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Manulife Financial Corporation | 2016 Public Accountability Statement



Helping People  
Achieve Their Dreams  
and Aspirations





Each year, our Public Accountability Statement presents the stories and statistics behind our efforts, as a responsible corporate citizen, to create shared value for our business and for society at large. It is a tribute to our many employees around the world who bring to life our commitment to helping people achieve their dreams and aspirations.

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# Message from the President and Chief Executive Officer



**Our corporate purpose is to help people achieve their dreams and aspirations, by putting customers’ needs first and providing the right advice and solutions.**



*Donald A. Guloien*  
*President and Chief Executive Officer*

Our corporate purpose articulates what we as an organization set out to do every day: to help people achieve their dreams and aspirations, by putting customers’ needs first and providing the right advice and solutions.

We believe our greatest contribution to society is the products and services we provide, which offer customers peace of mind, financial security and help when they need it most.

We also contribute through the way we work – consistently acting with integrity and keeping our promises – and through our efforts to create a workplace where employees can thrive.

We have invested in protecting our natural environment and in helping to fund programs that address both local community and broad social needs.

Finally, we deliver for our shareholders, many of whom are retirees, pension plans and others who depend upon our dividends and capital appreciation to fund their dreams and aspirations and those of their members and dependants.

I hope you enjoy our report and can see clearly how Manulife is delivering social, economic and environmental value. Our accomplishments are a source of pride for our employees and distribution partners, who work tirelessly on behalf of all our stakeholders, and I would like to thank them for their efforts.

Donald A. Guloien  
President and Chief Executive Officer



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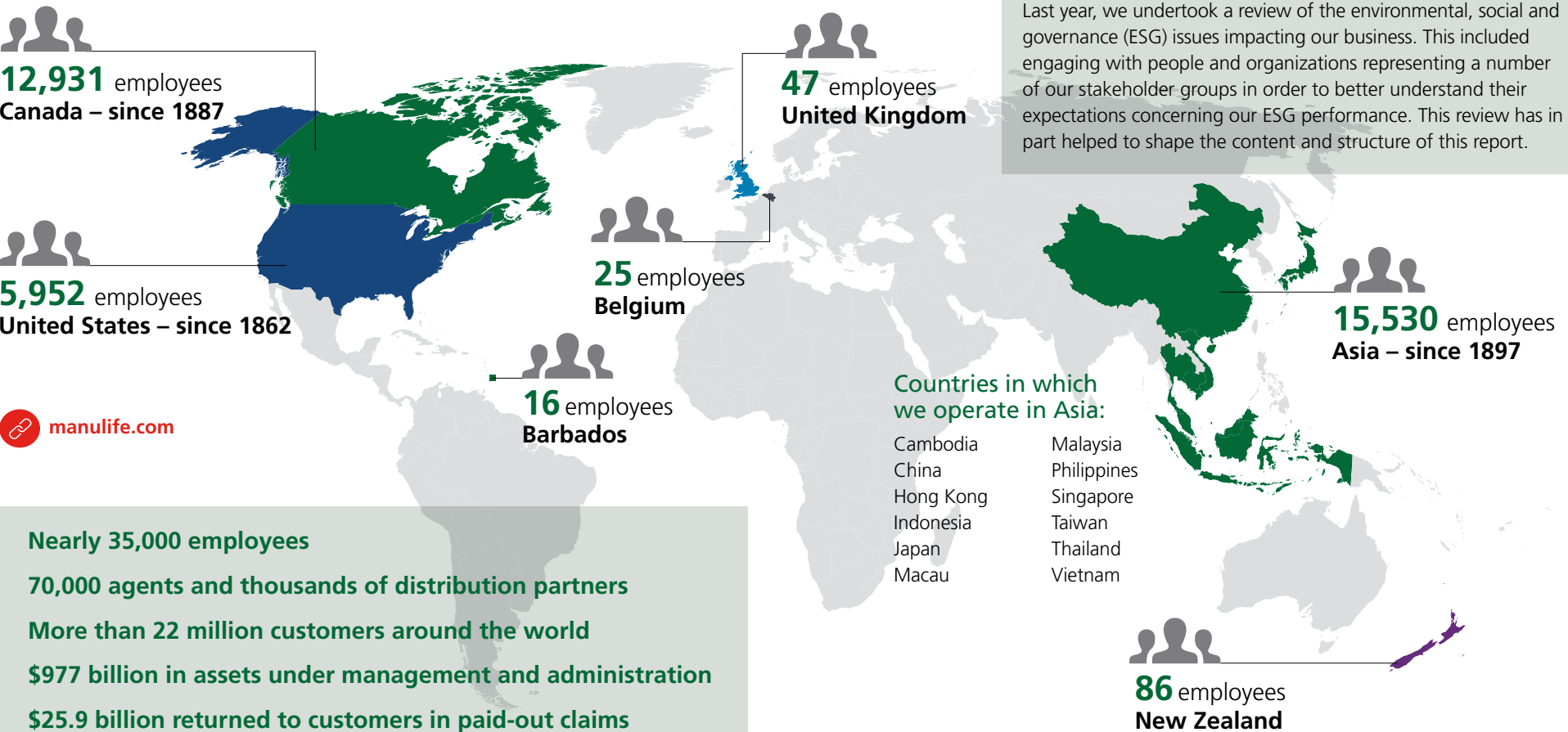
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# About Manulife

Manulife Financial Corporation is a leading international financial services group. We operate as John Hancock in the United States, and as Manulife elsewhere. We provide financial advice and insurance, as well as wealth and asset management solutions for individuals, groups and institutions. Our principal operations are in Asia, Canada and the United States, where we have served customers for more than 125 years. With our global headquarters in Toronto, Canada, we trade as 'MFC' on the Toronto, New York and Philippine stock exchanges, and as '945' in Hong Kong.



STAKEHOLDER ENGAGEMENT

As a leading international financial services group, we have a wide range of stakeholders that includes our customers, employees and shareholders, as well as governments, regulators and community organizations, to name a few. Our stakeholders' views are important to us, and we interact with them in several ways on a regular basis.

Last year, we undertook a review of the environmental, social and governance (ESG) issues impacting our business. This included engaging with people and organizations representing a number of our stakeholder groups in order to better understand their expectations concerning our ESG performance. This review has in part helped to shape the content and structure of this report.



Nearly 35,000 employees  
70,000 agents and thousands of distribution partners  
More than 22 million customers around the world  
\$977 billion in assets under management and administration  
\$25.9 billion returned to customers in paid-out claims and other benefits

Note: Map shows only locations in which we have more than 10 employees. See page 47 for complete list.

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# Awards and Recognition

Our commitment to good corporate citizenship was recognized with these awards in 2016.



Glassdoor honoured Manulife with the Employees' Choice Award for being one of the best places to work in Canada, as determined by Manulife employees.



Since 2012, Manulife has been included in the Dow Jones Sustainability North America Index in recognition of our corporate sustainability performance.



Manulife Hong Kong received two Reader's Digest Trusted Brands Gold Awards in the Insurance Company and Provident Fund categories.



John Hancock received a score of 100 per cent on the Human Rights Campaign Foundation's Corporate Equality Index, a benchmarking survey and report on corporate policies and practices related to LGBT equality in the workplace.



Manulife was named to the Forbes list of Canada's Best Employers, based on anonymous feedback from employees across Canada.



Imagine Canada recognized Manulife as a Caring Company for committing a minimum of one per cent of pre-tax domestic profit to support charitable and non-profit organizations each year.



Manulife was recognized as one of Canada's Top Employers for Young People, as well as one of Greater Toronto's Top Employers.



Governance Professionals of Canada recognized Manulife with an Excellence in Governance Award for best engagement by a governance team.



Manulife Japan was named one of the four Best Employers in 2016 in Japan by global human resources consulting firm Aon Hewitt.

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# Risk Management and Good Governance

By exercising prudent risk management across our value chain, we safeguard our customers’ interests and deliver top-tier results. We seek to mitigate risk: we maintain rigorous internal controls and follow a structured approach to risk management in all of our activities across every market.

Sound risk management is a cornerstone of Manulife’s success. But risk screening does not immobilize us. When we are confident that the grounds for a decision meet or exceed internal vetting, we quickly and firmly follow through on it, with an eye toward unexpected risks and constraints. In May 2016, Standard & Poor’s reaffirmed Manulife’s “strong” enterprise risk management rating, reflecting a positive assessment of our management culture, controls, models and approach to managing emerging and strategic risks. Manulife has a solid commitment to enterprise risk management, with the objective of balancing the level of our risk with our strategic business, growth and profitability goals so that we are able to provide integrated customer solutions while also achieving consistent and sustainable performance over the long term that benefits both the company and its stakeholders.

Manulife’s Board of Directors is responsible for risk oversight. The Board of Directors is supported in its exercise of risk oversight by Board Committees (Risk; Audit; Management Resources and Compensation), while the Executive Risk Committee directs our risk management efforts.

## INTEGRITY AT WORK

Manulife’s Code of Business Conduct and Ethics (the Code) affirms our commitment to ethical conduct and to complying with all applicable laws and avoiding any conflicts of interest. All employees must be thoroughly familiar with its provisions and conduct themselves according to both the letter and the spirit of the Code. Employees are also required to comply with all relevant laws and regulations, as well as internal policies, standards and guidelines, which include, but are not limited to:

- the Anti-Fraud Policy (and related guidelines, which include information regarding anti-bribery and anti-corruption measures)
- the Anti-Money Laundering and Anti-Terrorist Financing Policy
- the Global Privacy Risk Management Policy
- a suite of information protection policies and guidelines designed to safeguard corporate, employee and customer data

Manulife provides compulsory ongoing and supplemental training that includes an annual course on the Code. We also conduct specialized employee communications campaigns, such as Fraud Awareness Week, Compliance Awareness

Week and Data Privacy Day, which reinforce our well-established culture of compliance.

Manulife employees have access to our Global Ethics Hotline, a phone and web-based communications tool maintained by a third-party service provider through which they can report suspected unethical, unprofessional, illegal or fraudulent activity on a confidential basis, while remaining anonymous if they choose. The hotline is primarily intended for employees but is also available to third parties such as vendors, suppliers and sub-advisors.

Learn more about our ethical culture and corporate governance on our website and in our 2016 Annual Report.

 [manulife.com/ethicalculture](http://manulife.com/ethicalculture)

 [manulife.com/annualreports](http://manulife.com/annualreports)

## FINANCIAL STRENGTH RATINGS

Agency	Rating as at December 31, 2016*
A.M. Best	A+ (Superior)
DBRS	AA (low)
Fitch Ratings	AA-
Moody’s	A1
Standard & Poor’s	AA-

\* Financial Strength Ratings apply to the main life insurance operating companies of Manulife Financial Corporation, including The Manufacturers Life Insurance Company, John Hancock Life Insurance Co. (U.S.A.), John Hancock Life & Health Insurance Co. and John Hancock Life Insurance Co. of New York. DBRS does not rate U.S. insurance subsidiaries separately.

