More Trees** in Japan, **Gaia Nature Conservation** in Vietnam and **Haribon Foundation** in the Philippines, we are collaborating with communities to restore and protect forests and plant trees in areas where there is a significant local need.

We are committed to increasing access to and facilitating the stewardship of nature and green spaces in partnership with the **Trans Canada Trail** in Canada and **Healthy Places by Design** in the United States, two organizations that share our understanding of the intrinsic connection between our environment and human health. Our partnership with Trans Canada Trail supports their Trail Accessibility Mapping Program, which works with trail users with disabilities to collect and disseminate information through mapping technology. By helping to document the lived experiences of trail users with disabilities, together we are helping connect people to nature and increasing awareness about the positive impact our natural environment has on our mental and physical health. As a result of this program, trail users in 67 communities, spanning every Canadian province and territory, can now obtain accessibility information for at least one trail in their area.

In early 2023, Manulife announced a partnership with **UpLink**, the open innovation platform of World Economic Forum, to launch two challenges to find cutting-edge forest-based solutions to mitigate the effects of climate change and improve human health and well-being. With over 70 high-quality submissions, the second challenge, Forests and Trees Improving Human Health and Well-being Challenge, uncovered nine incredible innovators whose forest-based solutions are addressing some of our most pressing health problems. The winning cohort was announced during 2023 Climate Week in New York City with innovations ranging from forest homes to digital green health education.

Learning Through the Impact Agenda Engagement Series

In 2023, we launched an Impact Agenda Engagement Series with the objective to inform and inspire employees on topics across Manulife's Impact Agenda. During the year, we hosted seven events on a range of topics from our Climate Action Plan to our investments in nutrition security and the impact it has in communities where we operate.

A highlight was the Nutrition Security Fireside Chat, which brought together three great minds to discuss nutrition security and the impact it has on sustained health and well-being in our communities. We were joined by moderator **Dr. Stephen Pomedli, Medical Director** for the Cleveland Clinic Canada for our Group Benefits operations; **Josh Trautwein, Co-Founder and Chief Executive Officer** of our U.S. community partner About Fresh; and **Nick Saul, Chief Executive Officer** of our Canadian community partner Community Food Centres Canada.

90% of Impact Agenda Engagement Series participants surveyed strongly agreed or agreed that attending the event increased their understanding of Manulife's Impact Agenda or more specifically Manulife's sustainability focus areas. In addition, 33% of surveyed employees told us that climate and/or sustainability topics come up frequently or every day in business conversations.

Our Impact

Cash Contributions
$24.1 million

Management Costs
$3.0 million

Value of During Work Hours Volunteering
$0.7 million

Total Community Investment
$27.9 million

In 2022, Manulife made a multi-year commitment to World Central Kitchen (WCK) to support global disaster response, emergency preparedness, and resiliency. World Central Kitchen is a nonprofit organization that is first to the frontlines, providing fresh meals in response to crises, while working to build resilient food systems with locally led solutions.

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 with community organizations and incentivized donations through a corporate matching gifts program, providing up to $4,000 in match funds per employee in select markets.

Impact Hub

The Impact Hub is Manulife's centralized platform for employees to engage with community by providing access to giving and volunteering opportunities around the world. Through it, employees can help advance Manulife's Impact Agenda, contribute to causes they are passionate about, support Manulife's disaster relief efforts, and volunteer in their local communities. The Impact Hub is a tool designed to make it easier, better, and faster for them to make an impact.

In October 2023, the Impact Hub was extended to all full-time Manulife employees around the world, building on the availability of the platform to employees in North America. This is a critical step as we enhance global engagement program offerings to make it easier for our colleagues to support their local communities.

38%
more volunteerism than in 2022

20,818 hours
during work

30,509 hours
volunteered by Manulife employees

9,691 hours
outside of work

Season of Giving

Each fall, Manulife engages our global team through an annual Season of Giving campaign, which encourages giving back to the communities in which we all live and operate through employee contributions and by volunteering time.

Giving:

To celebrate the Impact Hub's expansion, we created a special matching campaign, marking the first instance donation matching was made available to all global Manulife employees.

- Employee giving contributed $7.3 million to charitable and non-profit organizations in 2023.
- Our employees donated $3.9 million themselves, with an additional $3.3 million donated through Manulife's matching program.

Volunteering:

As part of the Season of Giving campaign, we introduced a globally aligned series of volunteering opportunities for our employees in Canada, U.S., and several markets across Asia through a new initiative called Manulife Volunteer Days.

- During our inaugural campaign, more than 1,600 global employees participated in Manulife Volunteer Days, contributing over 4,800 volunteer hours.

Acts of Kindness:

For the fourth year in a row, Manulife gave each member of our global team the cash equivalent of C$50 in their local currency to create an act of kindness in their communities. The program enables colleagues around the world to pay it forward and the impact is far reaching, with colleagues and their families donating food, preparing warm meals, helping their neighbours and community members in times of need, and contributing toys or money to charities and causes of their choosing.

Financial Inclusion

Our Strategy Summarized

- 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. We promote financial inclusion through community initiatives, as well as a number of specialized products and services that make our offerings more accessible.
- Our strategy is to take a personalized approach to wealth building and develop innovative products and services to support our customers' financial goals. We seek to deliver inclusive solutions and increase access to our products, services, and resources that support financial inclusion and wealth building in diverse communities.

Learn more: Financial Inclusion

Access to financial products and services, and education that supports financial literacy, can have a profound impact on people's lives and their ability to prepare for their future. As articulated in our Impact Agenda, driving inclusive economic opportunity is a key area of focus as we seek to accelerate the upward mobility of underrepresented groups and make financial solutions more accessible. Manulife's objective is to extend the scope of our products, services and partnerships to traditionally underserved populations by assessing accessibility, affordability and the unique needs of the specific markets we serve.

446,699
financial capabilities program learners

668,000
affordable policies sold in 2023[39]

Our commitment to financial inclusion is reviewed as part of Manulife's Executive Sustainability Council (ESC)'s mandate. 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).

We leverage our expertise and resources to advance financial inclusion and literacy, which empowers individuals, families, and communities, to lay the foundation for economic prosperity that benefits us all:

- We offer a number of specialized products and services that make our offerings more accessible, such as affordable critical illness and health insurance products, digitally enabled insurance products, and mobile banking solutions. We strive to innovate, expand on and assess the affordability of applicable products and services available to underserved communities.
- Community investment and financial education programs seek to make a social impact by promoting financial well-being to underserved populations. We engage and partner with external organizations and projects to support and enable global access to financial products and services. We aim to:

Enable Behaviour/Attitude Changes	• Increase awareness and action to set short-term and long-term financial goals that meet individual needs and expectations • Empower individuals to design and pursue career pathways
Increase Skills/Personal Effectiveness	• Increase an individual's ability to manage personal finances and/or help them gain new qualifications/skills
Improve Quality of Life/Well-being	• Improve a sense of belonging, resilience, and greater social connections • Enable individuals to maintain meaningful employment in their industry of choice, increase their earning potential, and/or protect their financial security

Guiding and Enabling Policies

Our Conduct Risk Framework 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:

- Ensuring all products and services are designed, developed, and reviewed with a view to meeting the needs of identified target customer groups
- Conducting a target market assessment when designing and developing products and services, including determining which customers the product is and is not suitable for as well as a robust consideration of scenarios in which there might be poor customer outcomes in order to inform product disclosures and sales and training materials
- 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
- Providing product distributors the requisite licensing, skill, knowledge, training and understanding of the products
- Monitoring distributors to determine that sales practices are ethical and compliant with relevant laws and regulations
- Designing a sales process that is driven by customer needs and only suitable products should be presented to the customer, reducing the risk of sales that are not appropriate to customers' needs
- Training distributors of Manulife products and/or services on product features, risks, and target markets; as well as on the compliance with Manulife's Code of Business Conduct and Ethics
- 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

Our Code of Business Conduct and Ethics also addresses expectations and guidance on company materials. 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 we operate in (e.g., Manulife Canada). Customers can speak directly with advisors, customer service professionals or regional Ombuds Offices. 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. The Audit Committee annually reviews the procedures for dealing with customer complaints.

Increasing Inclusivity of Products and Services

Manulife serves approximately 5.8 million customers within our emerging markets businesses in Cambodia, Indonesia, India, Malaysia, Myanmar, the Philippines, and Vietnam. As part of our commitment to contribute to build an inclusive and equitable society, we provide products and services to traditionally underserved populations through an increasing number of specialized products and services that make our offerings more accessible.

In 2023, we made the following enhancements to our suite of offerings:

- In Indonesia, we became the first insurer to offer life insurance for people living with the Human Immunodeficiency Virus (HIV). We also expanded beneficiary eligibility, allowing customers to appoint a same-sex beneficiary outside of their immediate family members, improving our customers' rights to protection and security. This inclusive offering was launched in Hong Kong in 2022 and has expanded to Japan.
- In Japan, Manulife and JIC Inc. launched "Mirai Anshin Support," a combined life insurance and life insurance trust service for parents of neurodiverse children. This product allows parents to name both individuals and corporations, that provide support to their children, as designees.

Investing in Financial Opportunity and Access

In 2023, we continued to support financial inclusivity in the community:

- **Addressed the wealth gap for underserved groups.** We hosted a symposium in Atlanta, GA at the Atlanta University Center (AUC) with three Historically Black Colleges and Universities (HBCUs) to inspire students by exposing them to careers in the financial services industry, highlighting the importance of financial responsibility, and sharing professional development tools that create limitless opportunities for the students and their community.
- **Participated in a financial literacy conversation at the 2023 Black Hockey Summit in Toronto.** Our DEI and Financial Education teams partnered with Hockey Equality to support young athletes from underserved groups and their parents to engage in important conversations about savings and investments for the future with the option to speak to to a Manulife advisor. We jointly established the Manulife Equity Grant with Soul On Ice to assist young hockey players with their registration and equipment costs.
- **Launched the Manulife Indigenous Student Bursary in partnership with Indspire.** Indspire is a Canadian Indigenous national charity that invests in the education of First Nations, Inuit and Métis people for the long-term benefit of these individuals, their families and the community. The bursary will go towards students studying business, insurance, and technology programs in need of financial aid.
- **Provided post-secondary scholarships to Indonesian students.** Manulife offered 20 students with hearing loss full scholarships to pursue undergraduate degrees at Open University Indonesia and provided them with summer internships at our offices in Indonesia. These students will be given opportunities to join the workforce post graduation.
- **Establishing an Indigenous Farm Training Program with Anishnabeg Outreach (AO).** Through our funding, we will help AO empower Indigenous individuals with the knowledge, skills, and resources needed to become successful farmers, thus contributing to Indigenous food sovereignty, land reclamation, and local food security. AO is a centre for Indigenous healing in the Kitchener-Waterloo region that provides a multitude of services to First Nations, Inuit, and Métis people as a hub of best practices for economic development, training and employment on reserves and in the community. The intended outcome of this program is to increase employment opportunities for Indigenous people, enable healthy eating, and encourage sustainable farming.
- **Promoted health and well-being and economic opportunity for those impacted by the U.S. criminal justice system with InnerCity Weightlifting (ICW).** We entered into a multi-year partnership with ICW to support their mission to amplify the voice and agency of people directly impacted by systemic racism and mass incarceration. In addition, we will support ICW's efforts to develop financial literacy content most relevant to their participants. ICW's participants face many structural barriers that prevent equitable access to economic opportunities. ICW addresses these barriers through careers in and beyond personal training. With their focus and our support, ICW's expansion will create economic opportunities for many more youth and young adults impacted by mass incarceration.
- **Supported 80 women and gender diverse people in partnership with AI For Good (AI4Good).** The AI4Good Lab is a summer training program designed to provide hands-on education and mentorship in machine learning for women, non-binary people, trans men, and anyone with lived experience of misogyny. The Lab's mission is to open doors for those who have historically been underrepresented in the AI industry. In this past year, 80 participants attended the 7-week training program in Montreal, Toronto and Edmonton.

> As articulated in our Impact Agenda, driving inclusive economic opportunity is a key area of focus as we seek to accelerate the upward mobility of underrepresented groups and make financial solutions more accessible.

Diversity, Equity, and Inclusion

Our Strategy Summarized

- Our Diversity, Equity, and Inclusion (DEI) culture aims to inspire employees to bring their authentic selves 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 strategy is led 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 drive business impact through our global 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.

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 feels like we belong.

We understand the key to making a positive impact is embracing DEI and leveraging it to create a stronger, more resilient organization. We take pride in setting ourselves apart from our competitors by placing DEI at the heart of our efforts through four strategic pillars: Workforce, Workplace, Community, and Business.

Workforce

We aspire to have diversity at all levels in the organization that is reflective of the communities we serve. We are committed to building a workforce culture where everyone thrives and is deeply aware of the role they play in supporting DEI efforts across our offices globally. By unlocking the power of diversity, we create equitable and inclusive opportunities for our workforce.

This is activated by continuing to develop a deep understanding of our workforce demographics and embedding inclusive practices into our HR processes and programs including talent acquisitions and talent management.

Our global DEI strategy comes to life by taking into account regional and local nuances to deploy programs and initiatives that support our global workforce.

Several key factors contributed to our success in achieving or making significant progress on our representation goals:

- **Leadership Commitment:** Our leadership demonstrated unwavering support for our diversity, equity, and inclusion initiatives, setting the tone for the entire organization. By prioritizing diversity as a strategic imperative, they ensured that resources and efforts were allocated towards achieving our representation goals.
- **Virtual Recruitment Initiatives:** We expanded our efforts to reach a broader talent pool through a range of proactive outreach actions by our talent acquisition team to attract candidates from diverse backgrounds by collaborating with diverse professional organizations, attending virtual job fairs, and leveraging various other platforms.
- **Inclusive Hiring Practices:** Our recruitment and hiring teams participated in training to eliminate unconscious biases and ensure fair and equitable assessment of all candidates.
- **Learning Moments, Training & Education:** Building out a DEI learning strategy that included self-directed learning paths to DEI content, micro-aggression training, focus groups with ERGs, and internal forums (i.e., racial justice and healing conference, Global afternoon of reflection) all played a role in building a culture of inclusion to retain top diverse talent and reduce turnover.
- **Flexible Work Arrangements:** Recognizing the importance of work-life balance, we offer flexible work arrangements to accommodate the diverse needs of our employees.

Workplace

Our employees thrive because they belong and can bring their authentic selves to work. We aim to create a workplace that is a safe and inclusive space, where everyone feels respected, valued, and heard. In 2023, we delivered and progressed our strategies through our workplace pillar that:

- **Focused on psychological safety.** Psychological safety is a key element of an inclusive workplace; it refers to individuals feeling comfortable taking risks such as expressing their ideas or concerns without interpersonal fear. We held listening sessions with colleagues and gathered feedback on what belonging means to them and how that shows up in the workplace.
- **Offered DEI education and training.** A number of our Employee Resources Groups came together to host a two-day racial justice and healing conference to highlight the history and impact of systemic barriers impacting our employees and the community.
- **Amplified inclusion campaigns focused on the theme of "Learn, Reflect, Act."** This global campaign encompassed learning about the various experiences of employees and provided opportunities for employees to reflect and act on their new learning with the goal of everyone playing a role in creating an inclusive workplace environment.
- **Recognizes and respects religious diversity.** We embedded faith-based holidays and recognition into our global practices and leaned into healing and reflection through trainings on Micro-aggressions and Navigating Religious Diversity. We also opened reflection rooms in our Hong Kong offices to offer a place of worship and meditation for staff.
- **Continued to participate in affinity moments.** Our employees took part in several key moments and events that helped generate awareness and celebrate the diversity of the communities in which we work and live. This included, Pride Month, Juneteenth, Indigenous History Month, National Day for Truth and Reconciliation and affinity moments across North America and Asia markets.
- **Leveraged our Employee Resource Groups (ERGs).** ERGs play an important role in implementing the Workplace pillar of our DEI strategy by providing valuable insights, creating connections within our global organization, and raising awareness. They provide insight on 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 with meaningful, personal, and professional development opportunities and are fundamental to achieving an inclusive and equitable workplace. Globally, Manulife has 15 Employee Resource Groups with 40 chapters and over 14,000 members.

Community

In 2023, we aligned our community investments with an explicit focus on diversity, equity, and inclusion. We have a framework to guide our investments to organizations that support marginalized groups. We differentiate between community partners and strategic partners, who provide a layer of expertise on diversity-related subject matter.

We activate the Community pillar of the DEI strategy by making investments in organizations that align with:

- A mission, vision, and purpose that supports various dimensions of diversity.
- Providing access to education, tools, and other resources that close systemic gaps.
- Enhancing one of the four DEI strategic pillars.
- An ERG's mission and supports colleague development.
- A goal to empower marginalized communities ensuring access to health and wealth products and solutions.
- Supporting company-wide DEI commitments with sustained outcomes.
- Strengthening and amplifying the voices of Indigenous youth.

Manulife partnered with Indigenous Youth Roots, a Canadian Indigenous youth-led organization that collaborates with communities to provide programs, grants, and opportunities to Indigenous youth. Through this partnership, we support the Creation Community Grants Program, which provides grants to community-focused, youth-led projects, aiming to empower and support impactful community change boosting the wellness, resiliency, and engagement of Indigenous youth. Manulife funded grants reached 936 Indigenous youth through their projects.

Business

Our commitment to inclusivity extends to our products and services:

We create inclusion and stronger business impact when we incorporate an equity and inclusion lens to the development and delivery of products and services for our customers.