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# Economic Impact

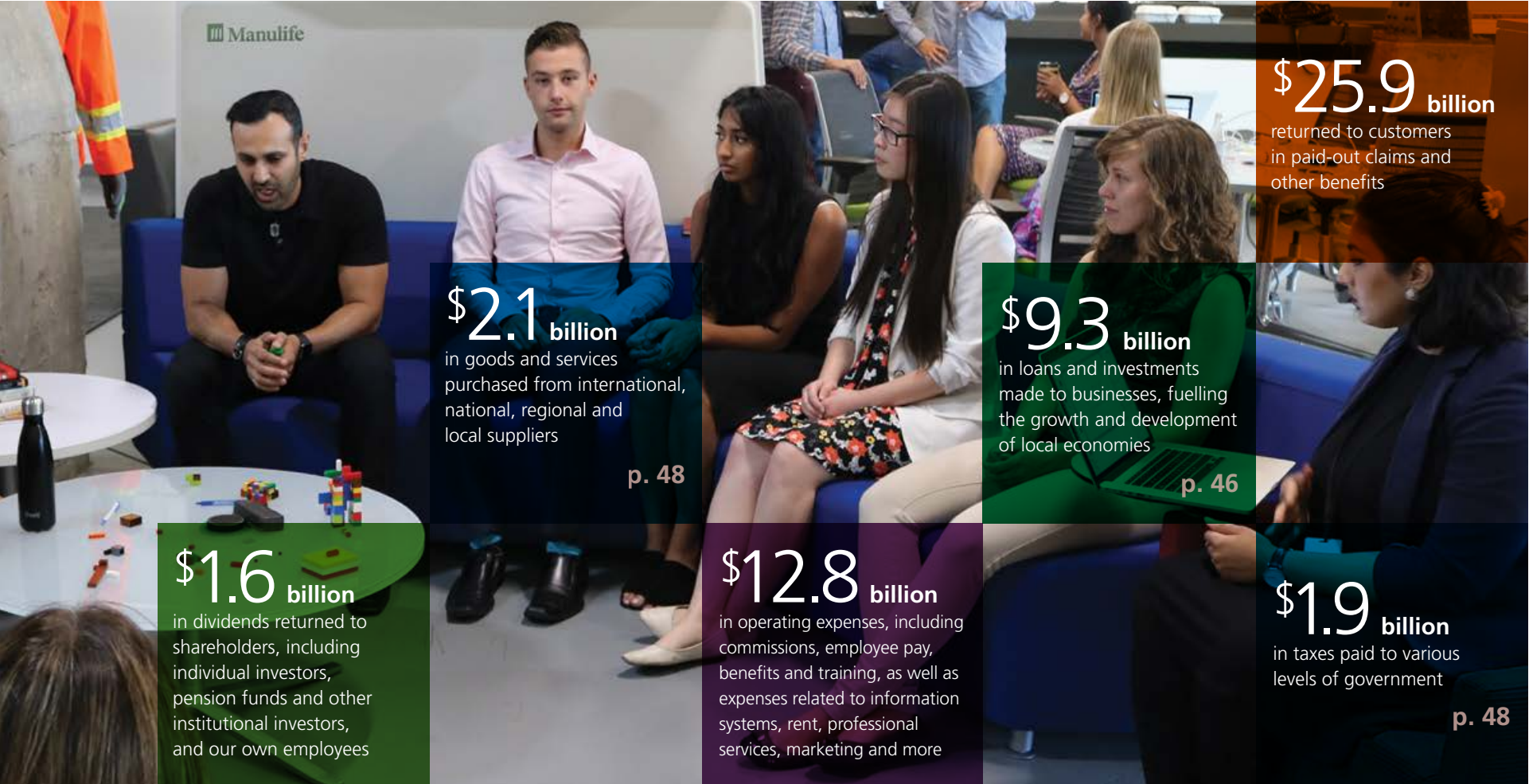
Workers at the Gitchi Animki Hydroelectric Project, a 50/50 joint venture between Manulife subsidiary Regional Power and the Pic Mobert First Nation.

**p. 23**



# Economic Highlights

Around the world, millions of people trust Manulife with their financial future. Through our products and services, we help customers manage their wealth and save for retirement, and we provide financial assistance to individuals and families when they need it most. In 2016, our customers received insurance claims, cash surrenders, annuity payments and other benefits valued at \$25.9 billion. Beyond that, our economic impact on individuals and on the communities and countries where we do business spans a wide range of activities.



Manulife employees at the Research, Exploration and Development Laboratory, or RED Lab for short, an in-house innovation centre in Kitchener, Ontario.



# Meeting Customer Needs

We continue to embrace our customer-centric purpose across the company. As a customer-centric company, we work hard to understand our customers’ needs and how to address them, and to create unique and innovative experiences and value propositions with them and for them. We strive to eliminate complexity from their financial affairs so that they can get on with the business of living their lives.

## OUR VALUED CUSTOMERS

- More than 22 million customers worldwide.
- We serve 1 in 3 Canadian adults.
- 1 in 4 adults in Hong Kong trust us with their big financial decisions.

## MEETING CLIENT NEEDS

We’re finding new ways to meet our customers’ changing needs with innovative products and services. Here are some highlights from 2016:

- We launched Manulife *Vitality* in Canada – a unique approach to life insurance through which customers earn rewards for leading a healthy life – and a similar offering, Manulife**MOVE**, in China and the Philippines. For Manulife *Vitality* members, we also introduced Vitality Check, a physical fitness checkup that gives them personal health information that they can use to better understand their overall health.
- John Hancock expanded its Vitality offering to include a wellness-integrated survivorship product – an industry first – helping to ensure that more couples are better prepared for the future.
- In Canada, 70 per cent of Quick Issue Term policies, a simple and convenient life insurance product that requires no

medical tests, were approved within one business day.

- We returned \$25.9 billion to customers in the form of claims, cash surrender values, annuity payments and other benefits.

## INNOVATIVE SOLUTIONS

Technology is transforming our customers’ lives and our industry. In response, we have invested across the company to re-engineer our business and dramatically improve the customer experience. Here are just a few examples:

- We’re offering our customers wearable devices to help them lead healthier lives and save money.

- In Canada, we’re using advanced, predictive analytics to simplify underwriting and eliminate unnecessary medical testing for policies up to \$1 million.
- In the U.S., we’ve launched the first phase of our new digital advice platform and made our first foray into the digital advice arena.
- Through a partnership with WeChat, we’re selling insurance products and providing claims services in China on this popular consumer platform. Customers can now take a picture of a doctor’s receipt, submit it via our WeChat app and receive instant reimbursement.

- We leveraged our partnership with Singapore’s DBS Bank to offer select customers Instasure income protection insurance in case of job loss. Once they’re in their banking app, they can purchase the insurance with three clicks. The program was created in just two months and while it could have been a two-click process, customers told us during testing that they preferred a third click that confirms their purchase.



Manulife**MOVE** was born out of a desire to offer a simple, innovative approach to insurance that motivates customers and rewards them for leading active lives. Starting in 2017, Manulife**MOVE** integrates seamlessly with Apple Watch.

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# Spotlight: Innovation

**Innovation is key to fulfilling our customer-centric purpose and has taken on heightened importance within Manulife in recent years.**

“There are a few major trends that have put innovation in the spotlight in the past couple of years,” said Tim Ramza, Chief Innovation Officer at Manulife. “We’re operating in a rapidly evolving environment, with the likelihood and magnitude of potential disruption to businesses increasing exponentially. What makes this even more challenging is that the sources of disruption are becoming less and less predictable.”

“Beyond that, we’re seeing the rising influence of millennials, with whom traditional products and methods of engagement don’t always resonate. Consumer preferences are changing as well. As digital forms of engagement become the norm, there are growing consumer expectations for frictionless, low-cost, intuitive and engaging interactions with providers of financial services. In addition, a sharp decline in start-up costs over the past decade has led to the rapid growth of new FinTech solutions. All of these changes are forcing us to rethink how we develop new products and engage with our customers.”

To meet the challenges and capture the opportunities, Manulife is on an innovation mission. We are focused on creating an environment that supports self-sustaining innovation by enabling people to connect and share ideas and knowledge. We’ve established incubation and acceleration nodes in Waterloo, Boston, San Francisco and Singapore. These nodes are located in innovation hubs and embedded within technology ecosystems in their local communities. To accelerate our innovation initiatives and augment our capabilities, we have created a venture capital program – Manulife New Ventures – that makes strategic investments in early-stage FinTech start-ups. We’re also exploring partnerships with established consumer platforms that already serve millions of customers.

“These are early days and we’re trying different approaches to discover what works best,” added Tim Ramza. “The overarching goal is to create an environment where we can run increasing numbers of experiments globally, validate them with customers, and then connect and use the learnings so that we can reduce the cost of innovation and accelerate the time to market for the right opportunities.”

“What all of our initiatives have in common is their focus on the end consumer. For us, innovation must be rooted in real problems. We need to understand the challenges our customers are experiencing and create solutions that can help them alleviate those pressures, especially those related to establishing and achieving their lifetime financial goals.”

## INVESTING WITH PURPOSE

A John Hancock team in Boston has developed a one-of-a-kind tool that makes it easier for individuals to incorporate their personal values into their financial lives.

The team members, who first met at the Lab of Forward Thinking’s Unleash Boston Hackathon, are co-founders of COIN, an in-house FinTech start-up with a new approach to engaging millennials who want to integrate environmental, social and corporate governance considerations into their financial lives. Users of COIN are able to explore how their personal values align with their finances.

“When someone who is starting their financial journey looks at how to invest, organize and save their money, they typically have two options: look at the risk profile of an investment and look at its return,” said Megan Schleck, COIN co-founder at John Hancock. “With COIN, we believe every investment has an impact on society and the world. We want to shift the process to a three-pronged approach that encompasses values, risk and return.”

The team worked on the COIN idea after-hours until they found a home for it in the new John Hancock Digital Advice business. It’s John Hancock’s first homegrown start-up and a prime example of the passion and spirit of innovation that pervade our culture. The team won a Global Innovation Award in 2016 for their efforts.

COIN is currently in beta mode and before market launch, the team has been testing COIN with John Hancock employees and young people from a local community organization.



In Japan, we launched an updated financial planning mobile app for third-party agencies that features 24 simulations to help customers see their potential financial needs.

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# The Power of Analytics

For our customers, being able to obtain life insurance without having to go through time-consuming, invasive medical testing is one of the big advantages of Manulife’s increasing use of advanced, predictive analytics. That, and the fact that the turnaround time on applications has been reduced to less than a week for many applicants, makes it faster and easier than ever for people to get the insurance protection they need.

“Advanced analytics are fundamental to Manulife’s customer-centric strategy and we’re quickly building our analytic capabilities,” said Cindy Forbes, Chief Analytics Officer, Manulife. We use advanced analytics to predict the likelihood of certain future events occurring. Our analytics models utilize large data sets from public sources as well as our internal data. When developing models to supplement the underwriting process, we make use of information from the millions of insurance applications we’ve reviewed over generations to determine the cases that we believe require testing, thereby simplifying the application process for all other applicants whose cases do not require testing.

In Canada, more than half of those under the age of 40 applying for life insurance policies with coverage of up to \$1 million have been able to buy insurance without medical tests. Manulife was the first insurer in the country to take this step.

In Asia, we apply advanced analytics to match clients with advisors in order to increase the likelihood of a good fit, and also in our client onboarding processes in order to determine the optimal client contact frequency.

In our U.S. mutual fund business, advanced analytics are used to align the experience of our advisors with the needs of our clients.

While we also use advanced analytics to improve operational efficiencies and enhance risk management, our primary focus is on improving the experience of our customers in support of our customer-centric strategy.





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# Creating Shared Value

For Manulife, creating shared value is about offering products and services that deliver both social and business benefits. At their best, our products and services not only meet the needs of individual customers, they also help address broad societal issues and fortify our business over the long term.

## WE LIKE TO MOVE IT

John Hancock Vitality in the U.S., Manulife Vitality in Canada and Manulife**MOVE** in Asia are helping lead a paradigm shift in the way people think about insurance and healthy living, while embracing the digitization of the industry. These products work because they align the interests of customers, who want to lead longer, healthier lives but need a little nudge to keep them on track, and Manulife, which benefits from lower claims.

While each of these product offerings is tailored to its respective market, the underlying concepts are the same: by walking, getting regular checkups and engaging in other healthy activities, customers earn points towards status levels that can lead to lower insurance premiums and other rewards. Customers also get a free wearable device to keep track of their healthy activities.



Canadian Prime Minister Justin Trudeau and Kai Zhang, President and CEO of Manulife-Sinochem, taking part in an impromptu tai chi demonstration at the Manulife**MOVE** launch in Shanghai.

There is strong evidence that a nutritious and well-balanced diet is one of the best paths to leading a longer, healthier life. That's why John Hancock is collaborating with the Gerald J. and Dorothy R. Friedman School of Nutrition Science and Policy at Tufts University to offer John Hancock Vitality customers newsletters and webinars that provide the evidence-based guidance they need to make smart food choices. This collaboration is part of the Healthyfood benefit, an extension of the John Hancock Vitality program, which helps customers improve their eating habits by rewarding them for making healthy food choices.

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INCLUSIVE INSURANCE

In our effort to expand access to insurance, Manulife offers insurance protection for several underserved and niche markets.

Meeting Demand for Takaful Products

We’re tapping into a growing interest in sharia-compliant insurance (commonly known as takaful) in Indonesia with an array of products, including term insurance, investment-linked insurance and a hospital cash plan.

Takaful insurance is a form of co-operative insurance in which participating members contribute a sum of money to a common pool. The purpose of the system is not to generate profits, but to help members who suffer losses, with a strong emphasis on trust and transparency. The funds in the takaful pool belong to the members, and any surpluses are shared among them.

Despite the fact that Muslims make up the majority of Indonesia’s population, sharia-compliant insurance products are relatively new. Their appeal is growing among both Muslim and non-Muslim customers, who appreciate the unique risk-sharing model, social mission and transparency.

Life Insurance for People Living with HIV

In April 2016, we announced that Manulife and John Hancock would accept life insurance applications from persons who have tested positive for the human immunodeficiency virus (HIV) in Canada and the U.S.

To do so, our teams looked at the latest research on HIV-positive individuals and, with enhanced analytics, gained a better perspective on risk profiles. As we continue to build on the strength of our analytics, we’ll rely less on traditional underwriting – and offer more coverage that is tailored to customers’ specific circumstances.

We provide coverage to low-income women in Vietnam through a micro-insurance program we offer in partnership with the Vietnam Women’s Union. Since the program’s inception eight years ago, over 150,000 policies have been issued and the program has made payments to more than 7,200 families.



BUILDING A VILLAGE

Since 2010, Manulife staff, agents and family members have been volunteering their time to build 124 homes at the Manulife-Gawad Kalinga Village just outside of Manila, in the Philippines.

With land provided by the government, funding from Manulife, volunteer hours from our employees, project management from the Gawad Kalinga non-profit and sweat equity from future tenants, this project is a great model for delivering low-cost housing to the underprivileged.

In addition to the new homes, Manulife is also supporting the construction of the Child and Youth Development Centre for the village. The facility will house a daycare and social hall and will serve as a meeting venue for the local community.

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IMPROVING MENTAL HEALTH IN THE WORKPLACE

The statistics are staggering: every week, more than 500,000 Canadians don’t go to work because of mental illness.<sup>(1)</sup> Mental illness has been identified as one of the top three drivers of both short-term and long-term disability by more than 80 per cent of Canadian employers.<sup>(1)</sup> It’s estimated that the annual cost to the Canadian economy is as high as \$51 billion.<sup>(2)</sup>

“As a provider of group benefits to Canadian companies, we believe that Manulife can be a leader in addressing the pervasive issue of mental illness and we’re taking a number of actions on this issue. Our focus is on mental health in the workplace – in both our clients’ workplaces and our own,” said Chris MacDonald, Assistant Vice President, Wellness, Absence & Disability Solutions, Manulife.

In Our Workplace


In 2014, as an early adopter of the National Standard for Psychological Health and Safety in the Workplace, a voluntary set of guidelines, tools and resources for companies, we began participating in a three-year business case study led by the Mental Health Commission of Canada. Our intent is to apply the standard in our own organization, and then help our clients apply it in theirs. The case study has tracked our progress.

1 Mental Health Commission of Canada (MHCC)  
2 Benefits Canada: Workplace mental health articles/ resources

In 2016, we achieved a number of milestones on this journey, including:

- Increasing the mental health support benefit we provide to our employees and their families from \$1,000 per person per year to \$10,000
- Updating our wellness policy to include psychological components
- Conducting internal mental health awareness and education campaigns, with seminars, workshops and blogs on our intranet
- Appointing wellness champions to spearhead mental health and wellness initiatives across our organization and provide feedback to our corporate wellness committee and senior leadership

We were very pleased to receive two silver certifications for our Mental Health in the Workplace® and Healthy Workplace® programs from Excellence Canada. In bestowing these honours, Allan Ebedes, President and CEO, Excellence Canada, said: “We applaud Manulife not only for its leadership role in ‘walking the talk’ for mental health in the workplace, but for continuously looking for new ways to help other organizations create and foster a psychologically healthy and safe workplace.”


 Learn more about Manulife’s **industry-leading mental health support benefit.**

Supporting Our Clients

Manulife has teams of health management specialists who help clients with mental health and wellness programming, as well as dedicated mental health experts who work with disability case managers to ensure individuals with mental health claims receive the treatment and support they need.

As part of a three-year sponsorship, we are the Mental Health at Work® Champion of Excellence with Excellence Canada. Together, we developed the Mental Health at Work® Essentials Requirements and Implementation Guide. Launched in 2016, it is now the main toolkit used by our specialists to help organizations implement mental health programs.

Also in 2016, we reported the final results of the Salveo (Latin for “to be well”) study on mental health in the workplace, one of the largest of its kind in Canada, which was sponsored by Manulife. The study identified key management practices that can help companies lower their mental health and disability claim rates. In the coming year, our specialists will work with clients to help them implement the recommended practices.

 **Study findings** are available on our website.

 Learn more about Manulife’s **Health and Well-Being in the Workplace Policy.**



The Manulife Fitness Centre, managed by fitness industry professionals, provides affordable, comprehensive wellness services for Manulife employees and their families.



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# Q&A: Shared Value

Brooks Tingle, Senior Vice President, Marketing and Strategy, John Hancock Insurance



To me, life insurance is more than a business. It’s a vehicle for improving society as a whole.



If you ask Brooks Tingle, he’ll say that his day job is marketing John Hancock insurance – but he spends most of his time finding new ways to engage with U.S. consumers about life insurance. The product category has seen declining ownership in the U.S., with a striking percentage of people having no, or not nearly enough, life insurance. Brooks aims to make life insurance relevant again in ways that are good for policyholders and good for our company and society at large. He was instrumental in bringing the John Hancock Vitality program to market (see page 12) and shares some of the thinking behind it.

## How are you making life insurance more relevant to consumers?

We’re transforming life insurance from being about death to being about living. For decades, people bought life insurance somewhat reluctantly, mostly out of a sense of responsibility, and then tucked away their policy, never to think about it unless they received an annual statement or bill from their insurance company.

Through programs like John Hancock Vitality, life insurance can play a positive role in people’s day-to-day lives, helping them to live longer and healthier. And it can even be fun! We’ve gone from interacting with customers once a year, in a neutral way at best, to connecting with them as many as 22 times a month, in overtly positive ways – offering them savings on healthy food, educating them about healthy choices, engaging them through interactive games, rewarding them for being active, and helping them stay on an overall healthy path.

## What are the broader benefits of this approach for Manulife, and for society at large?

When you think about it, other than your immediate family and friends, who should care more about your long-term health than your life insurance company? It’s eminently rational that we would be a partner in helping our customers achieve that outcome because it’s good for us, good for them and good for society. There’s a 100 per cent alignment of interests – we want our customers to live well, and they want to do the same.

When we spoke to regulators to gain approval for selling the John Hancock Vitality program, they also appreciated the benefit of having more people living healthy, both for their state programs and on a federal level.

## What inspires you the most about the work you do?

It’s incredibly gratifying to know that the work I’m doing is improving the well-being of our customers, while also helping our company, our shareholders and even society as a whole. John Hancock Vitality sales are growing and our customers are engaging. In fact, our customers take about twice as many steps per day as the average U.S. consumer. There’s no better feeling than to see people actively participating in the program and making those changes that over time will help them to lead longer, healthier lives.

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# Our Stories: Building Careers, Changing Lives

InnerCity Weightlifting in Boston has found a powerful way to put youth who’ve been in and out of the criminal justice system on a path to a better life. With an emphasis on creating trust and hope, the gym connects these young people with new networks and opportunities and disrupts the patterns that can lead to urban street violence.

“Once we’ve established hope, our goal is to turn belief into action by providing as many positive solutions as possible,” said Jon Feinman, Executive Director and Founder. Some of these young people learn to become personal trainers, who then earn an income training some of the gym’s clients and leading fitness classes for corporate partners. For others, it’s the start of a new network: they meet InnerCity Weightlifting staff, partner organizations and personal training clients, creating job and academic opportunities outside of the gym.

“InnerCity Weightlifting is giving people who would normally have a hard time accessing economic opportunity a chance to thrive,” observed Yasmin Cruz, Director, Corporate Responsibility, John Hancock. “In addition to providing \$100,000 in funding, we piloted a training program where InnerCity Weightlifting student trainers came to our Boston offices and led workouts for our employees.”

“There are so many good things at play here: the focus on health and wellness, the opportunity for the student trainers to gain experience, and the chance for our employees and the trainers to interact with people from different walks of life.”

“From our perspective, the leadership that John Hancock has shown is important on many levels,” added Josh Feinman, Director of Development and Communications for the organization. “The people we work with face legal and sanctioned discrimination because of their prison records. When a company the size of John Hancock supports our corporate training service and offers students employment opportunities, it sets an example for others and makes a huge impact on the program and the people we serve.”

 [innercityweightlifting.org](http://innercityweightlifting.org)



Helmets can greatly reduce the rates of injury and death in road traffic accidents but sadly, helmets aren’t regularly used in all parts of the world. That’s why since 2012, Manulife and the AIP Foundation have worked together to deliver road safety education and skills to 3,100 students, 6,300 parents and 176 teachers in Cambodia. We’ve also donated more than 4,000 helmets to students, and our program is making a difference: the number of children at our target schools who use helmets has increased from nearly zero to 64 per cent!



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# Environmental Impact

The skating rink at Evergreen Brickworks, a community indoor and outdoor environmental centre in the heart of the Don River Valley in Toronto.



# Environmental Highlights

We recognize that a healthy environment is vital to the long-term well-being of our business, our employees and the people we serve around the world. With environmental pressures mounting, including the effects of climate change and dwindling natural resources, we’re taking action in areas where we can have the greatest impact.



Manzanita shrubs in bloom in northern California are flourishing in one part of the more than 12,000 acres that Hancock Timber Resource Group co-manages with Pacific Forest Trust. Read more on [page 23](#).

## MANULIFE ENVIRONMENTAL POLICY

We are committed to conducting business in a manner that recognizes the need to protect the quality of our environment by:

- Promoting environmental responsibility and conservation to all employees
- Distributing the Environmental Policy and all relevant procedures to employees with applicable job accountabilities for their guidance and implementation in our business practices
- Ensuring Manulife’s risk analysis and risk management procedures include consideration of environmental matters
- Complying with all applicable environmental laws and regulations and, where possible, participating in an ongoing dialogue with government and industry to establish and promote practical environmental goals
- Maintaining procedures to ensure the effective implementation of the Environmental Policy

# Spotlight: Climate Change

Governments, businesses and civil society are coming together to address the challenges posed by climate change. As a global service company, we’re taking steps to reduce our environmental footprint. As a large, long-term investor, we pay attention to the risks posed by climate change, but we also recognize that we’re in a unique position to help facilitate the transition to a more sustainable economy.