We partner and provide consultation to business stakeholders to create accessible offerings that cater to diverse customer needs. This work continues to progress our position in the marketplace as a strong contributor in the industry with Easier. Better. Faster. solutions.

As we look ahead to 2024, we will continue our efforts and reach into other diverse communities, supporting their ability to build wealth, sustain their businesses, and leverage life insurance as a wealth building tool.

Please see the Financial Inclusion section for more DEI related business activities.

Awards

We are proud of the accomplishments and recognitions received by our business segments, our colleagues and our company overall. Some of our recent achievements and honours throughout 2023 include:

- **Manulife Asia wins the Grand Award for Diversity and Inclusion in Hong Kong**
  Manulife was recognized for their efforts in diversity, equity, and inclusion in Hong Kong and Asia by the Hong Kong Institute for Human Resources Management. The HKIHRM recognizes efforts by all organizations in Hong Kong in driving excellence in human resources and culture, and we were the proud recipient of the Grand Award of the Year for our DEI efforts for our employees and the community.
- **Manulife recognized as one of Canada's Best Employers for Diversity**
  Manulife has been named as one of Canada's Best Employers for Diversity in 2023 by Forbes. This recognition reinforces our commitment to cultivate a diverse and inclusive environment where all employees are inspired to bring their authentic and whole selves to work every day. Forbes selected Canada's Best Employers for Diversity based on an independent survey from approximately 12,000 Canadian workers at companies with at least 500 employees. In addition to the survey, each company's diversity-related best practices were analyzed and incorporated into the rankings.
- **Manulife recognized as one of Canada's Best Diversity Employers 2023**
  We have been named one of Canada's Best Diversity Employers by Mediacorp Canada Inc. for the sixth year running. Our global diversity, equity, and inclusion aspiration is to cultivate a diverse and inclusive workplace, in which all employees are inspired to bring their authentic and whole selves to work, enabling them to thrive personally and professionally to best serve our customers, business partners, and communities.
- **Manulife included in Bloomberg's 2023 Gender-Equality Index**
  Manulife has been named to Bloomberg's Gender-Equality Index for the fifth consecutive year. The Bloomberg Gender-Equality Index (GEI) tracks the performance of public companies committed to disclosing their efforts to support gender equality through policy development, representation, and transparency.
- **Manulife was selected as one of Canada's Top Employers for Young People for 2023**
  Manulife has once again been recognized as one of Canada's Top Employers for Young People by Mediacorp Canada Inc., continuing to make it a priority to recruit and develop young people. We recognize that young people cannot succeed simply based on their technical skills – they also need to learn soft skills. For this reason, each of our programs targeting young people is structured to encourage collaboration, communication skills, relationship building, presentation skills, problem solving and analysis, and leadership abilities.
- **America's Greatest Workplaces for Diversity, Women and Parents and Families by Newsweek in 2023**
  John Hancock has been recognized with three awards from Newsweek for America's Greatest Workplaces.
- **Gallup Exceptional Workplace Award**
  Gallup, the organization that conducts engagement surveys for some of the world's largest global companies, has recognized Manulife as an exceptional workplace for 2024. This award is Gallup's most distinguished global recognition celebrating companies that have a high-performing team and culture.
- **Top Employer Institute's 2024 Outstanding Employer**
  Manulife Japan was one of only 14 companies in Japan to be recognized as an "Outstanding Employer" by Top Employer Institute, based on their annual international survey. Manulife Japan was recognized for its comprehensive efforts to make a comfortable and rewarding work environment.
- **HR Asia Best Companies to Work for in Asia 2023 (Philippines Chapter)**
  The HR Asia Best Companies to Work for in Asia Awards is an awards recognition program for organizations that have been identified by their employees as one of Asia's employers of choice and ascertains the best employers to work for. The award is targeted at companies across Asia and recognizes companies with the best HR practices and which demonstrate high levels of employee engagement and excellent workplace cultures.

For more on our recent achievements and honours, please visit Our Awards page.

Measuring Success

- Focus on Inclusivity: prioritize creating a welcoming and equitable workplace culture that embraces diversity, ensuring all employees feel valued and included.
- Enhanced Inclusion: create a more inclusive environment where individuals are recognized for their unique perspectives and talents.

Pay Equity

We are committed to pay equity across gender and across racial and ethnic minorities and to providing all colleagues with fair and equitable pay opportunities. Our commitment starts with our unbiased job evaluation process and global job architecture around which our compensation structures and programs are designed. These foundational pieces are central to ensuring work across the organization is valued fairly using a consistently applied methodology. We have created a pay-for-performance environment where everyone's compensation is tied to the impact they have on the business and to their performance, including both 'what' they achieve and 'how' they achieve it.

We take ongoing steps to identify and mitigate the risk of unconscious bias in our pay practices and to ensure equitable compensation outcomes for our employees.

Key examples of this include:

- Robust leader training on unconscious bias and our annual compensation processes
- Unbiased and performance-based salary and incentive guidelines
- A detailed calibration of annual compensation recommendations to ensure an equitable distribution across gender and across those in our workforce that identify as ethnically and racially diverse
- A multi-layered review and approval of the outcomes of our annual compensation cycle

We work with third-party subject matter experts to routinely review our compensation programs and maintain our compliance with all legal and regulatory pay equity requirements. Along with those partners, we also continuously monitor the external environment for developments related to pay equity and pay equity legislation.

To track and measure our pay equity success, we conduct detailed quarterly comparative compensation analyses to ensure that compensation across gender and racially and ethnically diverse populations is equitable after considering differences in job level, job families, tenure, specialized skills and individual performance.

Using this analysis, we have set annual goals to maintain average compensation for women and average compensation for racially and ethnically diverse populations between 99% and 101% of compensation for males and non-racially and non-ethnically diverse populations. The results of our year-end 2023 analysis showed that, on average, 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. It also showed that the pay received by members of racially and ethnically diverse populations within North America was greater than 100% of pay received by non-racially and non-ethnically diverse populations, after accounting for factors such as role, performance, tenure, and geography.

Pay for performance[i]	2023	2022	2021
Pay received by women as a percentage of men	**99%**	99%	99%
Vice President and Senior Officer	**93%**	96%	95%
Assistant Vice President	**99%**	99%	99%
Management and Professional	**99%**	99%	99%
Individual Contributors	**100%**	100%	100%
Pay received by racially and ethnically diverse employees (North America)	**101%**	100%	-
Vice President and Senior Officer	**100%**	98%	-
Assistant Vice President	**101%**	101%	-
Management and Professional	**101%**	101%	-
Individual Contributors	**100%**	100%	-

i Global analysis encompasses 91% of the company's total FTE with the remaining 9% made up of sales roles and a small number of colleagues in countries where the Manulife workforce is less than 50 people.

Introduction
Strategy
Sustainable Investing
Environmental
Social
Community Investment
Volunteering and Giving
Financial Inclusion
Diversity, Equity, and Inclusion
Supplier Diversity
Talent Management
Customer Experience
Customer Well-being
Human Rights
Governance
Performance Data

Abbreviations and Acronyms

Supplier Diversity

Our Strategy Summarized

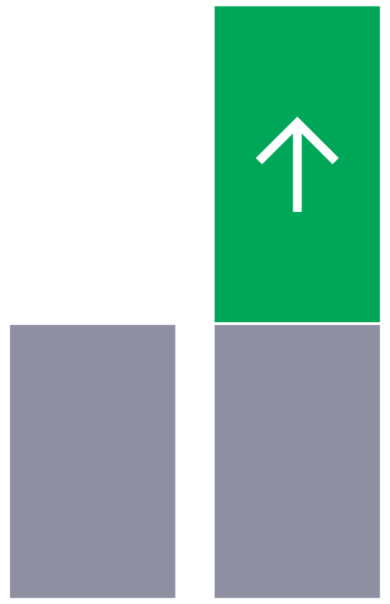
- Ethical business practices and good governance are integral to our legacy and long-term success. We support businesses owned by under-represented communities and minorities as part of our effort to reflect the diversity of the communities in which we operate.
- Manulife's commitment to supplier diversity is embedded in its Procurement practices, actively supporting diverse owned businesses. This commitment aligns with our Impact Agenda and is the Business pillar of our DEI strategy.

Learn more: Supplier Diversity

Manulife continues to support businesses owned by women, racially and ethnically diverse communities, 2SLGBTQ+, veterans, persons with disabilities, and Indigenous peoples as part of our efforts to reflect the diversity of the communities in which we operate.

Manulife promotes diversity, equity, and inclusion in its supplier workforce through its Vendor Code of Conduct. These key actions reinforce our commitment to fostering a diverse and inclusive environment, to environmental sustainability, and to health and safety. Vendors must agree to the following:

- **Adherence to Legal Standards:**
  Adhere to all relevant anti-money laundering, anti-trust, and anti-corruption laws.
- **Confidentiality and Data Security:**
  Ensure the privacy and security of all information and data provided by Manulife.
- **Respect for Human Rights:**
  Uphold the dignity and human rights of all workers, demonstrating a commitment to fair employment and labour practices. This includes protection against workplace harassment, abuse, discrimination, and violence.
- **Anti-Slavery and Human Trafficking Compliance:**
  Comply with applicable anti-slavery and human trafficking laws, exercising due diligence in their supply chain to prevent any involvement in slavery or human trafficking.
- **Safe and Healthy Workplaces:**
  Provide healthy and safe workplaces, implementing practices to minimize or eliminate hazards that may pose risks to workers.
- **Environmental Responsibility:**
  Proactively address the environmental impacts associated with their business activities. This includes having documented policies and procedures in place to mitigate environmental concerns.



Our spend with **diverse suppliers** increased by approximately **119%** between 2022 and 2023.

These principles foster a collaborative relationship, actively contributing to diversity, equity, and inclusion in the broader business ecosystem.

In 2023, we made significant enhancements to our Supplier Diversity program (North America):

- Increased program adoption, and heightened awareness across the organization.
- We hosted our second Annual Supplier Diversity Fair, and first in our Toronto headquarters, with over 210 attendees representing over 100 diverse suppliers.
- Launched the Supplier Diversity portal on Manulife's website Supplier Diversity.
- Added the National Minority Supplier Development Council (NMSDC) to our partnerships.
- Sponsored events held by the Canadian Aboriginal and Minority Supplier Corporation (CAMSC), Women Business Enterprises Canada Council (WBE Canada), and Canada's 2SLGBTQI+ Chamber of Commerce (CGLCC).

These efforts, including improved reporting, increased program adoption, and heightened awareness, led to a substantial increase in our diverse supplier spending.

Achievements and Industry Recognition

- **Winner:** "Pacesetters Company of the Year" by the Greater Boston Chamber of Commerce
- **Runner Up:** "NGLCC & EY BRG Challenge" by the National LGBT Chamber of Commerce (NGLCC)
- **Finalist:** "Corporation of the Year" by the Canadian Aboriginal and Minority Supplier Council
- **Finalist:** "Most Improved Supplier Diversity Program" by the Women Business Enterprises Canada Council
- **Finalist:** "Corporation of the Year" by Canada's 2SLGBTQI+ Chamber of Commerce

4.5%
Total Percentage of Spend with Diverse Suppliers

Talent Management

Talent Attraction and Retention

Our Strategy Summarized

- Our people are at the heart of our business, and we are focused on attracting, retaining, and developing a diverse network of talent.
- We are focused on delivering innovative ways to engage candidates with a personalized experience.

Learn more: Talent Management

Attracting a Diverse Talent Pool

In 2023, we focused on process refinement and creating capacity for our talent acquisition team to source the talent we need in a challenging labour market. We have invested in tools, resources and training 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. We continued to leverage a wide variety of job boards, events, and targeted outreach to inclusively attract diverse populations of talent to our organization.

Data Centered Team

We continue to prioritize data to inform our talent strategies. We also remain focused on tracking the experience our candidates and hiring leaders have throughout the process through net promoter surveys, while monitoring our first-year turnover rates to track the effectiveness of our hiring and onboard processes.

Manulife leverages people analytics to inform strategic workforce planning and talent acquisition strategies. This data-driven approach enables us to make informed decisions regarding recruitment, retention, and talent development. Specifically, it plays a pivotal role in enhancing our strategic sourcing efforts to ensure inclusivity in our talent pools. In essence, people analytics is integral to shaping our talent strategy, ensuring it aligns with business goals and fosters a diverse, high-performing workforce.

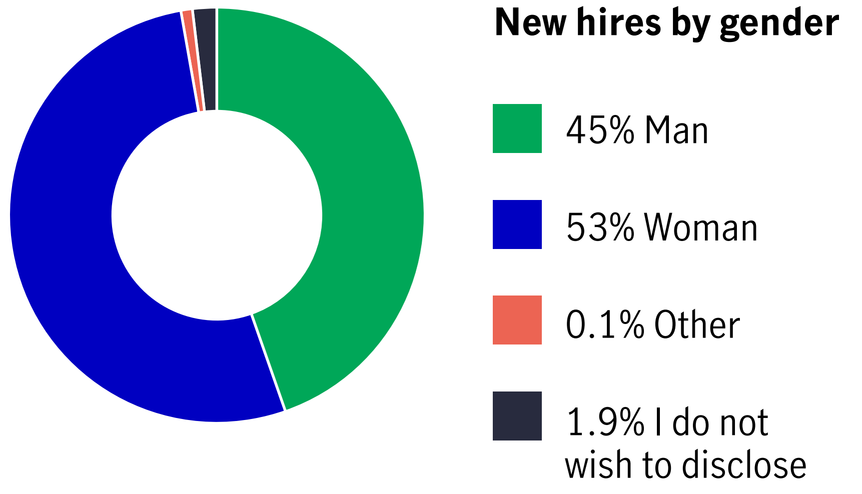
Active Reporting

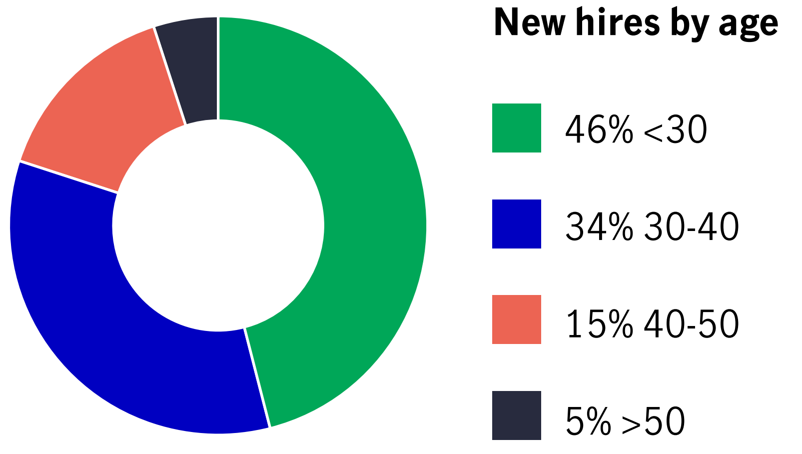
We track our commitments through monthly, quarterly, and annual reporting of our key performance indicators including diverse candidate slates and representation.

Talent Review and Succession

Our annual talent review process helps us ensure we are 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. Our talent review process also supports our executive succession planning process by identifying potential future leaders and subsequent development opportunities to target succession readiness. We are proactively developing our leaders of the future and providing an engaging employee experience via development opportunities along the way.

As part of the targeted action planning in 2023, we hosted several programs that supported leadership development for leaders across the organization, including opportunities targeted to support the development of women in leadership roles. 23 Directors participated in a year-long program that included coaching and support to achieve readiness to move to the next level. 12 Assistant Vice Presidents participated in a three-day, action-based program focused on transforming mindsets from working more to working differently. 6 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. 3 Senior Officers participated in a year-long development and coaching program designed to help leaders navigate complex demands at the Executive Leadership level. Lastly, 6 Assistant Vice Presidents participated in a six-month program focused on developing key leadership capabilities such as influencing, strategic thinking and executive presence.





Training and Development

Our Strategy Summarized

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

Learn more: Talent Management

Learning and Development

Manulife provides all employees with opportunities for learning and development. As our industry and organization evolve, it is critical that our employees continue to develop and grow to meet Manulife's strategic priorities. In addition to on-the-job training, mentoring, coaching, and online learning resources, Manulife subsidizes the cost of continuous learning and examination.

Enterprise Leader Development Program

We continue to support our Enterprise Leader Development Program. The program's intention is to accelerate the strength and growth of enterprise leadership, provide data-driven feedback to participants to foster reflection, insight, and self-awareness, and enable ongoing development of Manulife senior leadership team. 45% of Manulife's Global Leadership Team (GLT) members have completed the program at the end of 2023.

Each GLT member receives robust feedback and individualized support to apply assessment insights via an individual development strategy. These actions are prioritized with leader and HR support. Additionally, outcomes of this program also include aggregate trends, insights, and a view to enterprise capability of our most strategic leadership roles, which informs future strategic global talent management investments.

Pursuit Learning Platform

Manulife continues to offer a Professional Skills curriculum on our learning platform, Pursuit, to enable all employees with skills and mindset that focus on their ability to interact with other people in a diverse environment. Through self-paced learning modules and virtual instructor-led courses delivered by industry experts, employees had the opportunity to learn on their own and with expert guidance. In 2023, a total of 608 employees were trained on courses on Enabling Change, Influencing, Emotional Intelligence and Collaborating Across Cultures. This has helped teams and individuals initiate conversations to improve their day-to-day activities and interactions.