## 2016 HIGHLIGHTS

- Invested a total of \$1.5 billion in renewable energy and energy efficiency projects.
- Developed a low-carbon screen as part of an investment strategy for an institutional client of Manulife Asset Management.
- Participated in a University of Waterloo benchmarking study on how Canadian financial institutions manage risks related to climate change, and funded a study on the health impacts of climate change conducted by the university.
- Held sessions on climate change and the Paris Agreement for senior executives and other Manulife employees.
- Made the Manulife Classic LPGA tournament a carbon-neutral event by purchasing green electricity, along with carbon offsets for other sources of emissions.

Green bonds are an important innovation in the fight against climate change. Manulife invested **\$313 million** in green bonds in 2016, including an **AU\$40 million** investment in the world’s first certified climate bond issued by a university. Monash University in Australia issued this green bond to fund sustainable development in the tertiary education sector.



Stephani Kingsmill, Executive Vice President, Human Resources, Manulife, takes part in the annual Manulife Paddle the Don event, which brings together conservationists, business people and recreationalists to canoe down one of Toronto’s most important waterways, the Don River. Read more on [page 28](#).



# Responsible Investing

We’re taking action on environmental issues in areas where we can have the greatest impact – most notably, in our investment and lending activities, and in our own operations and real estate portfolio.

In addition to social and governance considerations, we believe that responsible investment involves considering the environmental impact of activities related to the holdings in our investment portfolio, and investing in innovative financing solutions that encourage the transition to a more environmentally sustainable economy.

## 2016 HIGHLIGHTS

- John Hancock Investments launched four new funds focused on integrating environmental, social and governance (ESG) factors into fundamental stock research across major asset classes, including U.S. equity, international equity and core fixed income.
- We became a member of A4S, or Accounting for Sustainability, a global network of Chief Financial Officers working to embed accounting for environmental, social and governance risks and opportunities within the finance function.
- Manulife Asset Management implemented environmental, social and governance risk reviews in the investment portfolios it manages on behalf of its clients.

- We implemented a **new policy** which addresses investments in companies that manufacture cluster munitions.
- A team of John Hancock employees developed COIN, a unique investment tool tailored to investors who want to integrate environmental, social and corporate governance factors into their investment decisions. Learn more on **page 10**.

We have policies and procedures in place to ensure that we understand and manage the environmental and social risks associated with our investments. We’re also members or signatories of a number of voluntary codes and initiatives that help us embed sustainability within our business.

Manulife Asset Management, the global asset management arm of Manulife, is a signatory to the United Nations–supported Principles for Responsible Investment (PRI) initiative. The PRI initiative brings together an international network of 1,700 investors who believe that ESG factors can affect the long-term risk and return profiles of investment portfolios and the sustainability of the global financial system. You can learn more about Manulife Asset Management’s approach to responsible investing and its ESG Policy in the **Responsible Investment** section of its website.

In addition to being a signatory to the PRI, Manulife is a member of the United Nations Environment Programme Finance Initiative (UNEP FI) and is a signatory to the Equator Principles. Manulife Asset Management (Japan) Limited has signed the Japan Stewardship Code, while Manulife Asset Management (Europe) Limited has adopted the U.K. Stewardship Code and achieved a Tier 1 ranking in a 2016 assessment by the U.K. Financial Reporting Council.

## MANULIFE CFO TAKES A LEADING ROLE IN SUSTAINABLE FINANCE

A4S, or Accounting for Sustainability, is an initiative of The Prince of Wales’s Charitable Foundation with the purpose of embedding sustainability considerations into the finance process to help make business models more sustainable. It operates through Chief Financial Officer (CFO) networks, and Manulife’s CFO, Steve Roder, is co-chairing the Canadian CFO network, which launched in 2017. The network is bringing together CFOs of leading companies to advance the integration of sustainability into finance and strategy in Canada and around the world.



Manulife’s CFO, Steve Roder (second from right), participating in a panel on sustainability at the annual A4S Summit in London.



Responsible Investing

(continued)

EQUATOR PRINCIPLES

The Equator Principles are a set of voluntary guidelines that help financial institutions identify and manage environmental and social risks in project finance transactions. These global standards of due diligence have now been adopted by 89 financial institutions in 37 countries, with Manulife having become a signatory in 2005.

The principles apply to new project financings in any sector or country with total capital costs exceeding US\$10 million, or project-related corporate loans of at least US\$100 million. Signatories commit to reporting at least once a year on their implementation.

The following table presents Manulife’s data for 2016. Designated Countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity capable of protecting people and the natural environment.

A list of Designated Countries and other information can be found on the Equator Principles website.



Manulife’s 2016 Equator Principles Reporting

	Category			Total
	A Significant Impact	B Limited Impact	C No/Low Impact	
Total Projects Reviewed by Category	–	10	21	31
By Region				
Americas	–	10	19	29
Europe, Middle East and Africa	–	–	–	–
Asia Pacific	–	–	2	2
Total by Region	–	10	21	31
By Sector				
Agriculture	–	–	7	7
Forestry	–	–	2	2
Infrastructure	–	–	6	6
Power and utilities	–	10	6	16
Total by Sector	–	10	21	31
Independent Review				
Yes	–	1	19	20
No	–	9	2	11
Total by Review	–	10	21	31
By Country Designation				
Designated countries	–	10	21	31
Non-designated countries	–	–	–	–
Total by Country Designation	–	10	21	31

Category A – Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.

Category B – Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Category C – Projects with minimal or no adverse social or environmental impacts.

UNITED NATIONS ENVIRONMENT  
PROGRAMME FINANCE INITIATIVE

UNEP FI is a global partnership between UNEP and the financial sector. More than 200 institutions, including banks, insurers and asset managers, work with UNEP to better understand the ways that environmental and social issues intersect with finance. Manulife has been a member of UNEP FI since 2005.



Responsible Investing

(continued)

RENEWABLE POWER FINANCE

Manulife has established a reputation as a leading arranger and provider of financing for the renewable power sector in both Canada and the United States. The professionals leading our dedicated project finance groups in Toronto and Boston have developed specialized expertise in the sustainable energy arena, with investments spanning the spectrum of renewable energy technologies, including wind, photovoltaic solar, hydroelectric, geothermal, landfill gas and biomass waste-to-energy projects. Manulife is also a leader in financing energy efficiency systems.

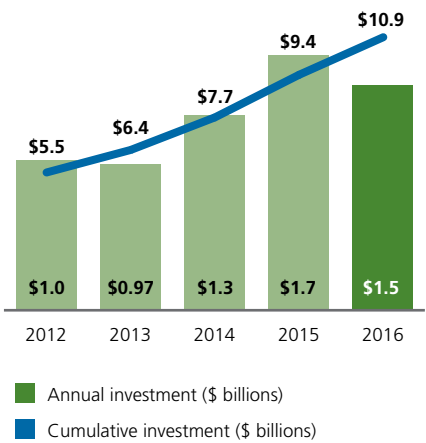
In 2016, Manulife’s investments in renewable energy and energy efficiency projects totalled \$1.5 billion. Since our dedicated renewable energy teams were established in 2002, our cumulative investment in renewable energy and energy efficiency projects has exceeded \$10.9 billion.

An example is John Hancock’s investment of US\$227 million in a distributed solar generation portfolio sponsored by SolarCity, a developer of primarily residential solar projects. The 201-MW portfolio is supported by more than 20,000 long-term residential customer contracts and approximately 150 medium- to long-term commercial customer contracts.

These contracts are generally priced at a 10 to 20 per cent discount to utility rates, which creates an inherent value proposition for the customer and produces stable, high-quality cash flows for the investor. SolarCity will manage and maintain the systems throughout the course of their useful life, which is expected to be 30 years.

“Our deep understanding of the renewable energy market and our close working relationship with SolarCity allowed us to create a capital structure that meets our requirements while achieving SolarCity’s objectives,” said Recep Kendircioglu, Senior Managing Director of Power and Infrastructure, John Hancock. “In turn, we’re able to provide capital to the distributed solar generation sector, helping to catalyze the sector’s growth and fuel the expansion of renewable energy.”

Investments in Renewable Energy and Energy Efficiency Projects



In 2016, the Association of Power Producers of Ontario presented its Hedley Palmer Award to Bill Sutherland, Manulife’s Senior Managing Director, Project Finance & Infrastructure, recognizing how his work opened new avenues for renewable power financing in Canada and the United States.



Financed by Manulife, the 18.9 MW Gitchi Animki Hydroelectric Project, near White River, Ontario, opened in July 2016.

Responsible Investing

(continued)



HANCOCK TIMBER PLANTS  
ITS ONE BILLIONTH TREE

Hancock Timber Resource Group, a subsidiary of Manulife, celebrated the planting of its one billionth tree at an event held in the McCloud Forest in California, one of the company’s longest-held properties.

“Sustainability is a core value of our organization. We’ve planted roughly two trees for every one tree we’ve harvested, an average of more than two and a half million a month for the last 30 years,” said Brent Keefer, President, Hancock Timber Resource Group. “Even before we harvest, we have plans in place for replanting.”

The one billion seedlings, a US\$1.1 billion investment, have been planted on timberland properties Hancock Timber manages in the United States, Canada, South America, New Zealand and Australia on behalf of institutional investors worldwide. As part of our stewardship ethic, all of our forests are third-party certified as being sustainably managed.

Another key aspect of Hancock Timber’s stewardship ethic is its Sensitive Lands Program, which seeks to permanently protect and conserve land with vital environmental, recreational, scenic or historic value, in collaboration with public agencies and private conservation groups.

As part of this program, Hancock Timber and Pacific Forest Trust completed a conservation easement in 2016 that permanently protects water resources, wildlife habitat and jobs on the McCloud property, which will remain a working forest in perpetuity. Hancock Timber will continue to manage the forest for timber production, guided by the terms of the easement. Protecting forests in the area is vital for ensuring the integrity of the McCloud watershed and keeping water sources safe for the 25 million Californians downstream who depend on them.

In speaking about the easement, Brent Keefer noted: “This partnership is an example of how solid co-operation and creative approaches can support and expand

quality jobs in the forest and wood products industries, while at the same time keeping wildlife and watersheds healthy.”

A POWERFUL PARTNERSHIP:  
REGIONAL POWER AND  
PIC MOBERT FIRST NATION

The official opening of the Gitchi Animki Hydroelectric Project in July 2016 marked 20 years of collaboration between Pic Mobert First Nation and Regional Power, a Manulife subsidiary that develops, builds, refurbishes and operates renewable energy power plants. The project will supply renewable, reliable energy for decades and provide lasting social and economic benefits to the local communities.

Located in the traditional territory of the Netamisakomik People of the Pic Mobert First Nation, near White River, Ontario, the Gitchi Animki Hydroelectric Project consists of two hydroelectric generating stations with a combined capacity of 18.9 MW.

The project was designed with environmental protection in mind. Use of unique low-impact micro-turbine technology to regulate and manage the watershed area upstream of the two plants, reducing the risk of flooding to the community, plus good overall environmental practices, have earned the project high praise: it won the Ontario Waterpower Association’s Innovation Award for leadership in the development of important advances that benefit the waterpower industry, and its Stewardship Award for leadership in environmental sustainability.

Not only does the project provide clean, reliable energy, it also represents the largest economic initiative undertaken to date by the Pic Mobert First Nation. Band members were heavily involved from the start, participating in the construction and the ongoing operation of the project. What’s more, individuals were able to acquire the skills needed to pursue local jobs in other industries, and the community as a whole gained the confidence and capacity to become active in other commercial endeavours. “There will always be challenges in projects like this, but strong alignment of interests improves working relationships and our ability to solve even the toughest problems,” observed Chris Lambeck, President and CEO, Regional Power.

The project has extended Regional Power’s track record of close working relationships with local First Nations, but this was its first 50/50 joint venture. It’s expected to provide cash flow over its 40-year contract with the provincial electric utility company, and then into perpetuity for both Pic Mobert First Nation and Regional Power.