Through our Pursuit learning platform available to all employees, there is a dedicated sustainability track that includes content from internal sustainability learning sessions, and links to ESG topical courses available through LinkedIn Learning. In 2023, one of our dedicated afternoons of learning, known as the Fuel Up Friday program, was devoted to the topic of sustainability, where employees were encouraged to spend their Friday afternoon accessing the recommended sustainability learning topics as well as live sessions.

Investment in training	**$1,111** per employee
Investment in training	**$42.1 million**
Time spent in training	**27 hours** per employee

Over the past three years our total spend on training has increased by over
$10.3 million

Over the past three years individual employee learning hours have increased by
36%

Pursuit Leader Series

Accelerate

We continued to focus on our rising leaders in the organization by continuing to offer the Accelerate program, which covers foundational leadership skills with an emphasis on development and coaching. Over 16 hours of training, the course guides leaders through the lifecycle of an employee from hiring to offboarding, teaches them about practicing coaching and developing others, and helps them understand our business and their role in compliance. Manulife continues to partner with Korn Ferry to deliver the program, with over 2,000 leaders having completed this essential training program since inception.

Leading with Impact

Manulife has recently partnered with Duke Corporate Education (Duke CE) on the design and delivery of 'Leading with Impact,' a leadership development program for Directors and Assistant Vice Presidents. The course is a six-week, cohort-based program blending virtual instructor delivery along with a three-day in-person experiential learning experience. Leading with Impact was piloted in late 2022 and was fully launched in March of 2023. Over 800 leaders completed the program in 2023 and cohorts will continue through 2025.

For our Pursuit Leaders series, both the Accelerate and Leading with Impact programs have been developed to ensure learning is sustained and continuous following the completion of the core program. For Accelerate, we offer a suite of alumni workshops delivered throughout the year – content focuses on deeper dives into specific leadership challenges such as managing difficult conversations, enabling high performing teams, and management performance improvement. For Leading with Impact, we have piloted a series of quarterly alumni webinars in partnership with Duke CE that will continue in 2024 and participants continue to have access to the learning platform for 1 year after program completion.

Empowering Employees with New Ways of Working

In our pursuit to become a digital customer leader in our industry, we launched new programs in 2023 with focused support for our global GenAI efforts and to accelerate our digital journey.

We equipped 35,000 employees with GenAI-based productivity tools. In 2024, work will continue to prioritize reskilling and upskilling efforts for all colleagues across three workstreams to support specific needs for leadership, GenAI tools and process producers, and GenAI end users.

- We have trained a total of 1,232 of our employees in key roles on various Agile programs such as Product Owner, Objectives & Key Results (OKR), Quarterly Planning, Value Stream Management and SAFe.
- We launched an Advanced Class on Making Sense of Qualitative Data or Synthesis for Human Centered Design, where we trained 56 of our employees leading this work.

Documenting our Performance

We continuously evaluate and implement measures and KPIs to assess effectiveness of learning and linkage to people and business outcome.

In 2023, we established the following target learning KPIs:

Goal	2023 Goal	2023 Results
Average learning hours per employee	25	**27**
Cumulative NPS for all Global Learning programs	55	**69**
Activation rate for LinkedIn Learning	85%	**93%**
Pursuit LXP Activation Rate	80%	**82%**
Pursuit LXP Engagement rate	70%	**70%**

Engagement and Recognition

Our Strategy Summarized

- Our ability to engage the best, diverse talent is critical to retention. As individuals are focused on working for organizations that align with their values, we believe our culture gives us a competitive edge. Listening to our people and understanding what's most important to them, are key components of our approach to building engagement. We facilitate employee listening through a variety of platforms and channels.
- 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

Performance Enablement

For our employees, commonly referred to throughout this report at our employees, we have a robust annual Performance Enablement process that includes goal setting and mid- and year-end check-ins. This process encourages discussion and documentation of performance against determined objectives/goals, development plans, and agreement on deliverables, development needs, career aspirations and specific training actions and timelines.

An emphasis on feedback and conversations is core to our performance enablement program, and we encourage feedback to be exchanged through different mediums, including our human resources information system.

In 2023, we continued to place focus on the 'what' (priorities) and the 'how' (values and managing risk) of performance contributions, with an equal emphasis on both. All employees have separate ratings for the 'what' and the 'how' – with the lesser of the two ratings used as the final rating. The 'how' ratings are aligned to the company values and include a risk element.

Recognizing Achievements

We have two formal, global recognition programs that give us the opportunity to recognize and be recognized for living our values and to highlight the great work of our peers.

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 810,157 recognition awards to each other, which is on average 21 awards per person. This puts us in the Workhuman top quartile for recognition frequency. Based on 2023 data, Podium recognition also had a positive correlation with higher engagement and improved colleague 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. Nominated by their peers, our Stars demonstrate how we make every day better for our customers, employees, and communities. In 2023, we recognized 150 individuals as our Global Stars.

A 2022 study conducted by Gallup and Workhuman found that recognition has a positive impact on feelings of inclusion, well-being, and thriving overall. Employees who receive the right amount of recognition for their work are 90% less likely to report being burned out at work "always" or "very often," are 40% less likely to report having experienced a lot of stress, worry, and sadness, and are 44% more likely to be thriving in their life overall. Recognition has been found to be a tool for inclusion contributing up to 7x greater sense of belonging for a range of racially/ethnically diverse groups.

> During the year, employees gave **810,157 recognition awards** to each other, which is on average 21 awards per person.

Abbreviations and Acronyms

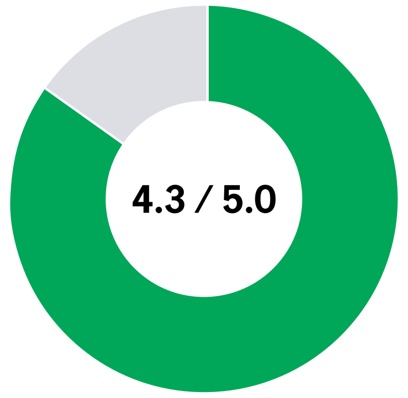
Listening to our Employees

Our global engagement survey, which is conducted annually in the fall, is designed to focus on the topics that have the greatest impact on employees' engagement. We also have 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.

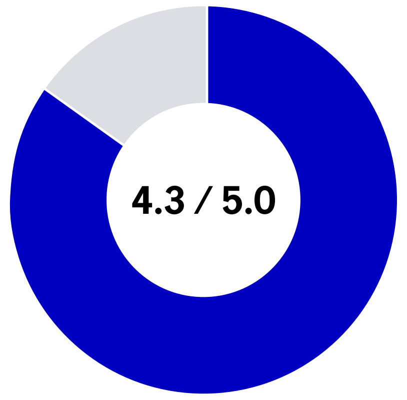
> Our target as an organization is to have top quartile engagement as it relates to the Gallup Finance & Insurance companies database. Based on our survey conducted in September 2023, we ranked in the 89th percentile (Financial and Insurance Company Database) and 74th percentile (Gallup Overall Workgroup Database).

Employee Engagement:

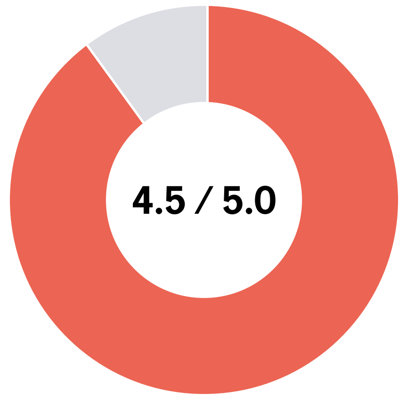
We are seeing continued progress in building our winning team and culture, driving business results, and creating value for shareholders and customers. Building on our strengths, we are fostering a culture with employees who go above and beyond to execute our strategy and who live our values, every day. We have selected a sample of questions from our full engagement survey that help us measure important attributes like job satisfaction, purpose, happiness, and stress.



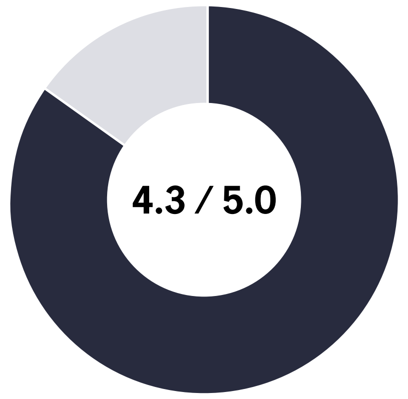
1. How satisfied are you with your company as a place to work? **(Job Satisfaction)**



2. The mission or purpose of my company makes me feel my job is important. **(Purpose)**



3. I plan to be working at my company one year from now. **(Happiness)**



4. I am able to maintain a healthy balance between work and personal commitments. **(Stress)**

We set engagement targets at the executive 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, as well as leader development programs at the front-line leader (Pursuit Leader Series) and Director+ (Leading with Impact) levels. 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.

Wellness, Health, and Safety

Our Strategy Summarized

- 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 health, safety, and well-being through the following means:
  - 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.
- 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

We are constantly adapting our employee benefits programs to better respond to the needs of our employees and their family and enabling employees to become the healthiest version of themselves.

In 2023, we launched a number of new or improved benefits for our employees:

- Increased many benefits limits in response to rising health care costs and growing demands of certain needs in Canada, notably increasing mental health support by 20% and launching a virtual health coaching program with personalized and private one-on-one support.
- Launched our updated Canadian Manulife Mobile app, which now offers an integrated digital experience that combines the power of health, wellness, and benefits together to make it easier for members to get more health out of their benefits. Members can improve their health, connect with care, and manage their benefits with ease.
- Added unlimited, 24/7 on-demand access to pet care experts including everything from urgent concerns to routine pet care in Canada and the U.S.
- Continue to monitor the U.S. legal context and provide flexibility for our employees, spouses, and dependents to receive medical travel support for themselves and a companion should a benefit they are seeking no longer be covered in the state in which they reside.
- Partnered with GRAIL in the U.S. to offer onsite access to the Galleri® multi-cancer early detection test at a discounted price. Additionally, colleagues can request the test online at any time via the Galleri registration site.
- Partnered with Violet to offer cultural competence credentialing, upskilling, and care coordination for clinicians, and their findings showed that Manulife's U.S. benefits are performing above average compared to overall national provider inclusivity levels.
- Hosted several onsite prevention-focused clinics across our offices globally to provide valuable insight to employees on current and potential medical issues, including biometric, diabetes and skin cancer screening, vision tests and flu shot clinics.
- Introduced new healthy food options in our cafeterias and amenity spaces to support healthy workplaces globally.

We are constantly adapting our employee benefits programs to better respond to the needs of our employees and their family and enabling employees to become the healthiest version of themselves.

Enhancements to our Mental Health Support

We offer a wide range of comprehensive mental health benefits to ensure our employees have all the support they need to help make things better, day by day.

In Canada, through our flagship offering, each employee and covered dependents may expense up to $12,000 for mental health services provided by eligible practitioners.

In the U.S., we removed all cost barriers, leaving no copays and coinsurance for all mental health services when using in-network providers. Our unique offerings include chatting with a coach/therapist through One Medical's Mindset program at no cost, as well as access to an onsite mental health consultant. Additionally, employees enrolled in our medical plan can also support their children with specialized virtual mental and behavioural health care through Brightline.

We host globally a Mental Health Month campaign in May, which is supported by 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 2023, over 40 global events attracted over 8,000 attendees, where participants engaged in awareness videos, articles, and mental health education through one of our dedicated afternoons of learning, known as Fuel up Friday.

In Canada, through our flagship offering, each employee and covered dependents may expense up to $12,000 for mental health services provided by eligible practitioners.

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 the Company 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, and with financial planning advice towards retirement and other important life events.

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 2023, all investment options available to DC plan members in Canada and the U.S. are managed by signatories of the UN PRI, who commit to integrate ESG criteria into their investment strategies.

Occupational Health and Safety

Our Strategy Summarized

- 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.
- In recognition of their overall well-being, our global Working Better Program provides our colleagues the flexibility needed to balance personal and professional responsibilities in a way that fits their individual needs.
- 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.

Learn more: Occupational Health and Safety

Managing Risks

Our Global Health and Safety Policy, which is reviewed by the Operational Risk Committee, recognizes that everyone in the organization has specific responsibilities for occupational health and safety integrated into their job including:

- Encouraging all colleagues 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 how to report health and safety incidents, 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 included in 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.

The Global Health and Safety team conducts a quarterly reporting process to collect information from all local health and safety contacts. Information about reported incidents, employee training, real estate hazards, regulatory changes and reporting, audits, and projects and initiatives impacting health and safety, health and safety inspections, and fire drills is consolidated in a report which is distributed to senior leadership. This report helps to track risks, trends, controls to help the Global Health and Safety team provide oversight, highlight gaps and inconsistencies, and identify opportunities to standardize and improve the program globally.

Performance in 2023

Introduced in 2022, the global employee-facing electronic incident reporting form helps ensure employees have direct access to the Global Health and Safety Manager to report injuries and health and safety concerns. In 2023, we observed that the appropriate contacts are notified to support the employee, help mitigate risks, and correct hazards, and each case is investigated and handled appropriately. Incidents are reviewed by the Global Health and Safety team to help ensure incidents are appropriately managed and corrective actions are addressed.

Additionally, during the year, we enhanced our global reporting process to collect additional information from all jurisdictions in which we operate on the execution and results of fire drills. Health and safety teams are also required to provide enhanced reporting on building inspections performed for the purpose of helping to ensure our employees' health and safety in the workplace.

In 2023, 100% of employees in Manulife offices in Canada continued to be supported by a Health and Safety Committee or Representative in accordance with regulation.

> Over the past three years, there have been zero severe incidents reported.

Managed Timberland and Agriculture

We value our people, employees, and contractors, and we work to ensure that we are offering not only safe and healthy working environments but the tools, training, and support they need to thrive. In addition to over 950 global timberland and agriculture employees, we have more than 6,000 contractors working on our timberland and farmland properties around the world. Our safety performance and records consistently exceed industry safety benchmarks.

Occupied Corporate 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 cleaning standards and have successfully rolled out these measures. We also partner with internal stakeholder teams to ensure buildings are compliant with current standards and codes and for any special accommodations as well as to help celebrate diversity and inclusion at our head office locations.

Customer Experience

Our Strategy Summarized

- 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 obtain feedback in real-time through our global Net Promoter Score (NPS) and analyze various forms of unstructured data in North America, with the implementation in Asia currently underway. These processes provide insights that guide our efforts to improve the customer experience. Our goal is to continue enhancing our digital customer leadership, which we measure through key outcomes such as Digital Adoption, Net Promoter Score, and Straight-Through-Processing (STP).
- Our focus areas include harnessing customer feedback to enhance the experience delivered, building differentiated and market-leading experiences for our priority customers, extending customer relationships through value-added advice and new services in health and wellness, and driving NPS through a robust system that spans across the entire customer journey.

Learn more: Customer Experience

Listening to Customers and Driving Performance

Delivering a 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 continually mature our NPS system to ensure we have the best coverage across key touchpoints and the right people in place to act on real-time feedback.

> Customer centricity is at the heart of our ambition and we remain focused in achieving our 2027 **NPS and 2025 STP targets of +37 and 88%**, respectively.

In 2023, we made significant progress against our NPS ambitions with a score of +23, a 22-point improvement from our 2017 baseline of +1. We led or were on par with 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 continue to expand the way we gather insights from our customers and unlock additional opportunities with the evolution of our VOICE platform. By harnessing new signals, we drive clarity and prioritize our efforts to address customer irritants. VOICE enables us to focus on what matters, providing transparency and insights, and facilitating action in the areas that matter most, including helping us drive our cultural transformation. The platform allows for multi-signal topics and trends to uncover high-level insights about customer experiences as they evolve in real-time. By enabling topic and sentiment analysis, we can increase front-line effectiveness, drive NPS, improve first call resolution, and reduce time spent to resolve customer inquiries.

We have globally deployed human-centered 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 objective, achieving 85% in 2023, a 17-percentage point improvement from the 2018 baseline across segments. Improvements have been made in a variety of areas such as websites/portal enhancements, technological transformation initiatives, app releases, and increased digital capabilities.

Customer Well-being

Our Strategy Summarized

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

Learn more: Behavioural Insurance

Longevity Symposium

To support our growing focus on behavioural insurance, we hosted 'Longer. Healthier. Better.' — a first-of-its-kind longevity symposium — bringing together 250 life insurance brokers, leadership from reinsurance companies, media, and government officials to hear from world-leading experts in science, healthcare and education. The event was designed to foster brand loyalty and generate sales and provided a first-hand look at the innovations and science shaping the future of longevity, with the goal of driving understanding about how these advances enable us, as a life insurance industry, to make meaningful impacts in our customers' lives.

John Hancock Vitality

In 2023, we expanded access to GRAIL's Galleri® multi-cancer early detection test to all eligible John Hancock Vitality PLUS members and a group of Vitality GO members in collaboration with reinsurer Munich Re Life US. As the first life insurance carrier to make this breakthrough screening technology available, John Hancock continues to enable customers to take proactive steps to better understand and make more informed choices about their health.

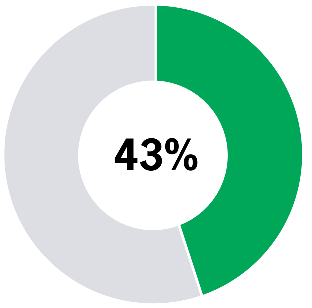
We expanded the Vitality Program through a collaboration with ŌURA, a health technology company. As of April, eligible John Hancock Vitality customers who have an ŌURA Ring can use it to earn rewards for healthy sleep and mindfulness practices. In addition to the ŌURA Ring, program integrations were also launched with Whoop, Peloton and Strava, allowing customers more choices when it comes to how they choose to engage with John Hancock Vitality and more opportunities to earn points for things like taking a Peloton ride or an annual skin cancer screening.

We also launched new in-app features to encourage and empower better behaviours. We introduced a digital "nudge" through the Vitality app encouraging customers to go paperless. Through that experience, 70% of recipients elected to turn off paper and adopt a faster, friendlier user experience. Aligned to leading behavioural science, we introduced Active Rewards, a new, personalized way to incentivize Vitality members to be more physically active. Each week, the member gets an individual activity points goal. If they reach their goal, they earn a spin on the virtual Vitality Wheel.

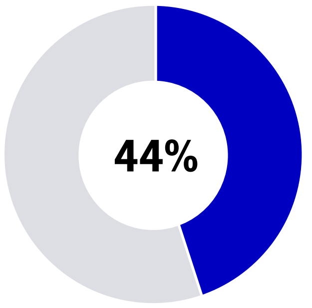
John Hancock pledged to match our Vitality customers' HealthyFood savings between World Food Day and Giving Tuesday and donate the proceeds to two of our Community Partners – World Central Kitchen and the Food is Medicine Institute at Tufts University. In just over six weeks, our customers saved over $35,000, a 24% increase in savings from the prior year's period. This level of engagement exceeded our expectations and shows our customers' enthusiasm in being part of a larger purpose. To demonstrate our commitment to the well-being of our communities, John Hancock rounded up to donate $50,000 across charitable organizations.

We also offered our most active John Hancock Vitality members the opportunity to register for the 2023 Boston Marathon as part of our commitment to helping our customers live longer, healthier, and better lives.

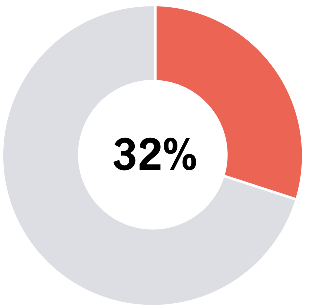
John Hancock Vitality Member Health Outcomes[i]



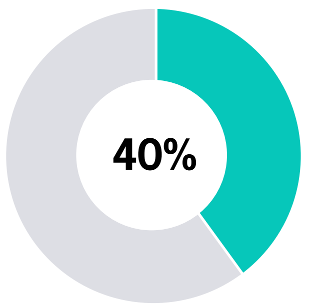
Percentage of John Hancock Vitality members reported BMI reduction



Percentage of John Hancock Vitality members with high blood pressure reported bringing their reading in range over the course of a year



Percentage of John Hancock Vitality members with high cholesterol reported bringing their reading in range over the course of a year



Percentage of John Hancock Vitality members with high glucose readings reported bringing their reading in range over the course of a year

i Based on members that had a response in both 2022 and 2023.

Strategic Partnerships in Canada

In our Group Benefits business, we launched a strategic partnership with League, a leading health care technology provider. This partnership will allow us to give our customers access to a highly personalized digital healthcare experience that's fully integrated with our group benefits ecosystem, as well as the ability to directly connect their benefits with care options through the Manulife mobile app.

This represents a significant milestone on our journey to reimagine group benefits and accelerates our efforts to meet growing customer demand for fast, intuitive digital experiences that help them understand their health, focus on prevention, access care, and better understand and optimize their benefits.

Within our Individual Insurance business, we expanded our Vitality offering to the Par Individual Insurance products, now making Vitality available with all of our life insurance products to meet the demand of customers who want to live healthier lives.

We also further enhanced our Vitality offering by adding a new complimentary Fitbit fitness device to bring choice to our members, introduced new ways to earn points with skin cancer screenings and healthy sleep, and introduced Vitality for Older Ages, which includes adjusted workout and biometric thresholds as well as the opportunity to earn points for pneumonia and shingles vaccines.

ManulifeMOVE In Asia

During the year, we launched MOVE for Staff - a new well-being initiative that currently extends the ManulifeMOVE program to our colleagues in seven markets in Asia, including Hong Kong, Vietnam, Singapore, Indonesia, Philippines, Philippines MITDC, Cambodia and Malaysia. Employees are now able to join monthly step challenges to get a chance to win special rewards and give back to our communities, and access a range of wellness features and explore content to help them stay healthy.

2.1+ million customers
globally had access to our **behavioural insurance** platforms

Manulife *Vitality* — In Canada
57,800 customers

ManulifeMOVE — Across Asia
1.9 million customers

John Hancock Vitality — In the U.S.
135,000 customers

Human Rights

Our Strategy Summarized

- 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.
- Manulife is firmly committed to respecting human rights in our businesses and throughout our supply chains.
- 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. All active Manulife employees are required to complete annual training related to Manulife's Code of Business Conduct and Ethics.
- We also offer a confidential, toll-free Ethics Hotline or online platform, managed by a third-party service provider, for reports of any suspected unethical, unprofessional, illegal, fraudulent or other questionable behaviour.

Learn more: Human Rights

Managing Risks

Across Manulife's global business, we have policies and frameworks in place to manage human rights risks, including modern slavery risks. We believe ethical business practices and good governance are integral to how we conduct our business and to our long-term success. Achieving our objectives requires a commitment to integrity and consistent high standards from all our partners, including our employees and vendors, through compliance with a framework of policies that help us manage our business.

Our policies and standards are guided by international principles, as well as the letter and spirit of all applicable laws and regulations. We take steps to ensure our partners are aware of their obligations, and institute appropriate due diligence and monitoring to detect human rights violations. To ensure our key controls are effectively designed and executed, we subject our controls to ongoing quality assurance testing coupled with independent monitoring and testing from our Second and Third Lines of defense.

As part of the Company's UN Global Compact membership, all Manulife employees have access to the UN Global Compact Academy, which includes several modules on human rights. Select employees have undergone the UN Global Compact's Business and Human Rights accelerator program.

General Account

Our General Account investment teams are guided by Manulife General Account's ESG Guidelines on the integration of ESG considerations, which include but are not limited to 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.

Our ESG Guidelines undergo internal reviews at least every three years to evaluate the efficacy of ESG considerations in investment due diligence processes. These reviews consider alignment with emerging ESG-related issues, such as human rights concerns.

Human rights-related risks may arise within our investment portfolio, including human rights violations by investees. Exposure to risk may be more significant in regions with limited regulatory oversight of labour and human rights practices, fewer social norms associated with labour and human rights issues, and limited transparency on such issues. In addition to regional factors, sectoral factors such as highly diversified and decentralized supply chains (e.g., manufacturing and textiles) and reliance on resource extraction (e.g., mining and minerals) may increase risk exposure of individual investments.

Human rights considerations may be incorporated into typical investment due diligence and risk assessment processes as part of broader integration of Manulife's ESG Guidelines within the General Account. We strive to mitigate adverse human rights impacts from our investment activities by:

- Filtering investments for countries and parties sanctioned by domestic or international laws as well as for companies directly and primarily operating in certain sectors.
- Considering applicable sector guidelines and disclosures to address particularly sensitive ESG issues and/or sectors, incorporating modern slavery and/or human rights, where the topic is potentially material to the investment.

Members of the General Account also participate in cross functional working groups to support broader capacity building and risk management on human rights across the Company.

Manulife Investment Management

In our wealth and asset management businesses, we draw on more than a century of financial stewardship to serve individuals, institutions, and retirement plan members worldwide.

Our overall approach to human rights is reflected in several of our policies:

- Manulife Investment Management Sustainable Investing and Sustainable Risk Statement
- Manulife Investment Management Responsible Contracting Statement
- Manulife Investment Management ESG Engagement Policy
- Global Cluster Munitions Policy

For **Manulife Investment Management's private markets** assets, we have several mechanisms in place to facilitate the implementation of our commitment to human rights in our operations and investments. This includes Manulife Global Human Rights Statement, and Manulife Investment Management's Responsible Contracting Statement.

Human rights related risks and issues are integrated in our sustainability tools and guidelines that investment teams use in pre-investment stage as part of our due diligence process in the investment life cycle. When material to underlying investment, we continue monitoring these risks throughout investment holding periods.

For **Manulife Investment Management's timberland and agriculture** assets, as part of our third-party certifications, 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, which include protection and promotion of human rights.

For **Manulife Investment Management's real estate** assets, human rights-related considerations are included in our proprietary Sustainable Building Standards. These standards apply to all our property managers and promote initiatives focused on diversity, equity, and inclusion, sustainable procurement, local economic development, housing affordability, accessibility, health and wellness, and community engagement. In 2023, we organized human rights training with the participation of all of our property managers in North America. We plan to expand to all other regions in the future.

In 2023, we conducted human rights impact assessments within our timberland, agriculture, real estate and private equity and credit asset classes, in accordance with the United Nations Guiding Principles on Human Rights and Business (UNGPs) and mapped our existing due diligence mechanisms against these potential human rights issues.

As part of our future strategy, we will be conducting similar assessments in the remaining asset classes, identifying new measures as per our assessment findings, and monitoring emerging human rights risks and the effectiveness of our measures, on an ongoing basis.

For **Manulife Investment Management's public markets** assets, the sustainable investing frameworks employed within our equity and fixed income portfolios are integrated into our fundamental, bottom-up research process. Where financially material to the issuer or security, human rights are considered in our investment decisions and engagement activities with issuers to reduce associated risks across our portfolios.

The sustainable investment team undertakes ad-hoc training, education, and awareness raising opportunities for ongoing learnings on various sustainable investing topics, including human rights. In 2023, as an example, one of the topics discussed in our training session included traceability in the apparel industry and human rights issues associated with the electric vehicle supply chain.

Purchased Goods and Services

Manulife's Global Procurement Policy and Procedures outlines the standards for employees that are engaged with Procurement related third-party providers and mandates the engagement of the Procurement team for all Procurement third-party sourcing. This is conducted in a manner that optimizes value and minimizes risk while upholding our high ethical standards in working with vendors.

Our Vendor Code of Conduct sets expectations for our suppliers and requires all vendors to respect the dignity and human rights of all workers and support fair employment and labour practices. As set out in the Vendor Code of Conduct, vendors must adhere to its requirements, monitor compliance, and promptly report any violations to Manulife. This includes the following:

- Vendors and the products and services they provide must be in full compliance with applicable laws and regulations at all times.
- Vendors must respect the dignity and human rights of all workers and be committed to fair employment and labour practices. Vendors may not use any forced or child labour.
- Vendors must comply with applicable anti-slavery and human trafficking laws, statutes, regulations and codes. Vendors must implement due diligence procedures for its sub-contractors, suppliers and other participants in its supply chain to ensure that there is no slavery or human trafficking.

We reserve the right to monitor, assess, and audit vendors according to the Vendor Code of Conduct and may discontinue business with any vendor or representative that does not adhere to our requirements.

Please see our Global Human Rights Statement and Modern Slavery Act Statement for more information.

Governance

Performance Highlights

54%
of directors on Manulife's Board who self-identify as **women**.[40]

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

$0.6 B
total income and capital taxes paid.

23%
of independent directors on Manulife's Board self-identify as a member of a **visible minority**.[41]

0
information **security breaches** or other cyber security incidents.[42]

$1.7 B
total taxes paid.

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

0
data breaches.[43]

$2.5 B
in goods and services purchased from **suppliers**.

Corporate Governance

Our Strategy Summarized

- We believe that excellent corporate governance is critical to our long-term success — for us, our shareholders, and our customers.
- 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. Board members must attend all meetings and committees they are members of, unless there are extenuating circumstances prohibiting them from doing so.
- 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.

Learn more: Corporate Governance

Independence

Other than the CEO, all members of the Board of Directors, including the Chair, are independent, and all members of the Board's standing committees are independent.

Diversity and Succession

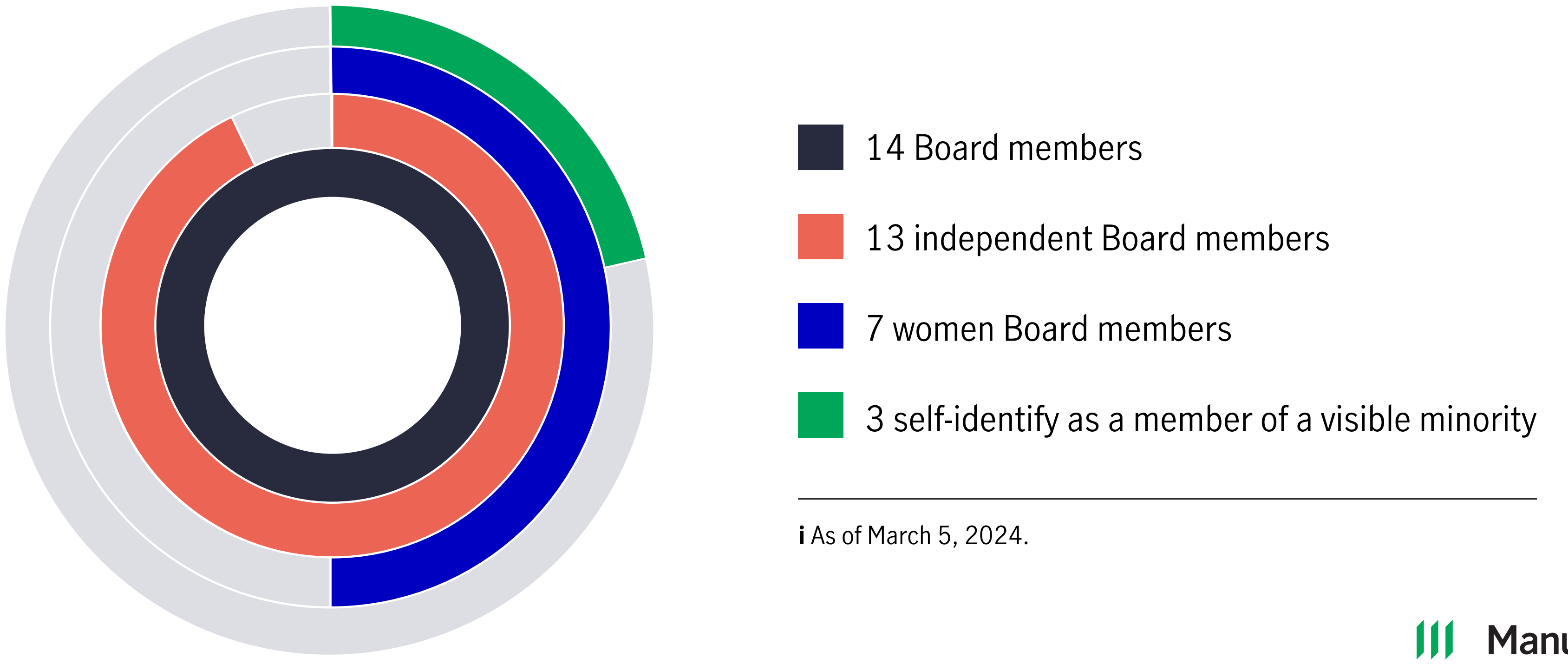
- The Board recognizes the importance of diversity and is committed to fostering diversity at all levels of the organization, including within its own ranks. Board members reflect a mix of certain competencies, experience, and personal qualities to ensure proper oversight and effective decision-making and the Board routinely reviews its size and makeup with the Corporate Governance and Nominating Committee.
- 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.
- 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.
- The CGNC oversees the Board succession process. The CGNC is committed to equitable and inclusive recruitment practices and requires search firms to identify and present diverse and balanced slates of potential director candidates that include female candidates, as well as candidates from other underrepresented groups such as visible minorities, Indigenous peoples, people with disabilities and members of the 2SLGBTQ+ community.
- 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 and Sustainability Strategy Oversight

In 2023, the CGNC engaged in a number of activities pertaining to the oversight and review of sustainability or ESG strategies and disclosures, including:

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

Board Composition[i]



i As of March 5, 2024.

Risk Management

Our Strategy Summarized

- Our Board of Directors, assisted primarily by the Board Risk Committee, 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 we are exposed to and to evaluating potential directly comparable risk-adjusted returns on contemplated business activities.

Additional Governance Information

- 2024 Management Information Circular
- 2023 Annual Report
- Statistical Information Package
- 2023 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

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. The Segment General Managers are ultimately accountable 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, and the Global Function Heads are accountable for the management of the risks and related controls for their function.

2. The second line of defense is comprised of the Company's Chief Risk Officer (CRO), the Company's Chief Compliance Officer, and the Company's Chief Actuary, each with their respective teams, as well as other global oversight functions. Collectively, this group provides independent oversight of risk-taking and risk management activities across the enterprise. Risk oversight committees, through broad-based membership, are an integral part of the risk oversight and management governance infrastructure.

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.

Assessing and Understanding Risk

The identification and assessment of our external environment for evolving risks is an important aspect of our Enterprise Risk Management framework, as these risks, although yet to materialize, could have the potential to have a material adverse impact on our operations and/or business strategies. We also consider taking advantage of opportunities identified to improve our competitiveness and ultimately our financial results.

Our Evolving Risk Framework facilitates the ongoing identification, assessment and monitoring of evolving risks, and includes: maintaining a process that facilitates the ongoing discussion and evaluation of potential evolving risks with senior business and functional management; reviewing and validating evolving risks with the Executive Risk Committee creating and executing on responses to each evolving risk based on prioritization; and monitoring and reporting on evolving risks on a regular basis to the Board's Risk Committee.