“This project reinforced just how important it is for infrastructure, like energy assets, to provide benefits for both our business and local communities,” noted Chris Lambeck.

 Watch the Gitchi Animki Hydroelectric Project **video**.



# Sustainable Real Estate

As a long-term real estate owner and manager with a global portfolio of more than 62 million square feet, we are acutely aware of the environmental, social and economic benefits that can be realized by focusing on environmentally sustainable building design, operations and maintenance, and on the health and well-being of our tenants, employees and the communities we serve.

In 2016, Manulife Real Estate launched a new Sustainable Real Estate Policy that applies to our investment, development, asset and property management activities across our global operations. With this policy, we've committed to minimizing our environmental impact, supporting health and wellness, promoting responsible business practices, engaging our stakeholders on sustainability, and remaining accountable for our performance.

## 2016 HIGHLIGHTS

- In addition to the new Sustainable Real Estate Policy, we updated our sustainability strategy to help prioritize our sustainability initiatives.
- We established a Real Estate Executive Sustainability Steering Committee, chaired by Manulife Real Estate's Global Head of Asset Management, to guide our sustainability efforts.
- We received Green Stars for two of the real estate portfolios we submitted to the Global Real Estate Sustainability Benchmark (GRESB) assessment.

## BUILDING CERTIFICATIONS

Manulife's new office tower developments target Leadership in Energy and Environmental Design (LEED) Gold certification as the basis for design, with a focus on becoming more resource-efficient. This is achieved by installing energy-efficient equipment and systems, implementing advanced building controls and combining them with high-performance building enclosures. Designs also specify high levels of durability for equipment in order to improve performance and reduce replacement costs and waste over a building's life cycle. This approach focuses on reducing the operational life cycle costs of our buildings and the waste they generate, reflecting our long-term approach to investing.

Nearly 26 million square feet of our real estate portfolio was certified under a sustainable building certification program such as LEED, Energy Star or BOMA Best by the end of 2016, representing 62 per cent of our office floor space, or 41 per cent of our entire portfolio.



## ENERGY STORAGE PILOT WITH TESLA

We partnered with Tesla on the installation of a 1-MW energy storage system at The Michelson, a 19-storey highrise office building in the City of Irvine, California. The system, installed to test the viability of managing peak load demand with batteries, reduces energy costs by charging batteries during low-demand periods when rates are lower, thereby reducing higher peak electricity charges, saving US\$60,000 annually. By lowering electricity demand during peak hours, we reduce the overall electricity system demand and lessen the need for new generation capacity on the grid.

# Managing Our Operational Footprint

Manulife has policies, programs and initiatives in place for improving the energy efficiency of our business operations and real estate portfolio and for minimizing our impact on the environment.

## OUR REPORTING

Our global real estate portfolio totals more than 62 million square feet, comprising commercial, industrial and residential properties, in addition to commercial real estate we either own or lease for our own corporate use. We manage most of our real estate portfolio through Manulife Real Estate, with the remaining managed by third-party real estate managers.

We have operational control over nearly 37 million square feet of our portfolio, primarily consisting of commercial real estate we either own, manage and lease to tenants, or own or lease for our own corporate use. In our efforts to continuously improve our reporting and performance, we expanded our environmental reporting coverage of real estate-related environmental data by 37 per cent in 2016 to include all real estate over which we have operational control.

We manage the environmental performance of our real estate operations by using a proprietary, web-based utility consumption reporting (UCR) system. The UCR system tracks our energy and water use, as well as waste collection and diversion rates.

Some of our properties are not using our UCR system and, for reporting purposes, we have estimated energy use, greenhouse gas (GHG) emissions and water use in these

cases. We continue to migrate more properties onto the system as part of our ongoing efforts to improve our reporting.

The remaining portion of the portfolio comprises industrial properties and/or properties managed by third-party property management firms. We do not have operational control of these properties, and thus we continue to exclude them from our reporting.

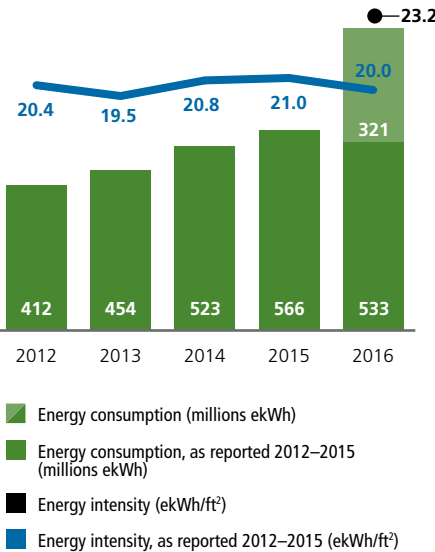
In addition to expanding our coverage, we updated our methodology for reporting on the environmental performance of our operations in 2016. This year, we are adding unadjusted data where appropriate, as we believe this more accurately reflects our total environmental impact. We have also included adjusted figures this year to allow for historical comparisons.

Manulife has been a responder to the CDP's climate change disclosure request since 2005.



**We continue to strive for an annual 2 per cent energy use reduction target across our real estate portfolio.**

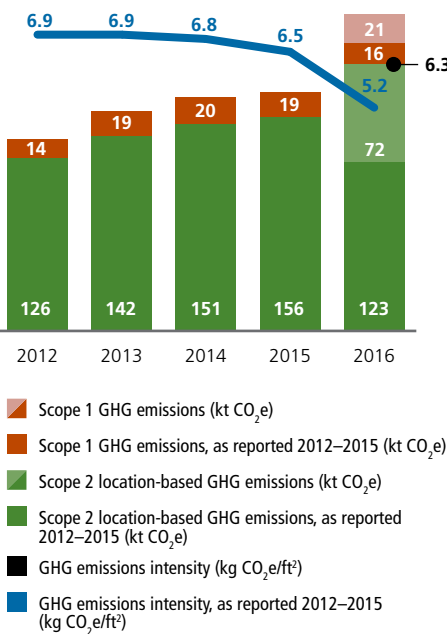
## Energy Consumption



## ENERGY USE

Historical adjusted total energy use and energy use intensity have decreased because of measures we have implemented to reduce our energy consumption. The 2016 figures include additional data as a result of expanding our reporting coverage, as well as the addition of unadjusted data.

## Greenhouse Gas (GHG) Emissions



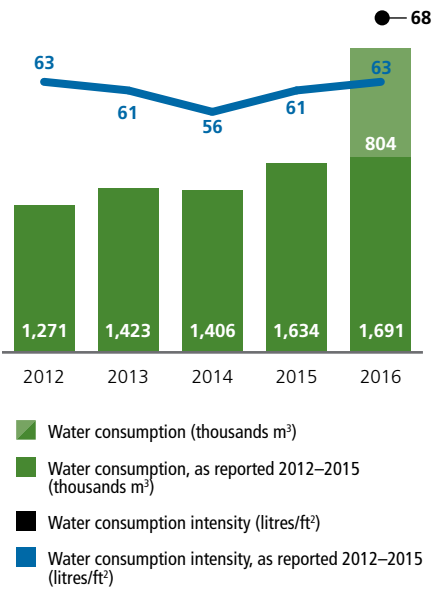
## GREENHOUSE GAS EMISSIONS (SCOPE 1 AND 2)

The historical intensity of our GHG emissions has decreased primarily due to lower emissions factors in jurisdictions where some of our properties are located (e.g., the phasing out of coal power in Ontario) and measures we have implemented to reduce our energy consumption. The 2016 figures include additional data as a result of expanding our reporting coverage.

In 2016, we purchased 29,245 MWh of renewable energy for our real estate portfolio.

Managing Our Operational Footprint  
(continued)

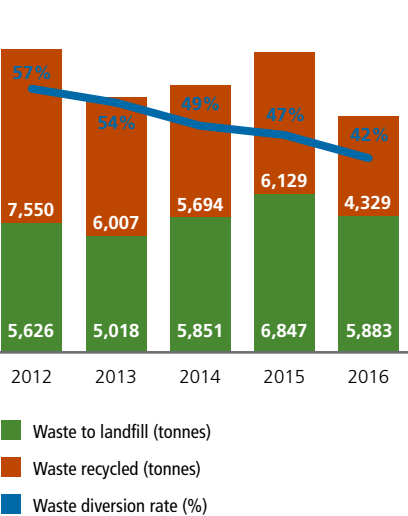
Water



WATER

We continue to implement cost-effective measures to reduce water consumption across our portfolio in order to lower our operating costs and environmental impacts. However, the relatively low cost of water makes rationalizing capital investments in water-saving equipment challenging. The 2016 figures include additional data as a result of expanding our reporting coverage, as well as the addition of unadjusted data.

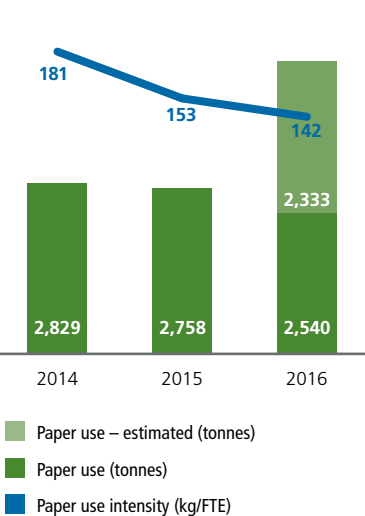
Waste



WASTE

Waste diversion continues to be a focus and a challenge across our portfolio. Collecting waste data presents challenges, as it is provided by waste haulers and reliability is lower than with data provided by utilities. Where we did not have waste data, we chose not to estimate missing data because waste disposal practices vary greatly across the jurisdictions in which we operate. As a result, the total number of properties reporting waste data in 2016 decreased from 2015. We will be working with waste haulers and tenants to collect better waste data and increase diversion rates in 2017 and 2018.

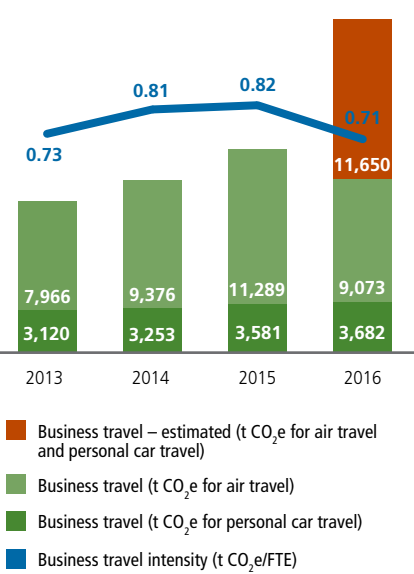
Paper



PAPER

As a large services company, we use a significant amount of paper. We have implemented a range of initiatives aimed at reducing paper use internally, as well as for our customers. The 2016 figures include additional data so that we could present our total global paper use.

Greenhouse Gas Emissions from Business Travel



BUSINESS TRAVEL

With operations spanning three continents, travelling for business is sometimes necessary. We have been investing for some time in new collaboration and virtual meeting tools to allow employees to communicate and work together more effectively, helping to curb travel requirements. The 2016 figures include additional data so that we could present our total global travel footprint.

Note: We rely on our paper and business travel vendors to provide us with data for reporting. Where it was not feasible to obtain all data, we have used estimates based on employee headcounts to provide a view of our global operations.



# Q&A: ESG Investing

Emily Chew, Managing Director and Global Head of Environmental, Social and Corporate Governance (ESG) Research and Integration, Manulife Asset Management



**In recent years, ESG investing has become integral to any business model. And we have an opportunity to be a world leader in this field.**



As a signatory to the United Nations–supported Principles for Responsible Investment, Manulife Asset Management is committed to incorporating ESG factors into its investment analysis and decision-making processes. In keeping with this commitment, we hired Emily Chew in 2016 to lead our ESG team. Here she shares her views on responsible investing and what inspires her to work in the field.

## Why is responsible investing important to Manulife?

The world is changing. Issues like climate change, natural resource constraints, demographic shifts and cybersecurity are disrupting business models. If poorly managed, these issues can have a significant negative impact on a company’s reputation and valuation, and ultimately on its returns for investors.

In order to make better investments in this changing world, we need a more holistic view of companies, beyond what their financial statements tell us about immediate past performance. We need to look at things that affect their future. Are they being innovative? Does the management team understand their ESG risks and opportunities and are they acting on them? This type of information leads to better investing – and that makes it important for Manulife.

A second reason is that many of our institutional asset management clients are investing with very long-term time horizons. For example, pension funds will need to deliver on their pension commitments over the same time frame that climate change will be affecting economies, industries and livelihoods. Looking at investments through the lens of long-term ESG issues gives us a view that’s more likely to help us protect our clients’ interests over that time frame.

## What do you see as the broader social value of responsible investing?

ESG investing seeks to ensure that the triple bottom line – people, planet and profits – is reflected in the price of an asset. When our portfolio managers have a more complete view of a company, they can price it more accurately. Their valuation can have a trickle-through effect on the capital markets, which can in turn increase the pressure on a company to tackle its ESG risks.

What’s more, because we’re active investors and engage directly with companies, we have the ability to influence management teams and talk to them about best practices. Companies have found it helpful to learn about global investors’ views and expectations, and to find out what their industry peers are doing. In this way, we can advocate for best practices in ESG matters, which drives overall improvement in corporate sector performance while also better protecting our investment portfolios.

## What inspires you the most about the work you do?

The field of ESG investing and integration is relatively new and rapidly evolving. There’s been a conscious shift in the corporate sector, and the extent to which our clients expect us to integrate ESG factors has changed dramatically, even in the past five years. Manulife is a top global asset manager and we’re putting resources in this space, which means that we have a real opportunity to be a leader in transforming global investment management to be more sustainable – and I’m excited to be part of it.

# Our Stories: Employees in Action

For many Manulife employees, taking action to help make their communities greener is a great way to spend a day.

In 2016, nine Manulife teams signed up for the annual Green Power Hike, one of the largest and most popular charitable hiking activities in Hong Kong. Since the launch of the Green Power Hike in 1994, more than 50,000 hikers have participated, raising over HK\$78 million for environmental education and conservation programs. Not only did the Manulife teams participate in the Green Power Hike, one of them walked away with the Hong Kong Federation of Insurers’ Cup and won second runner-up in the 25-kilometre hike category.

In Toronto, rain could not deter more than 700 participants, many of them Manulife employees and advisors, from canoeing the Don River as part of the annual Manulife Paddle the Don. The event raises funds for the Toronto and Region Conservation Authority to help protect, conserve and enhance the Don River watershed, which is home to many species of wildlife, a popular recreational spot for local residents and the site of Manulife’s global headquarters.

“This was the sixth year that we’ve been the title sponsor of Paddle the Don and the ninth year that our employees and advisors have been involved through participating or volunteering,” said Edwina Stoaite, Vice President, Strategic Sourcing, Procurement Office, Manulife. “Our long-term support

for this unique event speaks volumes about our commitment to improving the natural environment in our communities and around our office locations.”

Meanwhile, in suburban Boston, John Hancock partnered with the Massachusetts Department of Conservation and Recreation and the Town of Wellesley to fund the creation of a unique half-mile walking trail behind our Wellesley Office Park. “We were happy to assist in this initiative, which provides Wellesley, our tenants and area residents with access to a variety of year-round outdoor activities to encourage healthy lifestyles and an appreciation for our wealth of natural resources,” said Paul Crowley, Vice President, John Hancock Real Estate, at the official opening of the trail. To help protect the ecologically sensitive area along the Charles River, the walkway was built with an eco-friendly paving material made from recycled truck tires.



John Hancock partnered with the Massachusetts Department of Conservation and Recreation and the Town of Wellesley in the creation of a new walking trail that winds along the Charles River in the woods behind our Wellesley Office Park complex. The improvements provide the public with greater access to the Charles River Reservation.



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MANULIFE BANK PUBLIC ACCOUNTABILITY STATEMENT

DECLARATIONS



Social Impact

Students participating in Scholars & Stars, which brings elite Boston Marathon runners together with elementary school students.

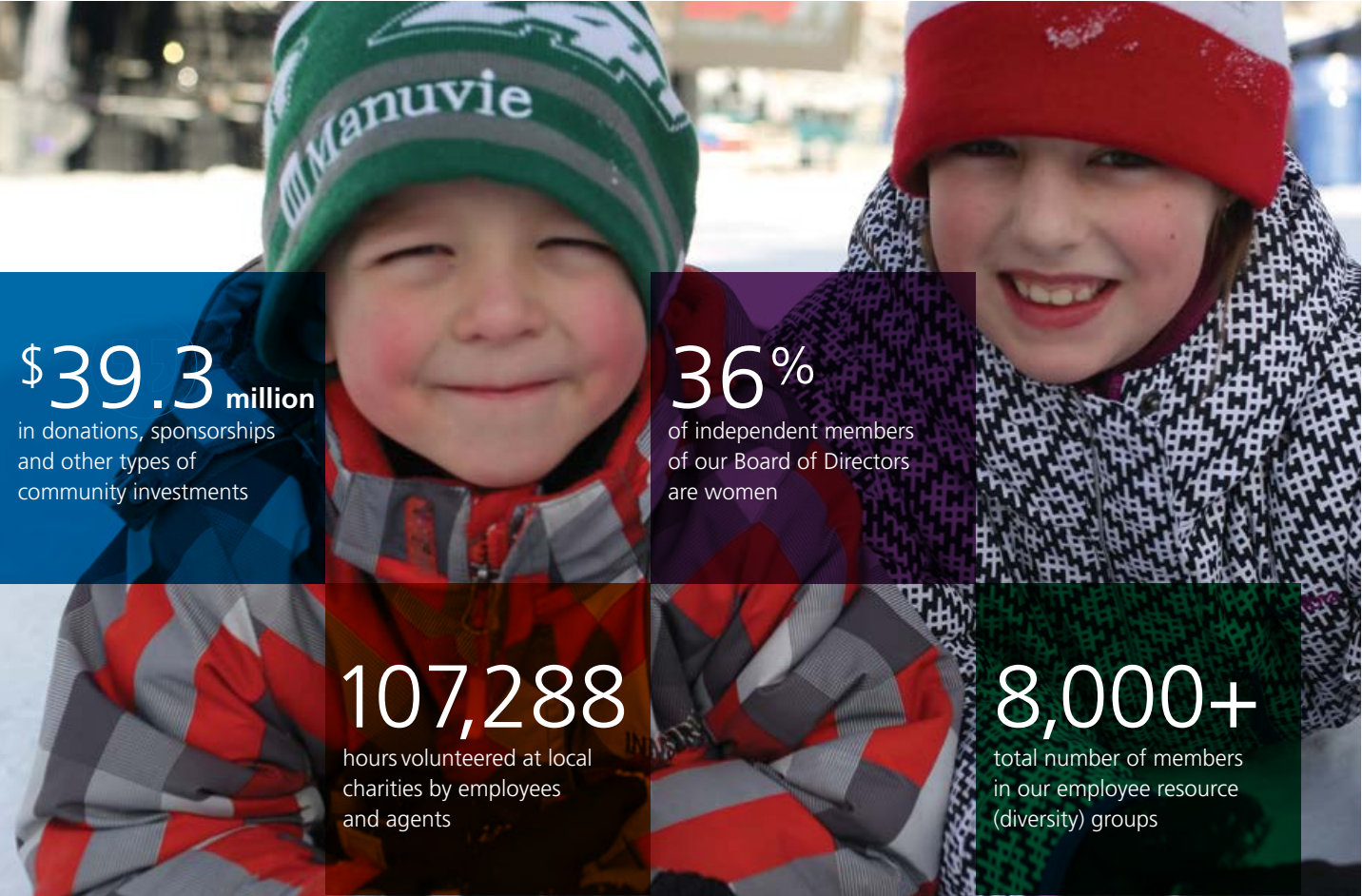
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# Social Highlights

At Manulife, we make the greatest social impact through our products and services, which help people achieve their dreams and aspirations, offer customers peace of mind, and provide help when individuals or families need it most. We also have social impacts through the jobs we create and the positive, rewarding work environments we offer, as well as through the efforts we make to promote social change and build strong, resilient communities.



Manulife has been recognized as a Caring Company by Imagine Canada for committing a minimum of one per cent of pre-tax domestic profit to support charitable and non-profit organizations each year.



Manulife is the principal sponsor of Tremblant 24h of Skiing, a team relay challenge held north of Montreal, where each team skis an average of 293 kilometres over a 24-hour period, helping raise money for children’s charities.

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# Spotlight: Community Investment

Giving back to the communities in which we operate is ingrained in our culture and has been throughout Manulife’s history. It’s part of our commitment to helping people lead better, more financially secure lives.

Our community investments are primarily focused in areas that are a natural extension of our business and where we can make the greatest contribution to driving broad social change. Rather than being passive donors, we seek to collaborate with community partners and engage our employees.

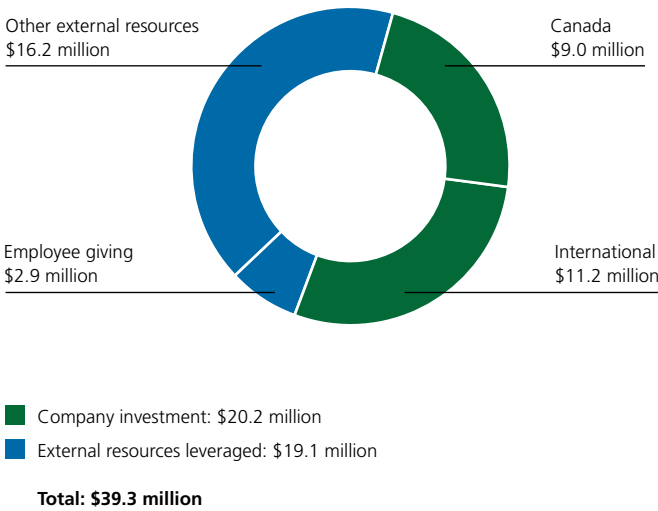
“We recently reviewed our community investment priorities to ensure we’re focused in the right areas and having the greatest impact,” said Tom Crohan, Assistant Vice President and Counsel, Corporate Responsibility and Government Relations, John Hancock. “In speaking with our business leaders, customers, employees and community members, it became clear that aspects of health and financial well-being, which are core to our business, are also high priorities for our stakeholders. Moving forward, our community investments will be focused on supporting innovative programs that promote well-being.”

We will continue to support much-needed community projects outside of this strategic focus on well-being – particularly social programs that are important to our employees – but the emphasis going forward will be on aligning the majority of our donations with these two priorities:

- **Healthy, active living:** Supporting physical well-being recognizes that people are living longer but not necessarily better. We know that simple actions and behavioural changes, such as moving more and eating better, can have significant long-term impacts and improve quality of life. Our emphasis will be on innovative health and wellness programs that empower people to make better choices, with an eye to prevention rather than treatment.
- **Financial well-being:** Financial well-being focuses on equipping people with the skills, experience and knowledge they need in order to be successful in today’s economy. Here too, we will emphasize innovative programs that motivate people to make changes in their lives, whether the focus is on helping them advance to post-secondary education, increasing their career readiness or improving their financial literacy.

Manulife, its employees and programs contributed a total of **\$39.3 million** to non-profit organizations in 2016.

## Community Investment



Manulife is a member of the London Benchmarking Group and we use their model to report on our community investments.

*Company investment* comprises all of the voluntary cash contributions Manulife made directly to community organizations that are generating clear and demonstrable value for the communities in which we live and work.