We also have set a framework of desired behaviours to foster a strong risk aware culture. The framework is assessed against a set of qualitative and quantitative indicators and regularly reported to the Board's Risk Committee and executive leadership. We provide risk training modules to employees globally, which aim to raise awareness and understanding of risk culture. Ongoing communications and training are also conducted across the Company on topics such as the Manulife Code of Business Conduct and Ethics, Information Protection, Privacy, Financial Crimes, and others. We continuously seek ways to grow the enterprise-wide internal training programs and communications to incorporate climate-related risk.

Audit Services conducts regular key risk audits across the entire Company to provide independent assurance that there is a demonstrated awareness of risks inherent in the business, controls are designed and operating effectively and appropriate relative to the risks inherent in the business, and effectiveness of risk mitigation programs and oversight functions.

Ethics and Compliance Culture

Our Strategy Summarized

- Manulife's 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 teams.
- We also offer a confidential, toll-free Ethics Hotline or online platform, managed by a third-party service provider, for reports of any suspected unethical, unprofessional, illegal, fraudulent or other questionable behaviour, including any concern with respect to auditing and accounting matters. Reports may be submitted anonymously.

Learn more: Ethics and Compliance

Managing Risks

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.

Our Global 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. Failure to comply with the Code can result in disciplinary action up to and including termination of employment. Our employees and all members of Manulife's Board of Directors receive 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.

The Global Anti-Fraud Officer is responsible for second line of defense oversight and coordination of the Company's Anti-Fraud efforts. This oversight and leadership are global in nature, requiring the Global Anti-Fraud Officer to coordinate with the other control functions and report and advise the parent and subsidiaries worldwide on all anti-fraud and anti-corruption requirements, as well as privacy, data security and third-party due diligence where issues relate to suspected fraudulent or intentional misconduct. Our Anti-Fraud Policy includes a set of internal fraud reporting thresholds and a quarterly reporting requirement to help ensure that fraud reporting information is escalated on a timely basis. The Global Anti-Fraud Standards contain Manulife's Fraud Risk Appetite Statement, a description of the Company's anti-fraud organizational structure, roles and responsibilities of each related function and the minimum control requirements throughout the fraud risk management process from identification to mitigation to reporting.

We also provide training on ethical standards to our employees, and where applicable, to contingent workers, for the following topics and scenarios:

- Information Protection
- Anti-fraud
- Reporting Unethical Conduct
- Insider Trading
- Social Media Usage
- Using Company Assets
- Avoiding Conflicts of Interest
- Working with Suppliers and Counterparties
- Government and Political Dealings
- Anti-bribery and Anti-corruption
- Diversity, Equity, and Inclusion Messaging

Using informative case studies, our training also spotlights the areas of emerging risk, such as the use of unapproved communications channels, electronic communications including the use of new technology (e.g., ChatGPT) and potential ESG risks (e.g., greenwashing). Employees at the Associate Vice President+ levels also received supplemental Financial Crimes training, which included additional content on Anti-Money Laundering (AML)/Anti-Terrorist Financing (ATF) and Anti-Bribery/Anti-Corruption.

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, such as 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 Chief Compliance Officer.

We have established a 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 includes 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, and more, are subjected to varying levels of due diligence based on our assessment of risk. Prospective clients are subjected to a proprietary customer risk assessment, which incorporates several risk factors, including the risk rating of their country of residency and business activities. The customer risk assessment determines the current and future level of due diligence or enhanced due diligence applied to the prospective customer prior to any onboarding or transaction. Our onboarding and ongoing risk-based monitoring of these relationships are subject to our Code of Business Conduct and Ethics and are consistent with regulatory requirements and our AML and ATF policy and guidelines.

A critical component of the Manulife control environment is the focus on development of employee expertise through relevant independent accreditation programs. Manulife employees responsible for the ongoing effective execution of our key compliance related controls have received certifications and designations from independent accreditors in their respective areas of risk such as Anti-Fraud (e.g., Certified Fraud Examiners), Anti-Money Laundering (e.g., Certified Anti-Money Laundering Specialist), Anti-Bribery and Corruption and Code of Conduct (e.g., Certified Financial Crime Specialist).

Manulife's support teams, such as second line of defense Investigative and Forensic Services (e.g., Certified Professional Investigator) and Audit Services (e.g., Certified Internal Auditor) representing the third line of defense also obtain relevant designations and certifications to fulfill their respective responsibilities within the control environment.

We utilize 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 and 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 and ATF controls to ongoing quality assurance testing coupled with independent monitoring and testing from our Second and Third Lines of defense.

Tax Transparency

Our Strategy Summarized

- Our Board of Directors and Executive Leadership Team have ultimate oversight of our tax strategy.
- Our tax strategy is based on the following principles: complete honesty and integrity; compliance with all applicable laws and regulations, including transfer pricing guidelines; contribution to shareholder value; customer-centric client service; protection of the Manulife brand and reputation; operational efficiency and effectiveness; openness and co-operation with tax authorities.

Learn more: Tax

Managing Risks

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.

With Canada's adoption of the Global Minimum Tax, Manulife will follow the guidelines and pay a minimum level of tax wherever we operate and generate profits.

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 27.8%. 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.

Tax evasion is a predicate crime to money laundering in most of the jurisdictions in which we operate. Our global anti-money laundering and sanctions program address this through:

- Controls at customer onboarding
- Ongoing customer transaction screening and monitoring
- Enhanced due diligence programs for our high-net-worth customers
- Terrorist and sanctions screening and due diligence
- Annual anti-money laundering and anti-terrorist financing training to all employees globally

Please see our Global Tax Strategy for additional information.

> $1.7 billion total taxes paid in 2023, including $0.6 billion income and capital taxes and $1.1 billion other taxes.

Data Security and Privacy

Our Strategy Summarized

- 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

Managing Risks

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, that of our customers, and the information systems that process, transmit, and store that data. Global, local, and cross-functional teams work collaboratively to reasonably ensure a cohesive, effective, and efficient program for protecting all forms of information under Manulife's control.

The Manulife Chief Information Risk Officer oversees our enterprise-wide Information Risk Management program. The Manulife Chief Information Security Officer, who reports to our Chief Information Risk Officer, oversees our enterprise-wide Information Security Management program, which establishes the Company's information and cybersecurity framework, governance, policies, standards, and appropriate controls required to protect our information and computer systems.

On at least a quarterly basis, the Manulife Chief Information Risk Officer speaks to the Board Risk Committee to cover recent notable events, audit results, the ongoing effectiveness of information and cybersecurity controls, operations, and opportunities for improvement and maturity, among other items.

Our Information Risk Management (IRM) policies and standards are modeled after the ISO 27001 standard and use the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) and other industry standards and regulations as key references. These key references help to inform the content and structure of our policies and standards, which are developed and maintained by dedicated and knowledgeable staff. Our team follows a robust and collaborative review and update process (including participants from first and second line of defense teams) to ensure our policies and standards remain current and respond to the latest internal and external security and technological changes. The process considers and incorporates the needs and expectations of our customers and external stakeholders. In addition, our portfolio of policies and standards is reviewed annually, and individual policies and standards are reviewed and updated regularly 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 business segments globally. Our verification of information and cybersecurity process and control effectiveness enables data-based insights and remediation prioritization. Our Information Risk Management team also has a training and education program designed to reinforce the importance of information protection.

Manulife is constantly making investments and improvements to our Company's cybersecurity toolkit, and we stay informed on the latest potential threats. We have business continuity and disaster recovery plans in place that are reviewed and tested on at least an annual basis. These plans facilitate business recovery and prioritize critical business functions while considering functionality. Additionally, we conduct internal analyses of our strengths and vulnerabilities and run simulated hacker attacks. 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.

Abbreviations and Acronyms

Our information and cybersecurity control framework aligns with our policies and standards, which are modelled after industry standards like ISO 27001 and NIST CSF, and we leverage the MITRE Adversarial Tactics, Techniques, and Common Knowledge (ATT&CK) framework to help ensure that we are prepared against threat actor tactics, techniques, and procedures (TTPs). The maturity of our cybersecurity control environment for all business units globally is self-assessed by the Manulife Chief Information Security Officer's team against the NIST CSF annually, and all our information and cybersecurity controls are subject to ongoing independent internal audits. Depending on their jurisdiction, some of our business unit systems are SOC-1 and/or SOC-2 compliant and/or have related reviews in progress for business requirements.

Our systems, products, and practices are subject to review externally for local and global client and regulatory requirements, including for SOC-1, SOC-2, due diligence, and other regulatory compliance reviews. In 2023, we engaged a reputable external consulting firm to conduct an independent review of our cybersecurity control environment maturity against the NIST CSF for all business units globally.

Manulife personnel participate in mandatory annual security and privacy training and other role-based 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, and global communication campaigns about protecting information are conducted quarterly, highlighting information protection topics and delivering simple, action-oriented messages. Eight phishing campaigns are also run annually with simulated phishing email messages to educate employees on how to recognize and address suspicious emails.

In addition, we have automated and manual tools and processes that drive the analysis of vulnerabilities including regular automated vulnerability scanning, annual network penetration testing, application penetration testing at least annually, automated secure code scanning and manual reviews, and other simulated hacker attacks. Cyber incident response exercises are also conducted frequently throughout the year and are based on potential real-world threats. Most are strictly internal to Manulife but there are occasions where we will partner with external organizations to expand the scope of a simulation. For example, we engage independent external testers and use multiple approaches to simulate hacks against Manulife including network and application penetration testing, Red Team testing, and other security simulations.

Data Privacy

Our Global Privacy Policy outlines our data privacy commitment and aligns with the Generally Accepted Privacy Principles (GAPP). Our Global Privacy Policy includes Manulife's commitment to limit collection and use, our use of third-party vendors to process personal information on our behalf, consent, what we may use personal data for, how long we retain personal information, how we safeguard it, and where data subjects can find more information about their privacy rights and/ or choices.

The Global Privacy Policy 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 Global Privacy Policy informs data subjects that they may have additional privacy choices and rights depending on their products or location. The Policy further instructs those data subjects who would like more information about any additional privacy choices and rights they may have, or those with questions, requests, concerns, or a complaint about their privacy, to follow the instructions provided in the privacy policy applicable to their specific location and/or product(s).

Our Privacy Policy applies to all personal information under Manulife's control, including where it is handled by a third party on our behalf.

We have a global framework for managing the Company's privacy risk. It 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 matters to senior management and the Board's Audit Committee as part of the Global Compliance Chief's regular reporting.

We are responsible for personal information in our possession, including information shared with service providers who perform duties on our behalf. When we share personal information with our service providers it is for specific purposes only. Service providers who collect, use, process, maintain, transfer, and/ or destroy personal information on Manulife's behalf must comply with applicable privacy laws and non-disclosure agreements, have adequate privacy safeguards in place, and must only use the information for the purpose(s) provided for in a contractual agreement. Our service providers are obligated to report any privacy incidents and issues to us within specified timeframes.

We have processes and teams in place and are prepared to initiate appropriate actions necessary to address incidents affecting customer privacy. Our teams work cross-regionally and cross-functionally to manage complaints of customer privacy should they occur. We have a security incident management process to help expedite the identification, containment, eradication, and future prevention of threats to systems that process, transmit, and store customer data.

> Manulife employees participate in mandatory annual security and privacy training and other role-based training to ensure our workforce is knowledgeable about their responsibilities to protect company and customer information.

We are obligated to notify individuals of certain types of privacy 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. Steps taken to handle privacy 'breaches' can depend on the origin of the situation, the nature of the 'breach', and other factors.

The steps below provide a general outline for the management of potential privacy breaches:

1. If a privacy breach is suspected or reported, the employee who is in possession of this information is required to immediately escalate the situation using established internal channels.
2. Once escalated, subject matter experts triage the situation to help ensure facts are clear and understood.
3. After the initial triage, containment is actioned (if appliable and not already completed).

   Once the situation is contained, a more thorough impact assessment is completed, including root cause analysis and risk of harm analysis.
4. Depending on the outcome of the impact assessment, root causes are addressed (where applicable) to prevent re-occurrence and impacted individuals and / or data protection regulators are notified (where appropriate and required by law).

As a provider of financial products and services, we collect and use our customers' personal information through the normal course of our business. When Manulife shares personal information within the Manulife group of companies for the purposes of providing customers with product and service offerings, customers may opt-out of receiving those offers. Other opt-out options may be available to certain customers depending on their product(s) and/or location. 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, the specific purposes for its collection, and how it is collected
- 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 retained
- Safeguards required to protect the information
- Sharing of personal information with service providers and others
- How to contact us if they have questions, concerns, or require access to their personal information

In 2023:

Data privacy breaches[44]	0
Information security breaches or other cyber security incidents[45]	0
Customers and employees affected by data breaches	0
Percentage of eligible employees who completed privacy and information security training	100%
Number of phishing simulation tests conducted globally with Manulife employees and contractors	368,410

Executive Compensation Practices

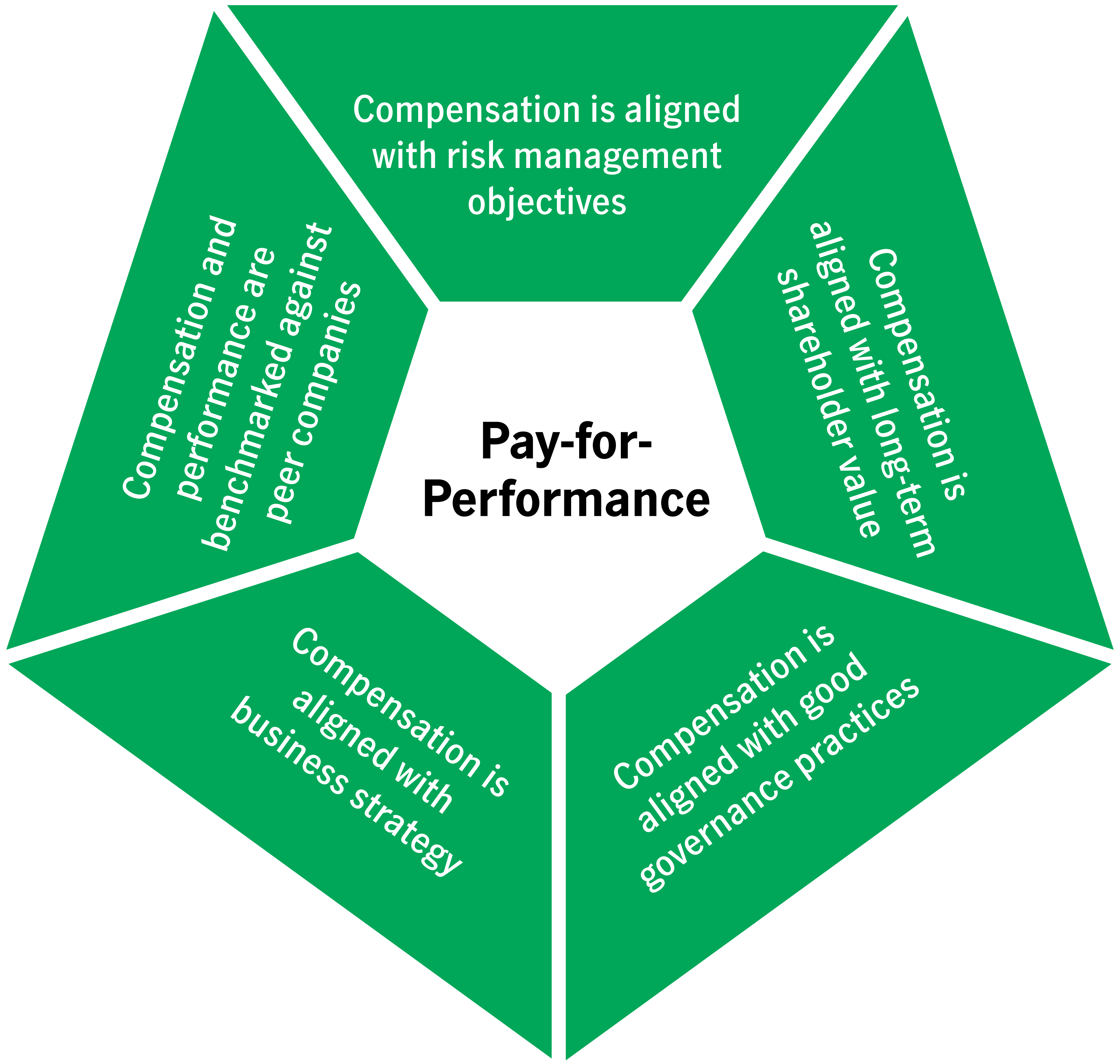
Our Strategy Summarized

- Our executive compensation program focuses named executives on achieving long-term sustainable growth and on creating significant value for our shareholders and customers. It is designed to attract and retain high-calibre executive talent capable of achieving our ambitious goals and contributing to our competitive advantage.
- Our approach is centered on pay-for-performance, and supported by five principles that guide our program design, compensation decisions and administrative practices. Executive compensation is linked to strong risk-managed performance. Most of what our executives earn is variable, tied to individual and company performance and not guaranteed. In practice, executives ultimately receive more when performance is strong and earn less when performance is mixed.

Learn more: Executive Compensation

Our executive compensation program rewards named executives for executing our business strategy and strategic priorities, including ESG and sustainability priorities, and for contributing to our culture. Individual performance goals for named executives include goals linked to DEI, Manulife's Climate Action Plan, employee engagement and leadership accountability, as well as risk goals related to cybersecurity and ethical business conduct.

Additional information on our approach to executive compensation is available in our 2024 Management Information Circular.