*External resources leveraged* comprises donations made by employees and funds raised from other external sources through Manulife’s community investment programs. Examples include our programs related to the Boston Marathon and the Manulife LPGA Classic, which raise funds for non-profit organizations.

# Promoting Social Change

Manulife strives to promote social change and build strong, resilient communities. We do this through financial contributions to non-profit organizations to strengthen the impact of their services and programs, and through collaboration on innovative initiatives aimed at solving societal issues.

## EMPOWERING YOUTH

Equipping young people with the skills, knowledge and experiences they'll need to succeed in their careers is a priority for us. We support programs around the world with financial and hands-on assistance. Here are a few examples from 2016.

**EPIC** (Enhancing Potential, Inspiring Change) creates positive experiences for young people between the ages of 11 and 14, often a difficult period of transition. In a unique cross-sector collaboration between the Mayor's Office of Public Safety, John Hancock and the Boys & Girls Club of Boston's YouthConnect, participants take part in workshops and events throughout the year on topics such as leadership, financial awareness, career exploration, community and workplace safety, decision-making and communication skills, and health and wellness. Each student is assigned a licensed social worker who can provide additional support services. The first cohort of young people graduated in June 2016, with greater self-awareness, confidence and potential to be school and community leaders.



A student at the EPIC graduation receiving her diploma.



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**Junior Achievement** programs across Canada give high school students the opportunity to learn how to run a business. In 2016, Manulife volunteers guided students through a fast-paced, 18-week experience that included selling shares, selecting executives and electing a board of directors, developing a business plan and budget, applying for incorporation, conducting market research, creating and then marketing and selling a product or service, developing a website, preparing a shareholders’ report, issuing dividends and then liquidating their company.

**Project 351** unites eighth grade students from all 351 cities and towns in Massachusetts for a year of community service, leadership development and enrichment. John Hancock is a founding corporate partner. Following the January 2016 launch day celebrations, ambassadors volunteered at non-profits across Greater Boston. We hosted one of the five service sites, with our own employee volunteers pitching in to assemble 17,000 meals for local food pantries and 200 hygiene kits for youth-run homeless shelters.

Cultivating Entrepreneurship in Indonesia

While entrepreneurs play a critical role in a nation’s economic growth, business owners represent less than two per cent of the Indonesian population.

Novita Rumngangun, Director and Chief Marketing Officer, Manulife Indonesia, said: “As one of the leading financial services companies in Indonesia, we believe it’s important to cultivate the entrepreneurship skills of the younger generation, in order for them to thrive and contribute to economic growth.”

With this in mind, Manulife and the Putera Sampoerna Foundation School Development Outreach initiative launched the Youth Entrepreneurship Development Programme in February 2016. As part of the program, 25 economics teachers and 120 students from high schools and vocational schools in Banda Aceh are participating in entrepreneurship workshops and business planning sessions over a 12-month period. Later, they will gather for a Youth Entrepreneurship Day, where teams will present their business plans to a panel of Manulife and government judges. Three winners will be selected, and each will receive funding to pursue their idea.



Students participate in the Youth Entrepreneurship Development Programme in Banda Aceh, Indonesia.

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HEALTHY, ACTIVE LIVING

Manulife’s investments in healthy, active living are all about motivating people to eat nutritious foods and get physically active, doing things they enjoy, so they can live life to the fullest. We support a wide range of innovative programs.

**Marathons and running events** help keep us moving. We sponsor, participate in and raise funds for events around the world.

We’ve committed to a five-year sponsorship of the **Angkor Wat International Half Marathon** in Cambodia. In 2016, a team of 235 Manulife employees from Asia and North America participated, along with 117 customers, advisors and bank partners, and raised US\$110,000 for the Angkor Hospital for Children’s cardiac and nutrition programs.

Approximately 450 Manulife employees, agents and customers ran in the **Manulife Da Nang International Marathon** in Da Nang, Vietnam in 2016. The event included full and half marathons, as well as five-kilometre and 10-kilometre charity runs, making it a fun day for the whole family.

John Hancock has been the principal sponsor of the iconic **Boston Marathon** for over 30 years and supports a variety of programs leading up to, and on the day of, the event. One of these programs, the John Hancock Boston Marathon Non-Profit Program, gives non-profits guaranteed invitational entries into the race, which enable runners to fundraise for their organizations. In 2016, more than

1,000 John Hancock–sponsored non-profit runners, including 166 John Hancock and Manulife employees, raised over US\$11 million for a wide range of charities.

**UNICEF Kid Power** encourages children to save lives by being active and earning points on an electronic activity-measuring wristband. The points unlock funding from sponsors and supporters, which is used by UNICEF to deliver life-saving therapeutic food packets to severely malnourished children around the world. John Hancock is the City Sponsor for the program in Boston this year.

In 2016, we hosted Scholars & Stars around the time of the Boston Marathon, celebrating Kid Power students from local schools that had excelled in the program. About 250 kids were treated to an inspirational talk by a Boston Marathon champion and participated in global games, while earning more Kid Power points. “It was an incredible day,” said Matthew Bane, Managing Director, New England Region, U.S. Fund for UNICEF. “The kids all know that they’re doing something really important when they participate in the Kid Power program. To be recognized for that was extra special.”

In total, more than 10,600 students from Boston public schools participated in the Kid Power program in 2016, unlocking funding for nearly 59,000 ready-to-use therapeutic food packets and collectively taking enough steps to complete the Boston Marathon course more than 24,000 times.

After wildfires swept through Fort McMurray, Alberta in 2016, destroying 2,400 buildings and displacing thousands of people, Manulife and its employees came together and donated \$295,000 to the relief efforts. This included a touching contribution from Manulife employees in the Philippines, who immediately thought of the support they received from Canada during their time of need following Typhoon Haiyan in 2013.



The Manulife WALK app encourages people to walk for two good causes – to improve their own health and to help children in Cambodia. Available to everyone in Japan (not just Manulife customers), users can download the app, create an account and then select a target number of steps based on their gender. Once they’ve hit the target, Manulife sends much-needed shoes to children in Cambodia. The program began in 2016 with 2,000 pairs of shoes available for donation.



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BIXI Takes Off

Manulife’s new sponsorship of the BIXI bike-sharing service gives Montrealers an opportunity to choose active transportation for getting around the city. What’s more, residents and visitors alike can try out the bike-sharing network for free on the last Sunday of each month.

BIXI Montreal is a non-profit organization that manages a system of more than 5,000 bikes and 460 stations. Response to the program has been phenomenal, with more than four million trips taken in 2016, including a record 30,000 trips made by over 11,000 cyclists during a “Free Sunday” presented by Manulife.



A BIXI bike-sharing station in Montreal.



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BLOOMBERG MANULIFE PRIZE FOR THE PROMOTION OF ACTIVE HEALTH

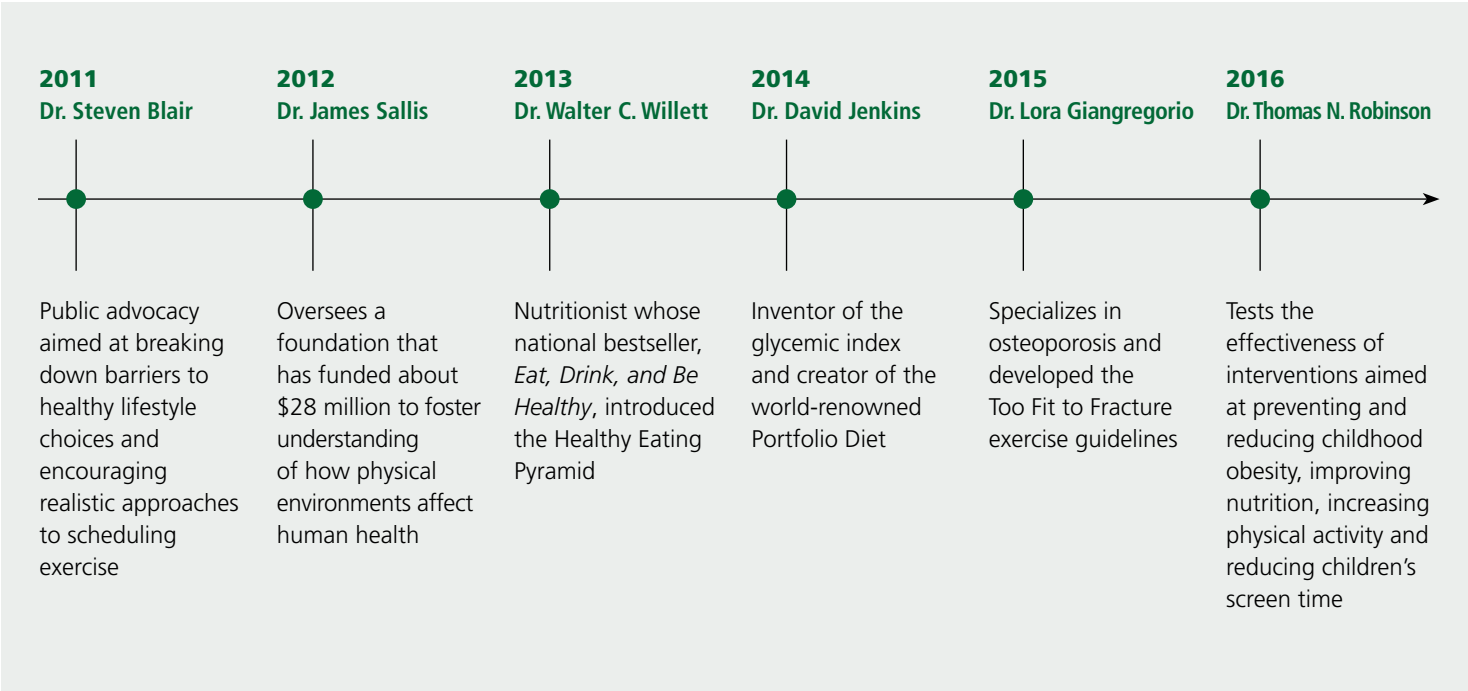
The Bloomberg Manulife Prize for the Promotion of Active Health, founded in 2011 by philanthropist Lawrence S. Bloomberg and Manulife, is the only prize of its kind in the world in the field of public health and physical activity. Its aim is to promote research that will help raise the standards for health and physical activity around the world.

The Prize winner, determined by McGill University, is an academic whose research has made key contributions to understanding how factors such as physical activity, nutrition and psychosocial context influence personal health and well-being, and whose work has had a positive impact on behavioural and lifestyle choices.

 [mcgill.ca/bloomberg-manulife](https://mcgill.ca/bloomberg-manulife)

CANADIAN INDEX OF WELLBEING

Manulife is playing a leadership role in the private-sector response to the United Nations’ call for all parts of society to work together on achieving the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) – goals that aim to end poverty and hunger everywhere, reduce inequality within and among countries, protect the planet and more.



We commissioned the University of Waterloo’s Canadian Index of Wellbeing (CIW) to map the 17 SDGs to its own CIW indicators. The CIW is considered a global pioneer in devising alternative measures of progress as a society. The CIW framework, which was developed through extensive consultation with Canadians and continually evolves, includes 64 indicators that provide a more complete picture of well-being than just economic activity, incorporating aspects such as community vitality, education, and leisure and culture.

“Manulife gave us the opportunity to demonstrate how our CIW framework links to the SDGs and created the potential for monitoring progress towards these global goals,” observed Bryan Smale, Director, Canadian Index of Wellbeing. The research findings, which are publicly available on the [CIW website](#), found a high degree of alignment between the CIW indicators and the SDGs.

“Some view the SDGs as applicable primarily in the context of the developing world,” said Chris Ouellette, Head, Corporate Citizenship, Manulife. “This research shows how corporations, governments, civil society or individuals can contribute to the SDGs in the Canadian context.”