Responsible Marketing and Product Governance

Our Strategy Summarized

- As stated in Manulife's Code of Business Conduct and Ethics, we must treat customers with high standards of honesty, fairness and courtesy. Customers must be able to voice their concerns easily, and we must deal with complaints and disputes fairly and quickly.
- Our Conduct Risk Framework, which outlines best practices that our business should follow in all phases of the product and service cycle, has been developed to ensure that:
  - Conduct risk and its implications, both regulatory and reputational, are given sufficient priority;
  - Conduct-related risks are adequately understood, documented and controlled;
  - Manulife business units establish adequate infrastructure to control and monitor conduct risk; and
  - Management has sufficient data, including both quantitative and qualitative risk and performance indicators, to understand whether the business is effectively managing conduct risk.

Learn more: Responsible Product Governance

Managing Risks

Managing conduct risk is central to Manulife's values. Our values underpin our commitment to treating customers fairly and ensuring good customer interactions and outcomes. This commitment extends across the business lifecycle, including product development, distribution, claims, addressing complaints, investigating potential misconduct, and assessing product performance.

Our policies and processes are developed to ensure adherence 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 us 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 the following guidelines:

- 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

These guidelines, at a high level, 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.

Under product development, these guidelines ensure an appropriate process is in place for legal and/or compliance reviews, including reviews of all marketing materials, product-related news and press releases. The framework also requires a target market to be defined for a new product, including the determination of which customers the product is and is not suitable for. It should also include what a good outcome would be for the target market as well as robust consideration of scenarios where poor outcomes may occur to better inform product disclosures and sales and training materials.

Under the product distribution phase, the guidelines include processes to reasonably ensure that all distributors of Manulife products and/or services are appropriately trained on product features, risks, and target markets, with appropriate processes to track and document the completion of training.

Public Policy

Our Strategy Summarized

- As a leading international financial services provider, Manulife participates 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.
- Constructive 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, employees, and communities. As part of our efforts, we regularly report on lobbying activity, as required, to ensure accountability and transparency.
- The General Counsel, Global Head of Government Relations, and Segment CEOs, where appropriate, oversee our public policy activities, and the Board's Audit Committee receives reports on significant developments.

Learn more: Public Policy

Direct Engagement

The Regulatory & Public Affairs and Government Relations function manages our engagement with regulators and policymakers as well as many of our key industry and trade associations to advance the company's strategic objectives. The group also monitors legislative activities, analyzes regulatory and policy trends, and helps coordinate comments on regulatory and/or policy proposals in coordination with Legal, Compliance and other relevant internal stakeholders. 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. Employees must not engage in lobbying activities on behalf of the company unless specific authorization is obtained, and lobbying activity is publicly disclosed, pursuant to relevant law.

Political Contributions

As noted in our Code of Business Conduct and Ethics, our general policy is that we will not make any political contributions. In 2023, Manulife and its affiliates did not make corporate contributions to candidates for public office or political parties, and we did 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).

Industry Associations

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.

Consulting on Sustainability Matters

Individually, or as a participant in various industry groups, Manulife consulted on a number of sustainability matters this year, including:

- OSFI Standardized Climate Scenario Exercise (SCSE) methodology
- OSFI Climate Risk Returns

When engaging with certain regulators, such as OSFI, on matters like climate-risk and disclosures, we have a robust governance process in place, which helps ensure company-wide alignment.

Performance Data

Governance

Indicators	2023	2022	2021
Board Membership[i]			
Total Board members (#)	**14**	13	15
Independent Board members (#)	**13**	12	14
Female Board members (#)	**7**	7	7
Racially/ethnically diverse members (Self-identified as members of visible minorities) (#)	**3**	3	3
Average tenure of Board directors (years)	**4.3**	6.4	7.7
Economic Performance and Impact			
Assets Under Management and Administration (AUMA) (C$ trillions)[ii]	**$1.4**	$1.3	$1.4
Dividends paid (C$ billions)[iii]	**$3.0**	$2.8	$2.5
Goods and services purchased from suppliers (C$ billions)	**$2.5**	$2.5	$2.4
Total income and capital taxes paid (C$ billions)[iv]	**$0.6**	$1.4	$0.8
Taxes paid in Canada (C$ thousands)	**$352,636**	$890,506	$303,142
Federal	**$221,823**	$553,611	$212,563
Provincial and territorial	**$130,813**	$336,895	$90,579
British Columbia	**$15,746**	$39,529	$11,174
Alberta	**$9,184**	$26,065	$621
Saskatchewan	**$2,019**	$4,940	$1,551
Manitoba	**$2,495**	$6,409	$1,995
Ontario	**$74,289**	$222,522	$56,255
Québec	**$9,685**	$12,878	$8,349
New Brunswick	**$2,384**	$5,481	$1,806
Nova Scotia	**$12,281**	$13,220	$6,889
Prince Edward Island	**$365**	$968	$286
Newfoundland and Labrador	**$2,148**	$4,109	$1,476
Yukon	**$26**	$218	$43
Nunavut	**$35**	$202	$14
Northwest Territories	**$156**	$355	$121
Taxes paid in the U.S. (C$ thousands)	**$14,670**	$305,362	$261,984
Taxes paid in Asia (C$ thousands)	**$258,553**	$231,567	$228,909
Hong Kong	**$51,150**	$103,906	$46,615
Japan	**$110,852**	$45,568	$63,615
Singapore	**$24,067**	$28,306	$45,867
Mainland China	**-**	$2	$6,744

i Data as of March 5, 2024.

ii 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 2023 Management's Discussion and Analysis.

iii Includes common and preferred share dividends and other equity distributions.

iv 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	2023	2022	2021
Taxes paid in Asia (C$ thousands) (continued)			
Vietnam	**$5,262**	$2,179	1,581
Rest of Asia	**$67,222**	$51,605	$64,487
Taxes paid in other jurisdictions	**$1,960**	$8,353	-
Other taxes (C$ thousands)[v]	**$1,083,200**	$1,120,336	$1,144,043
Total taxes (C$ billions)	**$1.7**	$2.6	$1.9
Public Policy			
Amount spent on political donations (US$)	**0**	0	0

v Other taxes include property taxes, business taxes, payroll taxes, premium taxes, investment income taxes, and commodity taxes.

Customers

Indicators	2023	2022	2021
Total Manulife customers (millions)	**35**	34	33
Customer Experience			
Global customer Net Promoter Score (NPS)	**23**	20	21
Debt financing authorized (C$ billions)	**$4.4**	$5	$8
Complaint Resolution			
Cases investigated by Manulife's Ombuds office (#)[i]	**244**	189	289
Cases investigated by an independent complaint resolution body or regulator (#)[ii]	**67**	55	78
Cases investigated that resulted in a recommendation different from Manulife's position (#)	**4**	0	0
Data Security and Privacy			
Data privacy breaches by year[iii]	**0**	0	-
Customers and employees affected by data breaches	**0**	0	-
Number of substantiated privacy complaints from a regulatory body	**0**	0	0
Number of complaints received from outside parties and substantiated by Manulife[iv]	**0**	0	-
Percentage of eligible employees who completed privacy and information security training	**100%**	100%	99%
Information and Cybersecurity			
Information security breaches or other cyber security incidents[v]	**0**	0	-
Number of phishing simulation tests conducted globally with Manulife employees and contractors[v]	**368,410**	357,543	336,129

i Canadian Segment insurance product and services and Manulife Investment Management Guaranteed products.

ii Represents cases investigated by OmbudService for Life and Health Insurance, Ombudsman for Banking Services and Investments, or Autorité des marchés financiers.

iii Manulife did not experience any material data privacy incidents that required reporting to global data protection authorities in 2023.

iv Manulife did not receive any material privacy complaints and did not experience any material privacy incidents.

v Manulife did not experience any data incidents that required reporting to global data protection authorities.

Manulife Sustainable Investing

Indicators	2023	2022	2021
Total sustainable investments (C$ billions)[i]	**$72.1**	$70.9	$67.4
Percentage of Manulife General Account portfolio in sustainable investments	**11.6%**	11.7%	11%
Total green investments (C$ billions)[ii]	**$69.5**	$68.6	$64.5
Green buildings[iii]	**$26.6**	$27.7	$26.2
Sustainably managed timberland[iv]	**$16.5**	$15.6	$15.8
Renewable energy[v]	**$13.1**	$13.0	$10.7
Sustainably managed agriculture[vi]	**$5.2**	$4.5	$4.1
Energy efficiency[vii]	**$2.9**	$2.9	$3.4
Green transportation[viii]	**$3.3**	$3.3	$3.0
Sustainable water management[ix]	**$0.7**	$0.7	$0.7
Green bond investments[x]	**$1.2**	$0.9	$0.6
Total social investments (C$ billions)	**$2.6**	$2.3	$2.9
Access to affordable healthcare[xi]	**$2.2**	$1.9	$2.4
Access to affordable education[xii]	**$0.2**	$0.2	$0.30
Access to affordable housing[xiii]	**$0.2**	$0.2	$0.20
Total outstanding green bond issuance (C$ billions)	**$1.5**	$2.0	$2.0
AUM in dedicated client products (C$ billions)[xiv]	**$33.9**	$30.1	$21.9
AUM in dedicated ESG products[xv]	**$22.9**	$21.1	$20.1
AUM in dedicated screening products[xvi]	**$11.0**	$9.0	$1.8
AUM with ESG integration (C$ billions)[xvii]	**$647.2**	$615.0	$429.8
Manulife Investment Management private markets	**$92.0**	$86.0	$74.7
Manulife Investment Management public markets[xviii]	**$555.2**	$529.0	$355.1

i 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 FY21 excludes Manulife Investment Management managed third-party investments.

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

iii 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 equivilant. Residential mortgages are not relevant to Manulife at this time and are excluded.

iv 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.

v 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.

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

vii Private debt and equity financing of energy efficiency upgrades at US government sites.

viii Private debt and equity financing of electrified transport and mass public transit.

ix Private debt and equity financing of water recycling and purification businesses.

x Public and private green bond investments in renewable energy, energy efficiency, clean transport, and sustainably managed forests.

xi 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) 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.

xii 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 area median income (AMI). Investments correspond to GA private investments in non-profit school boards (K12 Education) in Canada and the U.S.

xiii Housing at or below 80 percent of average market rent or that meet national / regional affordable housing definitions. Investments correspond to General Account 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).

xiv Data as at 31 December 2023. Data includes public and private market products.

xv Dedicated ESG products includes (1) sustainable strategies and (2) thematic strategies.

xvi Dedicated screening products includes 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.

xvii 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.

xviii 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.

Environment

Indicators	2023	2022	2021
Energy Use			
Total energy use (ekWh)[i]	**2,097,000,212**	2,753,205,715	1,381,304,361
Manulife Investment Management real estate[ii]	**585,227,550**	662,111,625	654,281,457
Green power (%)	**5%**	5%	7%
Manulife Investment Management timberland and agriculture[iii]	**1,511,772,662**	2,091,094,090	727,022,904
Energy Intensity			
Manulife Investment Management real estate (ekWh/sq. ft)	**10**	11	14
Manulife Investment Management timberland and agriculture (ekWh/net acre)	**265**	362	156
Greenhouse Gas Emissions[iv]			
Total scope 1 emissions (tCO_2e)	**140,202**	121,418	162,749
Manulife Investment Management real estate	**34,786**	39,149	35,642
Manulife Investment Management timberland and agriculture	**105,416**	82,269	127,107
Timberland	**64,828**	49,138	80,035
Agriculture	**40,588**	33,131	47,072
Total scope 2 emissions (tCO_2e), location-based	**108,380**	118,710	124,076
Manulife Investment Management real estate	**87,677**	99,775	106,154
Manulife Investment Management timberland and agriculture	**20,703**	18,935	17,922
Timberland	**-**	-	-
Agriculture	**20,703**	18,935	17,922
Total scope 2 emissions (tCO_2e), market-based	**102,442**	109,250	109,442
Manulife Investment Management real estate	**81,739**	90,315	91,520
Manulife Investment Management timberland and agriculture	**20,703**	18,935	17,922
Timberland	**-**	-	-
Agriculture	**20,703**	18,935	17,922
Scope 3 emissions (tCO_2e)[v]			
Manulife Investment Management timberland and agriculture	**520,681**	675,537	391,014
Tenant leased properties[vi]	**107,432**	193,092	195,684
Contractor fuel use[vii]	**413,249**	482,445	195,330
Corporate Real Estate leased properties	**27,939**	30,994	-
Fuel and energy related activities (fuel and T&D losses)[viii]	**9,615**	-	-
Purchased goods and services – other[ix]	**157,191**	163,911	6,570
Purchased goods and services – paper[x]	**12,030**	14,882	20,618
Purchased goods and services – third-party data centers electricity use[xi]	**119**	100	921

i Manulife total energy use covers Manulife Investment Management real estate and Manulife Investment Management timberland and agriculture operations.

ii 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 centers.

iii Includes Manulife Investment Management timberland and agriculture and third-party use of natural gas, propane, aviation, gasoline, diesel, bunker and ethnol fuel. Increase in the total energy use is mainly driven by inclusion of data from additional activities, fuel types.

iv 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.

v Manulife continues to evolve our Scope 3 emissions accounting methodologies and improve data coverage to include all relevant categories. Manulife Scope 3 emissions covers the most relevanet categories. We exclude Scope 3: Category 4, 9, 10, 11, 12 and 14 as they are not applicable to our sector.

vi 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.

vii Emissions are attributed to fuel used by contractors' equipment on Manulife Investment Management timberland and agriculture properties. FY22 figure also includes emissions from contractors' shipping and hauling activities.

viii Covers upstream emissions of purchased fuel and electricity transmission and distribution losses.

ix YoY comparison for Scope 3 emissions for Purchased Goods and Services category may not possible due to in calculation methodology. Restated 2022 Purchased goods and services related emissions due to a change in calculation methodology.

x Restated paper use emission due to an update to emission factor.

xi Global average Power Usage Effectiveness (PUE) is factored in while calculating the total energy use by third-party data centers.

Environment (Continued)

Indicators	2023	2022	2021
Greenhouse Gas Emissions (Continued)			
Scope 3 emissions (tCO_2e)[v] *(continued)*			
Capital goods - IT infrastructure[x]	**6,837**	8,517	-
Waste[xi]	**5,172**	1,982	1,416
Employee commuting[xii]	**2,810**	-	-
Business travel[xiii]	**9,155**	6,464	1,974
Emissions intensity (Scope 1 & 2)			
Manulife Investment Management real estate ($kgCO_2e$/sq. ft)	**2.1**	2.3	3.1
Manulife Investment Management timberland and agriculture			
Timberland (tCO_2e/net acre)	**0.012**	0.091	0.019
Agriculture (tCO_2e/net acre)	**0.20**	0.15	0.17
Removals from owned forests and farms ($MtCO_2e$)[xiv]	**-1.25**	-1.25	-1.51
Portfolio Carbon Footprint			
Total portfolio coverage (% of total AUM)[xv]	-	35%	34%
Listed equity and debt	-	95%	90%
Estimated listed equity and debt portfolio emissions ($MtCO_2e$)[xvi]	-	21.9	29.0
By sector ($MtCO_2e$)[xvii]			
Power generation and utilities[xviii]	-	9.7	16.4
Energy, including oil and gas[xix]	-	2.9	3.1
Materials	-	2.2	2.4
Industrials	-	1.1	1.2
Consumer goods[xx]	-	1.4	1.7
Healthcare	-	0.1	0.1
Financials	-	3.8	3.7
IT	-	0.3	0.3
Communication services and other undefined sectors	-	0.4	0.2
Real estate	-	0.1	0.1
By issuer country			
Canada	-	2.3	3.5
United States	-	9.5	15.8
All others	-	9.0	9.5

x Restated 2022 Capital goods related emissions due to a change in calculation methodology.

xi 2022 figure is calculated using U.S. Environmental Protection Agency, Office of Resource Conservation and Recovery (December 2023) Documentation for Greenhouse Gas Emission and Energy Factors used in the Waste Reduction Model (WARM) and includes emission from recycled content. Excludes waste and recycling managed directly by tenants and waste from Timberland and Agriculture operations.

xii Emissions currently calculated for employees in Canada and US.

xiii Includes car and air travel.

xiv Using a 5-years average (2018-2022) for carbon removals. 2023 carbon removals will be included in the 5-year average following completion of the verification process. Annual CO_2 removals include net increase in carbon stock within standing forest inventory (biogenic growth), plus carbon stored 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. As demand for harvested wood products has strengthened relative to supply in the recent past over the past half-decade in response to housing shortages and pandemic-related needs, harvesting has increased to take advantage of stronger wood markets.

xv Prior year portfolio coverage re-adjusted to reflect new portfolio coverage definition.

xvi For the purpose of reporting, Manulife utilized S&P 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 market forces, changes in the organizational portfolio, in addition to improvements in availability, controls, and quality of data.

xvii Based on S&P GICs industry classifications. Data is subject to fluctuations in the future due to changes in market forces, data availability, sectoral grouping, as well as issuers' decarbonization efforts.

xviii Includes utility companies such as electric, gas, water utilities, independent power producers & energy traders and companies that engage in generation and distribution of electricity using renewable sources. The decrease in financed emissions from the Power generation & utilities sector is due to a combination of factors including sectoral decarbonization trends, market forces, improvements in data mapping, and increased data disclosure in the sector.

xix 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.

xx Includes companies mainly involved in consumer staples and discretionary goods.

Environment (Continued)

Indicators	2023	2022	2021
Portfolio Carbon Footprint (Continued)			
Estimated weighted average carbon intensity (WACI) (tCO_2e/mCAD)[xxi]	-	479	730
Listed equity	-	211	255
Fixed income	-	518	788
Carbon-related assets			
Carbon related assets (C$ million)	**$67,986**	$71,423	-
Carbon-related assets as % of the total portfolio (AUMA)	**16%**	17%	-
Total General Account portfolio as of Q4'23 SIP (C$ millions)	**$417,210**	$414,001	-
Waste[xxii]			
Waste recycled (tonnes)	**7,968**	5,449	4,036
Diversion rate (%)	**48%**	48%	47%
Paper Use			
Paper consumption (tonnes)	**1,005**	1,485	2,224
Use of paper with recycled fibre content (%)	**4%**	4%	7%
Water Use[xxiii]			
Real estate water consumption (million m^3)	**2.3**	2.7	2.4
Real estate water use intensity (m^3/sq. ft)	**0.04**	0.05	0.05
Length of watercourses depending on our timber and agriculture practices for maintaining water quality (miles)	**17,899**	19,199	20,000
Biodiversity			
Acres of forest and farmland managed by Manulife Investment Management timberland and agriculture since 1985 (millions)	**5.8**	5.8	6.3
Acres of land protected by Manulife Investment Management timberland and agriculture Sensitive Lands Program since 1985 (millions)	**0.49**	0.48	0.48
Percentage of forest with a conservation designation (%)	**23%**	21%	25%
Percentage of farms that have regenerative practices (%)	**100%**	98%	61%
Percentage of area of total farms that have regenerative practices (%)	**100%**	97%	46%
Trees planted by Manulife Investment Management timberland and agriculture since 1985 (billions)	**1.35**	1.30	1.25
Percent of farmland third-party certified as sustainably managed	**94%**	91%	-
Percent of farms with biodiversity assessment	**100%**	100%	-
Number of agriculture stream miles protected by BMP (Best management practices)	**856**	754	-
Percent of forest third-party certified as sustainably managed	**100%**	100%	-
Percent of forests with biodiversity assessment	**100%**	100%	-
Number of timberland stream miles protected by BMP (best management practices)	**17,044**	18,444	-
Green Buildings			
Real estate certified under a sustainable building certification program (million sq. ft)	**56**	67	55
Real estate certified under a sustainable building certification program (%)[xxiv]	**90%**	82%	82%

xxi Indicates the carbon intensity of money invested, providing a measure of responsibility for its emissions and contribution to climate change. Due to market forces, year-on-year performance comparison may be challenging. The decrease in WACI is driven by factors including fluctuation in Issuers' enterprise value including cash (EVIC) and revenues, improvements in data mapping and data availability.

xxii Based on waste diversion reports and waste audits, covering 71% of corporate and Manulife Investment Management real estate properties. Excludes waste and recycling managed directly by tenants and waste from Manulife Investment Management timberland and agriculture operations.

xxiii Based on utility bills for real estate properties where Manulife has full operational control. Excludes Manulife Investment Management timberland and agriculture properties.

xxiv Calculated based on square footage of the gross floor area of properties in the global equity portfolio where Manulife Investment Management is the asset manager. This excludes vacant lands, new developments, club investments or other non-equity assets. Totals from different certification standards do not sum as properties with multiple certifications are only counted once.

Abbreviations and Acronyms

Employees

Indicators	2023	2022	2021
Global Manulife Employees (#)[i]	**39,723**	40,018	38,137
Employees by Employment Type			
Regular	**38,049**	38,167	36,404
Temporary	**163**	241	220
Contractor	**1,511**	1,610	1,513
Age of Employees (%)[ii]			
<30	**21%**	23%	23%
30-50	**63%**	61%	62%
>50	**16%**	16%	16%
Employee Costs			
Total employee costs (C$ millions)[iii]	**$4,901**	$4,235	$4,675
Retention, Tenure, and Advancement			
Turnover			
Voluntary turnover rate (%)[iv]	**11%**	15%	12%
Involuntary turnover rate (%)	**4%**	2%	5%
Total turnover rate (voluntary and involuntary) (%)	**14%**	17%	17%
Men	**7%**	8%	20%
Women	**8%**	9%	15%
<30	**19%**	22%	22%
30-50	**13%**	16%	16%
>50	**14%**	15%	15%
Tenure			
Average employee tenure (years)[v]	**7**	7	7
Advancement			
Open positions filled by internal candidates (%)	**38%**	32%	39%
Open positions filled by internal candidates (#)	**3,031**	3,811	2,533
Men	**40%**	39%	41%
Women	**60%**	60%	59%
<30	**33%**	26%	37%
30-50	**60%**	66%	57%
>50	**6%**	8%	6%
Employee Engagement			
Employee engagement score (on a five-point scale)	**4.4**	4.4	4.3
Employees participating in engagement survey	**96%**	95%	95%
Employee Engagement by Gender (on a five-point scale)			
Men	**4.4**	4.4	-
Women	**4.4**	4.4	-
Another gender	**4.1**	4.3	-
I do not wish to disclose	**4.3**	4.1	-
Not provided	**4.3**	4.4	-

i Includes regular active and on paid leave employees, and contingent workers that are temporary and contractor employees.
ii Includes active regular employees and employees on paid leave.
iii At GAAP rates. Includes global permanent staff. Figures include salaries, overtime, bonuses, employee benefits, options and share units.
iv Includes active regular employees and employees on paid leave. Excludes exits due to retirement and involuntary departures.
v Includes active regular employees and employees on paid leave.

Employees (Continued)

Indicators	2023	2022	2021
Employee Engagement by Age Group (on a five-point scale)			
<30	**4.4**	4.5	-
30-40	**4.4**	4.4	-
40-50	**4.4**	4.4	-
>50	**4.3**	4.3	-
Employee Engagement: Job Satisfaction & Company Purpose (on a five-point scale)			
How satisfied are you with your company as a place to work? (Job Satisfaction)	**4.3**	-	-
The mission or purpose of my company makes me feel my job is important. (Purpose)	**4.3**	-	-
I plan to be working at my company one year from now. (Happiness)	**4.5**	-	-
I am able to maintain a healthy balance between work and personal commitments. (Stress)	**4.3**	-	-
Employee Training			
Investment in training ($/employee)	**$1,111**	$1,059	$847
Investment in training (total spend)	**$42,093,698**	$40,204,661	$31,759,058
Time spent in training (# hours/employee)	**27**	25.7	19.8
Employee Average Training Hours by Age Group			
<30	**34.5**	44.7	-
30-50	**20.6**	21.7	-
>50	**12.9**	13.4	-
Training and Development			
Average learning hours per employee (# of hours)	**27**	-	-
Cumulative net promoter score (NPS) for all learning programs	**69**	-	-
Activation rate for LinkedIn Learning™ (%)	**93%**	-	-
Pursuit LXP activation rate (%)	**82%**	-	-
Pursuit LXP engagement rate (%)	**70%**	-	-
Percentage of eligible employees who completed Code of Conduct and Business Ethics training	**100%**	100%	-
Workforce diversity[vi]			
Global gender breakdown			
Man (%)	**44%**	44%	44%
Woman (%)	**56%**	56%	56%
Other (%)	**0.1%**	0.1%	0.1%
I do not wish to disclose (%)	**0.3%**	0.3%	0.2%
Asia[vii]			
Man (%)	**43%**	42%	42%
Woman (%)	**57%**	58%	58%
Other (%)	**0.05%**	0.04%	0.05%
I do not wish to disclose (%)	**0.15%**	0.10%	0.06%
Women insurance agents (%)	**63%**	61%	71%
Women insurance agent top performers (%)	**65%**	69%	68%

vi Data as at 31 December 2023. Includes active regular employees and employees on paid leave.
vii Includes Cambodia, mainland China, Hong Kong, India, Indonesia, Japan, Macau, Malaysia, Myanmar, Philippines, Singapore, Taiwan, and Vietnam.

Employees (Continued)

Indicators	2023	2022	2021
Workforce Diversity (Continued)			
Canada			
Man (%)	**41%**	41%	42%
Woman (%)	**59%**	59%	58%
Other (%)	**0.2%**	0.2%	0.1%
I do not wish to disclose (%)	**0.4%**	0.3%	0.2%
United States			
Man (%)	**54%**	53%	55%
Woman (%)	**46%**	46%	45%
Other (%)	**0.2%**	0.1%	0%
I do not wish to disclose (%)	**0.6%**	0.6%	0.4%
Other regions[viii]			
Man (%)	**59%**	60%	61%
Woman (%)	**38%**	35%	34%
Other (%)	**0%**	1%	0%
I do not wish to disclose (%)	**3%**	4%	4%
Diverse sexual orientations (% of total employees)[ix]			
Canada	**2%**	2%	1%
United States	**2%**	2%	2%
Asia	**3%**	3%	2%
Disability (% of total employees)			
Canada	**1%**	1%	1%
United States	**4%**	4%	1%
Asia	**1%**	1%	3%
Racially and ethnically diverse (North America) (%)[x]	**26%**	23%	19%
Canada	**24%**	24%	19%
Black	**4%**	3%	2%
Indigenous Peoples	**1%**	1%	0.6%
Asian	**17%**	14%	9%
Hispanic or Latino	**1%**	1%	-
Others	**5%**	5%	-
United States	**23%**	22%	21%
Black or African American	**5%**	5%	5%
American Indian or Alaska Native	**0.3%**	0%	0.2%
Hispanic or Latino	**5%**	5%	4%
Asian	**11%**	10%	11%
Native Hawaiian	**0.1%**	0.1%	-
Others	**1%**	1%	-

viii Includes Australia, Caribbean, Europe, New Zealand, and South America.
ix Includes lesbian, gay, bisexual or another diverse sexual orientation.
x Includes United States and Canada only.

Employees (Continued)

Indicators	2023	2022	2021
Workforce Representation in Asia (%)[xi]			
Hong Kong			
Chinese	**47%**	38%	-
Indian	**2%**	2%	-
Filipino	**0%**	0.2%	-
Indo-China	**0%**	0.1%	-
Malay/Indo	**0%**	-	-
North Asian	**1%**	0.3%	-
Other Asians	**2%**	1%	-
White	**2%**	2%	-
Malaysia			
Chinese	**66%**	68%	-
Indian	**8%**	8%	-
Filipino	**-**	-	-
Indo-China	**-**	-	-
Malay/Indo	**23%**	21%	-
North Asian	**-**	-	-
Other Asians	**2%**	2%	-
White	**-**	-	-
Myanmar			
Chinese	**7%**	7%	-
Indian	**1%**	1%	-
Filipino	**-**	-	-
Indo-China	**64%**	77%	-
Malay/Indo	**-**	-	-
North Asian	**-**	-	-
Other Asians	**4%**	2%	-
White	**-**	1%	-
Singapore			
Chinese	**78%**	78%	-
Indian	**9%**	9%	-
Filipino	**2%**	2%	-
Indo-China	**1%**	1%	-
Malay/Indo	**1%**	1%	-
North Asian	**0%**	-	-
Other Asians	**2%**	2%	-
White	**2%**	3%	-

xi Includes markets where data availability is 40% or more self-identified. Indo-China includes major races of Vietnam, Cambodia and Myanmar descent. North Asia includes Japnese and Korean descent. Excludes China data. Due to recent regulations in China, sensitive employee data like ethnicity is not being stored outside China; therefore, this data is not available in Workday.

Employees (Continued)

Indicators	2023	2022	2021
Workforce Representation in Asia (%) (Continued)			
Vietnam			
Chinese	**1%**	1%	-
Indian	**0%**	0.2%	-
Filipino	**0%**	0.1%	-
Indo-China	**74%**	68%	-
Malay/Indo	**-**	-	-
North Asian	**-**	0.1%	-
Other Asians	**3%**	3%	-
White	**3%**	3%	-
Philippines			
Chinese	**1%**	1%	-
Indian	**0%**	0.03%	-
Filipino	**61%**	52%	-
Indo-China	**0%**	0.01%	-
Malay/Indo	**0%**	0.02%	-
North Asian	**0%**	0.05%	-
Other Asians	**4%**	3%	-
White	**0%**	0.01%	-
Cambodia			
Chinese	**1%**	-	-
Indian	**0%**	-	-
Filipino	**1%**	-	-
Indo-China	**62%**	-	-
Malay/Indo	**0%**	-	-
North Asian	**-**	-	-
Other Asians	**1%**	-	-
White	**1%**	-	-
Japan			
Chinese	**1%**	-	-
Indian	**3%**	-	-
Filipino	**0%**	-	-
Indo-China	**0%**	-	-
Malay/Indo	**0%**	-	-
North Asian	**35%**	-	-
Other Asians	**1%**	-	-
White	**1%**	-	-

Employees (Continued)

Indicators	2023	2022	2021
Macau			
Chinese	**74%**	-	-
Indian	**-**	-	-
Filipino	**-**	-	-
Indo-China	**-**	-	-
Malay/Indo	**-**	-	-
North Asian	**-**	-	-
Other Asians	**-**	-	-
White	**-**	-	-
Taiwan			
Chinese	**10%**	-	-
Indian	**-**	-	-
Filipino	**-**	-	-
Indo-China	**-**	-	-
Malay/Indo	**-**	-	-
North Asian	**38%**	-	-
Other Asians	**-**	-	-
White	**-**	-	-
Diversity in leadership			
% of racially and ethnically diverse leaders[xii]	**23%**	19%	-
Vice President and above (%)			
Man (%)	**66%**	67%	68%
Woman (%)	**34%**	32%	31%
Other (%)	**0%**	0%	0%
I do not wish to disclose (%)	**1%**	1%	1%
Racially and ethnically diverse employees (North America) (%)	**16%**	14%	11%
Canada	**22%**	19%	12%
Black	**1%**	1%	1%
Indigenous Peoples	**0%**	0%	0%
Non-white Latin American	**1%**	0%	0%
Asian[xiii]	**16%**	13%	7%
United States	**10%**	9%	9%
Black or African American	**2%**	1%	1%
American Indian or Alaska Native	**0%**	0%	0%
Hispanic or Latino	**2%**	2%	2%
Asian	**6%**	6%	6%

xii Director and Above in North America.
xiii Includes East Asian; Non-White West Asian, North African or Middle Eastern; South Asian and Southeast Asian.

Employees (Continued)

Indicators	2023	2022	2021
Workforce Diversity (Continued)			
Assistant Vice President (%)			
Man (%)	**61%**	62%	62%
Woman (%)	**39%**	37%	38%
Other (%)	**0.1%**	0.1%	0%
I do not wish to disclose (%)	**1%**	1%	1%
Racially and ethnically diverse employees (North America) (%)	**21%**	19%	16%
Canada	**26%**	23%	18%
Black	**1%**	1%	1%
Indigenous Peoples	**1%**	1%	1%
Non-white Latin American	**0.9%**	0.5%	0%
Asian[xiv]	**18%**	15%	10%
Other	**5%**	5%	-
United States	**16%**	15%	14%
Black or African American	**2%**	1%	1%
American Indian or Alaska Native	**0.2%**	0.2%	0%
Hispanic or Latino	**3%**	3%	2%
Asian	**10%**	10%	10%
Other	**1.0%**	0.4%	-
Manager and Director			
Man (%)	**55%**	56%	57%
Woman (%)	**44%**	44%	43%
Other (%)	**0.04%**	0.04%	0.1%
I do not wish to disclose (%)	**0.4%**	0.3%	0.3%
Racially and ethnically diverse employees (North America) (%)	**24%**	22%	19%
Canada	**27%**	23%	18%
Black	**2%**	2%	1.4%
Indigenous Peoples	**0.3%**	0.3%	0.5%
Non-white Latin American	**1%**	1%	0.4%
Asian[xiv]	**19%**	16%	10.9%
Other	**4%**	4%	-
United States	**20%**	20%	20%
Black or African American	**4%**	4%	3%
American Indian or Alaska Native	**0.3%**	0.3%	0%
Hispanic or Latino	**3%**	3%	3%
Asian	**12%**	12%	13%
Other	**1%**	-	-
Diversity in Hiring			
Total new hires[xv]	**5,416**	8,479	-
Man (%)	**45%**	43%	-
Woman (%)	**53%**	55%	-
Other (%)	**0.1%**	0.3%	-

xiv Includes East Asian; Non-White West Asian, North African or Middle Eastern; South Asian and Southeast Asian
xv Includes regular hires.

Employees (Continued)

Indicators	2023	2022	2021
Diversity in Hiring (Continued)			
I do not wish to disclose (%)	**1.9%**	1.4%	-
New hires by age			
<30	**46%**	50%	-
30-40	**34%**	32%	-
40-50	**15%**	13%	-
>50	**5%**	4%	-
Racially and ethnically diverse new graduate hiring rate	**50%**	53%	50%
Canada	**59%**	65%	59%
United States	**36%**	34%	40%
Women representation in various positions & roles			
Percentage of women in STEM-related positions	**35%**	35%	-
Percentage of women in junior management positions	**47%**	47%	-
Percentage of women in revenue-generating positions	**50%**	50%	-
Pay received by women as a percentage of men	**99%**	99%	99%
Vice President and Senior Officer	**93%**	96%	95%
Assistant Vice President	**99%**	99%	99%
Management and Professional	**99%**	99%	99%
Individual contributors	**100%**	100%	100%
Pay received by racially and ethnically diverse employees[xvi]	**101%**	100%	-
Vice President and Senior Officer	**100%**	98%	-
Assistant Vice President	**101%**	101%	-
Management and Professional	**101%**	101%	-
Individual contributors	**100%**	100%	-
Total compensation received by women as a percentage of men	**99%**	-	-
Vice President and Senior Officer	**96%**	-	-
Assistant Vice President	**98%**	-	-
Management and Professional	**99%**	-	-
Individual contributors	**100%**	-	-
Total compensation received by racially and ethnically diverse employees	**101%**	-	-
Vice President and Senior Officer	**110%**	-	-
Assistant Vice President	**101%**	-	-
Management and Professional	**101%**	-	-
Individual contributors	**100%**	-	-
Global absentee rate (%)[xvii]	**1.2%**	1.1%	1%
Critical injuries (#)[xviii]	**0**	0	0
Freedom of association			
Percentage of employees represented by an independent trade union or covered by collective bargaining agreements	**2%**	2%	2%

xvi Data covers North America only.
xvii 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.
xviii A critical injury refers to a serious injury that places life in jeopardy, and involves an employee that is unconscious, 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

Indicators	2023	2022	2021
Type of Contribution (millions)[i]			
Cash contributions[ii]	**$24.1**	$22.1	$21.7
Management costs[iii]	**$3.0**	$2.5	$1.9
Monetary value during work hours volunteering[iv]	**$0.7**	$0.5	-
In-kind donations	**$0.03**	$0	-
Total Community Investment (C$ millions)[v]	**$27.9**	$25.1	-
Employee donations[vi]	**$3.9**	$4.8	$3.7
Volunteering			
Volunteer hours (#)[vii]	**30,509**	22,099	17,704
Employee volunteer hours	**30,509**	22,099	17,704
Volunteerism during work hours	**20,818**	14,117	8,510
Volunteerism outside of work hours	**9,691**	7,982	9,194
Financial Inclusion			
Number of financial capability program learners	**446,699**	-	-
Total number of affordable policies sold in the reporting year[viii]	**668,000**	-	-
Supplier Diversity (North America)[ix]			
Total percentage of spend with diverse suppliers[x]	**4.5%**	2.2%	-
Behavioural Insurance[xi]			
Percentage of John Hancock Vitality members reported BMI reduction[xii]	**43%**	-	-
Percentage of John Hancock Vitality members with high blood pressure reported bringing their reading in range over the course of a year[xiii]	**44%**	-	-
Percentage of John Hancock Vitality members with high cholesterol reported bringing their reading in range over the course of a year[xiv]	**32%**	-	-
Percentage of John Hancock Vitality members with high glucose readings reported bringing their reading in range over the course of a year[xv]	**40%**	-	-

i All contributions are aligned with the Business for Societal Impact (B4SI) framework and guidance for inclusion.
ii Comprises all voluntary cash contributions made by Manulife to charitable organizations/projects.
iii Includes salaries, technology, and operating costs of Manulife's Community Investment program.
iv Average hourly rate (excluding executive pay) used to calcuate employee time spent volunteering during work hours.
v Includes cash, management costs, monetary value of during work hours volunteering, and in-kind donations.
vi Includes payroll giving and direct contributions by Manulife employees.
vii Increase in hours volunteered in 2023 is attributed to an increase in volunteer activity facilitated by the introduction of our Manulife Volunteer Days signature initiative and increased tracking capabilities following expansion of the Impact Hub to all employees.
viii Policies sold in emerging markets across Asia. Affordable policies have been assessed for accessible price points that are specific to each market.
ix Supplier diversity program covers North America only.
x 2022 supplier diversity percentage restated as a result of data quality analysis.
xi Coverage is specific to U.S. customers. Inclues Data includes 2022 and 2023 year-over-year data.
xii Based on members that had a BMI response on the Vitality health check (VHC) in both 2022 and 2023.
xiii VHC data refers to systolic blood pressure. Based on members that had a systolic blood pressure response on the VHC in both 2022 and 2023.
xiv VHC data. Based on members that had a cholesterol response on the VHC in both 2022 and 2023.
xv VHC data. Based on members that had a glucose response on the VHC in both 2022 and 2023.

Debt Financing for Business

Amount of debt financing authorized in 2023

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	97	2,119	4,163	5,952	17,452	87,100	424,647	541,530
Alberta	23	357	1,844	1,484	6,150	24,842	529,429	564,129
Saskatchewan	22	51	215	625	1,762	9,373	25,475	37,523
Manitoba	-	103	206	349	-	5,343	-	6,001
Ontario	122	3,132	9,088	10,964	27,013	80,268	1,107,021	1,237,608
Québec	176	2,679	5,503	6,889	10,486	54,429	270,148	350,310
New Brunswick	-	45	432	-	2,253	10,998	30,294	44,022
Nova Scotia	24	151	178	1,097	1,646	3,335	56,790	63,221
Prince Edward Island	-	-	-	-	-	1,113	25,000	26,113
Newfoundland and Labrador	-	-	134	500	-	-	14,720	15,354
Yukon	-	-	-	-	-	-	-	-
Nunavut	-	-	-	-	-	-	-	-
Northwest Territories	-	-	-	-	-	-	23,000	23,000
Total Canada	464	8,637	21,763	27,860	66,762	276,801	2,506,524	2,908,811
Total U.S.	-	-	-	-	-	**10,878**	**1,410,895**	**1,421,773**
Total Europe	-	-	-	-	-	-	92,757	92,757
Total Asia	-	-	-	-	-	-	-	-
Total	**464**	**8,637**	**21,763**	**27,860**	**66,762**	**287,679**	**4,010,176**	**4,423,341**

Geographic Breakdown of Employees, by Employment Type

Includes active regular/temporary employees, contractors, and employees on paid leave. As at December 31, 2023.

Country/Territory	2023			
	Total	Regular	Temporary	Contractor
Australia	**87**	85	0	2
Barbados	**17**	17	0	0
Belgium	**25**	25	0	0
Bermuda	**21**	21	0	0
Brazil	**16**	16	0	0
Cambodia	**599**	577	6	16
Canada	**12,173**	11,587	0	586
Chile	**21**	20	0	1
China mainland	**3,219**	2,806	6	407
Germany	**2**	2	0	0
Hong Kong	**2,472**	2,339	62	71
Italy	**1**	1	0	0
Indonesia	**1,234**	1,150	15	69
Ireland	**11**	11	0	0
Japan	**1,556**	1,440	41	75
Macau	**39**	38	1	0
Malaysia	**502**	491	9	2
Myanmar	**127**	107	11	9
New Zealand	**97**	92	0	5
Philippines	**10,065**	9,975	0	90
Singapore	**857**	801	7	49
Switzerland	**5**	5	0	0
Taiwan	**63**	58	5	0
United Kingdom	**81**	79	0	2
United States of America	**5,128**	5,030	0	98
Vietnam	**1,305**	1,276	0	29
Total	**39,723**	38,049	163	1,511

Abbreviations and Acronyms

A4S	Accounting4Sustainability
AA	Advanced Analytics
AI	Artificial Intelligence
AIFs	Alternative Investment Funds
AML	Anti-Money Laundering
ATF	Anti-Terrorist Financing
ATM	Automated Teller Machines
B4SI	Business for Societal Impact
BEPS	Base Erosion and Profit Shifting initiative
BRC	Board's Risk Committee
CCWG	General Account Climate Change Working Group
CEO	Chief Executive Officer
CGNC	Corporate Governance and Nominating Committee
CIFAR	Canadian Institute for Advanced Research
CoE	Centre of Expertise
CSO	Chief Sustainability Officer
DC	Defined Contribution
DEI	Diversity, Equity, and Inclusion
ELT	Executive Leadership Team
ERC	Executive Risk Committee
ERGs	Employee Resource Groups
ERM	Enterprise Risk Management
ESC	Executive Sustainability Council
ESCM	Ecosystem Services Market Consortium
ESG	Environmental, Social, and Governance
ETFs	Exchange-traded Funds
FLAG	Forest, Land, and Agriculture
FSC®	Forest Stewardship Council®
GA	Manulife General Account
GHG	Greenhouse Gas
GICS	The Global Industry Classification Standard
GPs	General Partners
GRESB	Global Real Estate Sustainability Benchmark
GRI	Global Reporting Initiative
HCD	Human-Centred Design
HVAC	Heating, Ventilation, and Air Conditioning
ICMA	International Capital Markets Association
I-CRT	Intelligence-led Cyber Resilience Testing
IFRS	International Financial Reporting Standards
IIAG	ISSB Investor Advisory Group
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
IRS	Internal Responsibility System
ISSB	International Sustainability Standards Board
JHPAC	John Hancock Political Action Committee
JHSC	Joint Health and Safety Committee
KPI	Key Performance Indicator
LDI	Liability-driven Investing
LiDAR	Light detection and Ranging
LMS	Learning Management System
LTE	Learning Technology Ecosystem
LXP	Learning Experience Platform
MBPS	Manulife Business Processing Services
MITRE	Mitre Corporation
MLK	Dr. Martin Luther King Jr.
NCS	Natural Climate Solutions
NIST	National Institute of Standard and Technology
NGOs	Non-Governmental Organizations
NPS	Net Promoter Score
OECD	The Organization for Economic Co-operation and Development
OSFI	Office of the Superintendent of Financial Institutions
PACs	Political Action Committees
PCAF	Partnership for Carbon Accounting Financials
RCP	Representative Concentration Pathway
RMS	Risk Management Solution
PRI	Principles for Responsible Investing
PWDs	Persons With Disabilities
RFPs	Requests for Proposals
rNPS	Relationship Net Promoter Score
ROI	Return on Investment
RTO	Return to Office
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDGs	United Nations Sustainable Development Goals
SFAC	Sustainable Finance Action Council
SFI®	Sustainable Forestry Initiative®
SIC	Sustainable Investing Committees
TCFD	Taskforce on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UITF	Unit Investment Trust Funds
UNEP	United Nations Environmental Program
UNGC	United Nations Global Compact
WBCSD	World Business Council for Sustainable Development
WCK	World Central Kitchen
WEF	World Economic Forum
WLU	Wilfrid Laurier University

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 sustainability 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 material 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 Sustainability 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.

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

Endnotes

1 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.
2 Manulife has had a presence in Asia, Canada and U.S. for more than 125 years, 135 years and 160 years, respectively.
3 IPE Real Assets Top 25 Natural Capital Managers 2024 - https://www.manulifeim.com/institutional/global/en/resources/documents/2024-ipe-real-assets-top-25-natural-capital-managers. Ranking is based on total natural capital assets under management (AUM), which include forestry/timberland and agriculture/farmland AUM. Firms were asked to provide AUM and the as of dates vary from as at 31 December 2022, to 31 December 2023.
4 IPE Real Assets Top 25 Natural Capital Managers 2024 - https://www.manulifeim.com/institutional/global/en/resources/documents/2024-ipe-real-assets-top-25-natural-capital-managers. Ranking is based on total natural capital assets under management (AUM), which include forestry/timberland and agriculture/farmland AUM. Firms were asked to provide AUM and the as of dates vary from as at 31 December 2022, to 31 December 2023.
5 Drawn from McKinsey Health Institute's "Adding Years to Life and Life to Years" report on aging – 2022.
6 Based on the "The Global Assessment Report on Biodiversity and Ecosystem Services" released by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IBPES) - 2019.
7 Garmany, A. et al., "Longevity Leap: Mind the Healthspan Gap", NPJ Regenerative Medicine, vol. 6(1), 2021, p. 57, https://www.nature.com/articles/s41536-021-00169-5.
8 This product is offered in limited jurisdictions and is not available to all investors globally.
9 Includes General Account and third-party client assets managed by Manulife Investment Managements private markets asset classes.
10 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.
11 We seek to incorporate material sustainability 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 sustainability factors into its investment process in a manner that best aligns with its investment approach. Exception to this are strategies where sustainability integrated investment approach is impractical or impossible, for example in relation to certain instrument types where sustainable comparable alternatives are unavailable, passive products, funds that invest in derivative instruments, products managed in accordance with specific client objectives, and delegation to third-party investment managers. Refer to Manulife Investment Management's Sustainable Investing and Sustainability Risk Statement for more details.
12 Certification as of year-end 2023, based on annual assessment of conformance to the Leading Harvest Farmland Management Standard. Most current data shown. Please see leadingharvest.org.
13 Program principles for Leading Harvest can be found in our Agriculture Sustainable Investing Report 2022, along with additional detail on how these principles are aligned with the UN Sustainable Development Goals (SDGs), the SFDR's principal adverse impact indicators, and more general sustainability themes in the broader market or in our own sustainability strategy.
14 For additional information regarding Manulife Investment Management's ESG investment capabilities for institutional investors only, please visit www.manulifeim.institutional/sustainability.
15 Calculated based on square footage of the gross floor area of properties in the global equity portfolio where Manulife Investment Management is the asset manager. This excludes vacant lands, new developments, club investments or other non-equity assets. Totals from different certification standards do not sum as properties with multiple certifications are only counted once.
16 Activities described in this section relate to Manulife Investment Management Public Markets investment management activities.
17 Through all collaboration efforts, Manulife Investment Management maintains its independence in investment decision-making including, but not limited to, decisions to invest, divest, or vote proxies as well as exercising sole discretion and independence in determining the scope of our participation in collaborative engagements.
18 ICMA serves as Secretariat to the Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) and the Sustainability-Linked Bond Principles (SLBP), providing support while advising on governance and other issues.
19 Utilizing a 2019 baseline year.
20 Certification as of year-end 2023. 100% of our forests were certified under either Sustainable Forestry Initiative® (SFI®) (in the United States and Canada) or Forest Stewardship Council® (FSC®) (in Australia, New Zealand, Brazil, and Chile). Some properties carry dual certification.
21 Calculated based on square footage of the gross floor area of properties in the global equity portfolio where Manulife Investment Management is the asset manager. This excludes vacant lands, new developments, club investments or other non-equity assets. Totals from different certification standards do not sum as properties with multiple certifications are only counted once.
22 At Manulife and Manulife Investment Management, we define our organizational boundary using the operational control approach for scope 1 and scope 2 emissions, per the Greenhouse Gas (GHG) Protocol. Under the operational control approach, a company accounts for 100% of the GHG emissions from operations over which it has operational control, regardless of financial ownership of the entity. It does not account for GHG emissions from operations in which the company owns an interest but has no operational control.
23 Relative to a 2019 baseline. Our 2019 baseline year reflects a typical year for our operations. The COVID-19 pandemic resulted in a remote work scenario across our operations, as such our 2020 emissions are not representative of a typical year.
24 As at 2022. The remaining 53% of scope 1 and 2 emissions are of assets operated by Manulife Investment Management,and owned by Manulife Investment Management clients.
25 International Energy Agency 2023 World Outlook.
26 Project finance is defined in accordance with Science Based Target initiatives (SBTi's) Financial Institution 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.
27 Relative to a 2019 baseline estimate. Near-term targets include interim targets for 2035 and 2027.
28 Manulife utilizes a third-party vendor to access temperature score data and to monitor our portfolio temperature score. There are limitations associated with data availability and quality due to the limited availability of company reported emissions and a time lag in emissions reporting, as well as uncertainties in sectoral decarbonization efforts in the future, which can contribute to fluctuations in our portfolio temperature score that are outside of our control.
29 Manulife Investment Management is a signatory to the UNPRI and pays a signatory fee calculated based on AUM as reported in the PRI's latest Annual Reporting and Assessment Framework, published in December 2023. 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. Visit the PRI website for details and assessment methodology.
30 IPE Real Assets Top 25 Natural Capital Managers 2024 - https://www.manulifeim.com/institutional/global/en/resources/documents/2024-ipe-real-assets-top-25-natural-capital-managers. Ranking is based on total natural capital assets under management (AUM), which include forestry/timberland and agriculture/farmland AUM. Firms were asked to provide AUM and the as of dates vary from as at 31 December 2022, to 31 December 2023.
31 Certification as of year-end 2023. 100% of our forests were certified under either Sustainable Forestry Initiative® (SFI®) (in the United States and Canada) or Forest Stewardship Council® (FSC®) (in Australia, New Zealand, Brazil, and Chile). Some properties carry dual certification.
32 Certification as of year-end 2023, based on annual assessment of conformance to the Leading Harvest Farmland Management Standard. Most current data shown. Please see leadingharvest.org.
33 While participating in a variety of collaborative engagements, we retain discretion and make unilateral and independent investment decisions.
34 For additional information regarding Manulife Investment Management's ESG investment capabilities for institutional investors only, please visit www.manulifeim.institutional/sustainability.
35 See Caution Regarding Forward-looking Statements.
36 Intensity-based target is for scope 1 and scope 2 emissions under operational control.
37 As defined by the Natural Capital Forum. For more information, please see: https://naturalcapitalforum.com/about/.
38 As pledge signatories, we have taken these commitments, which are verbatim from the pledge, as our own, and will adapt them as needed. For example, because the investments we manage are real assets rather than companies, we could adapt "engaging with companies" to "engaging with value-chain partners," referring to contractors or purchasers of our products.
39 Policies sold in emerging markets across Asia. Affordable policies have been assessed for accessible price points that are specific to each market.
40 As of March 5, 2024.
41 As of March 5, 2024.
42 Manulife did not experience any material data privacy incidents that required reporting to global data protection authorities in 2023.
43 Manulife did not experience any material data privacy incidents that required reporting to global data protection authorities in 2023.
44 Manulife did not experience any material data privacy incidents that required reporting to global data protection authorities in 2023.
45 Manulife did not experience any material data privacy incidents that required reporting to global data protection authorities in 2023.

Manulife

Ways to contact us:

manulife.com
johnhancock.com
manulifeIM.com

Manulife
Attention: Corporate Sustainability
200 Bloor Street East
Toronto, ON M4W 1E5
Canada

Manulife Financial Corporation May 2024

MP2952635E 05/24 AODA