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WELCOMING SYRIAN REFUGEES

When the Government of Canada called on industry to support the resettlement of 25,000 Syrian refugees in Canada, Manulife responded by co-creating the Welcome Fund for Syrian Refugees with Community Foundations of Canada (CFC). We seeded the fund with a \$500,000 contribution and other donors joined in soon after. As a result, more than \$5 million was distributed to 27 communities across Canada to help government-sponsored families, in the space of just six months.

“It was a unique partnership in that it was high-profile, fast-paced and everybody had to respond to the situation as it unfolded,” said Sara Lyons, Vice President, CFC. “Manulife was quick off the mark to recognize the need and deserves credit for making a financial commitment in advance of having all the details. Their actions inspired other companies to follow suit.”

The fund focused on meeting the most urgent needs of government-assisted refugees, the most vulnerable group because they lack the built-in supports that privately sponsored refugees receive. Most of the money was used for housing rental support, with some going toward education and training programs, interpreters’ services, and counselling and mental health programs.

“The money allowed local agencies that were working directly with families to bridge gaps in funding, help families that

were most challenged, and generally make the transition to a new life in Canada a little easier for the refugees,” added Sara Lyons.

Announcements were made across Canada as community agencies received support, with Manulife hosting a Welcome Fund event at its Waterloo office. Leading up to the announcement, our employees led a drive to collect new household, food and personal items. These donations became part of the welcome kits given to Syrian families settling in Kitchener-Waterloo.

JOINING HANDS IN BOSTON

John Hancock is joining hands with a number of organizations working to empower and uplift residents in low-income Boston neighbourhoods.

We continue to expand our partnership with The Dimock Center, a nationally recognized centre in Roxbury that provides local residents with convenient access to high-quality, low-cost health care and other services. For the past five years, the Dimock Center has participated in the John Hancock Martin Luther King Summer Scholars Program, which offers meaningful summer job opportunities to young people.

“The program has been very successful,” said Mauryanne Remondini, Senior Director, Corporate Responsibility, John Hancock. “The Dimock Center recruits, hires and manages the scholars, often hiring young people who are already in their programs or whose families need additional financial support.”

John Hancock recently expanded its partnership with The Dimock Center by sponsoring its Road to Wellness 5K Walk/Run, which encourages better mental and physical health through fitness and exercise while embracing the cultural diversity and strong sense of community in Boston’s Roxbury neighbourhood.

Separately, John Hancock is partnering with The Urban Farming Institute of Boston (UFI), a social innovation organization that supports

the development of urban farming. One of its programs is the Urban Farmer Training Program, which gives local residents an opportunity to engage in direct, hands-on learning on small quarter-acre plots. UFI sees it as a springboard for individuals for whom traditional job models don’t work, thereby fostering innovation and entrepreneurship.



Seeded by an initial commitment of \$500,000 from Manulife, the Welcome Fund started making strategic contributions within 45 days of its establishment, and by June 2016, the fund had distributed more than \$5 million to 27 communities across Canada.

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# Employees in the Community

Manulife supports leading employee volunteer programs. Not only do they amplify the social impact of our community investment initiatives, they also provide important engagement opportunities through which employees can grow and feel rewarded.

## 2016 HIGHLIGHTS

- We introduced two paid days of volunteering a year to employees in our local and regional offices in Hong Kong.
- 84 Manulife employees volunteered 4,294 hours thanks to MatchBoard, a joint initiative of Manulife and Capacity Canada that trains and connects interested employees with board-level opportunities at community non-profits.

- John Hancock’s Signature Skills program for matching employees with skills-based volunteer opportunities continues to be a success. Since its launch in 2014, 125 employees have contributed over 7,100 hours of skills-based support.

## HOMEWORK CLUB MAKES AN IMPACT

The Manulife/Frontier College Homework Club provides free one-on-one tutoring to students in Toronto’s St. James Town, a densely populated neighbourhood near our

head office. In 2016, 50 Manulife volunteers tutored grade six, seven and eight students once a week throughout the school year at our office. The program has been running since 1999 and many students return year after year. Not only do the tutors help with homework, they also provide practical academic and career guidance. Over the years, families of these students have noted changes in the way they perceive and conduct themselves, crediting the program for much of these students’ success.

## ALL FOR A GOOD CAUSE

Manulife and John Hancock, and our employees, advisors and retirees, contributed nearly **\$3.5 million** in Canada and **US\$740,000** in the United States to United Way campaigns in 2016. In Hong Kong, we raised **HK\$378,000** for the Community Chest through the Walk for Millions.

107,288

Total employee hours volunteered through programs and initiatives supported by Manulife

41,163

Asia (includes employees and agents)

52,208

Canada

13,917

United States

This year we included volunteer hours related to our Helping Hands program in Canada, through which we provide grants of \$500 to charities where employees volunteer 25 hours or more.



A student with her Manulife tutor. Established in 1999, the Manulife/Frontier College Homework Club has helped hundreds of students in Toronto’s St. James Town improve their academic and interpersonal skills.



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# Spotlight: Employee Engagement

Manulife is committed to creating a workplace that offers meaningful opportunities for employees and is open, collaborative and inclusive. We’ve deepened our engagement with employees by listening to their feedback, and we’re investing in their well-being so that together we can deliver successful business outcomes and a superior customer experience.

We’ve identified three critical behaviours that are fundamental to our culture, our employee experience and our ability to meet our customers’ needs: *We work as one. We question and innovate. We own our future.* Living these behaviours positions us to realize our purpose of helping people achieve their dreams and aspirations.

## BUILDING AN ENGAGED WORKFORCE

Our 35,000 employees around the world are the backbone of our business, and empowering them is essential to delivering an exceptional customer experience and maintaining the long-term sustainability of our business.

In 2016, we launched the Employee Experience Program, a cross-functional collaboration between Information Technology, Human Resources and Marketing looking at ways to enhance the employee experience. In its first year, the program focused on making tangible improvements to tools and technology that had been identified as pain points by employees. Going forward, the program will continue to prioritize productivity and collaboration while also building a longer-term view of innovative programming that incorporates employees’ feedback and ideas for delivering an exceptional employee experience.

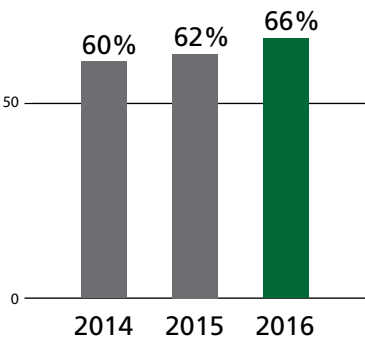
This program is part of a broader focus on engagement at Manulife that we believe is now paying dividends – our global employee engagement score increased by four per cent between 2015 and 2016.

See [page 47](#) for details about our global workforce.

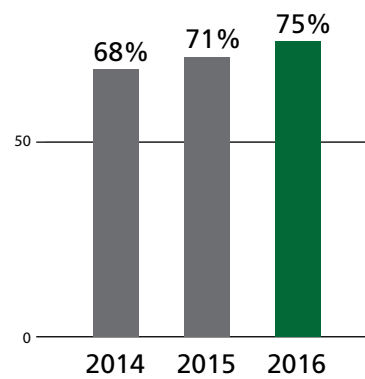
## Employee Engagement

We listen to our employees through a variety of formal and informal channels. Formal listening is facilitated through our employee engagement surveys. A global employee engagement survey is conducted every two years, with frequent pulse surveys facilitated in intervening years. In addition to formal listening, we also facilitate and leverage informal approaches to listening to our employees, such as intranet polls, online communities and other social media tools.

## Employees who consider themselves “engaged”



## Employees who rate their direct managers as highly effective people leaders



Craig Bromley, Senior Executive Vice President and General Manager, U.S. Division, participating in a Global Women’s Alliance employee resource group (ERG) event in Boston. Read more about Manulife’s ERGs on [page 42](#).

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# Career Development and Learning

Investing in the development of our people allows them to take ownership of their careers and helps them reach their full potential. We support our employees with programs for planning and moving forward in their careers and meeting their educational needs.

## 2016 HIGHLIGHTS

- Two-thirds of our global leaders, approximately 3,740 to date, have received our Leadership as a Profession training.
- Mandatory mid-year and year-end performance reviews were implemented for all employees and managers.
- Disciplined succession planning and talent assessment programs were implemented.
- Employees spent more than 40,000 hours in competency-building training programs.

We also launched a robust strategy to promote our extensive suite of learning-on-demand resources. Through our learning-on-demand services, employees can access learning programs covering a wide range of technical and leadership topics, anywhere and at any time. We partner with leading online content providers such as Skillsoft, Harvard ManageMentor, getAbstract and Vodeclit to provide content for all levels of employees and make them available in many different languages.

## DEVELOPING LEADERS

Effective people managers lead, motivate, provide feedback and coach team members. To provide managers with the appropriate tools and support, Manulife delivers learning programs that focus on building high-performance teams, developing leadership skills for empowering employees, and encouraging our critical behaviours.

In addition to our Leadership as a Profession training, nearly 1,000 employees participated in our Operational Leadership program, which focuses on developing the capabilities required for maintaining beneficial partnerships and achieving collective business goals.

We also established a leadership goal for every leader. This goal emphasizes our leaders’ accountability for raising the level of individual and team performance, improving engagement and modelling our organization’s critical behaviours in order to enhance our customers’ experience.



## Investing in Young People

We invest in young people through our student programs, which offer work experiences, financial support and academic resources for professional designations, mentorship, networking and social activities. Programs include:

- A Leadership Development Program that nurtures high-performance MBA graduates
- Recruitment programs, including those with a rotational component for new graduates in a variety of functions, such as finance and accounting, actuarial and investments
- A variety of paid internships and co-op programs that give students real work experience

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# Rewards and Recognition

As part of our commitment to our employees, we provide them with competitive rewards packages and a suite of recognition programs.

## COMPETITIVE REWARDS

Manulife’s rewards packages include compensation, benefits, and wellness and retirement savings options. Our approach reflects a pay-for-performance culture and is competitive within the local markets in which we operate.

Our employees in Canada and the United States can participate in a wide array of benefits plans and programs that can be individually tailored – and cover things like health, dental, vision, short-term disability, long-term disability, and life and accident insurance, as well as wellness programs, employee and family assistance plans, and retirement savings and share purchase plans.

Outside of North America, market practices vary. Accordingly, benefits programs in those countries also vary but are aligned as permitted globally and with local markets. They typically include life and accident, health, dental and disability insurance coverage, wellness programs, employee and family assistance programs, along with retirement and other savings programs.

## STARS OF EXCELLENCE

The Stars of Excellence is Manulife’s premier recognition program honouring top achievers from around the world for their dedication and outstanding contributions to the company.

Nominated by their peers and leaders, these individuals and teams stand out in terms of excellence in leadership, demonstration of our critical behaviours and delivering on our customer-centric purpose of helping people achieve their dreams and aspirations.

In the spirit of Manulife’s corporate commitment to giving back, we also honour one exceptional individual who has gone above and beyond for their community by volunteering time to important causes in a significant, sustained way.



Manulife employees at the 2016 Stars of Excellence ceremony.



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# Diversity and Inclusion

At Manulife, we believe that diversity and inclusiveness make us a more successful company. We're committed to creating an inclusive culture that inspires employees to bring their authentic and whole selves to work, enabling them to excel personally and professionally and better serve our customers, business partners and communities.

## 2016 HIGHLIGHTS

- We launched our Executive Diversity and Inclusion Council, chaired by Manulife's CEO, the mandate of which is to provide insight and direct the implementation of our diversity and inclusion strategy.
- We appointed our first Chief Talent and Diversity Officer, responsible for integrating our approach to diversity and inclusion into all talent practices.
- Unconscious bias training was delivered to the majority of our senior leadership team and our recruitment team globally, and will be rolled out across the company starting in 2017.

## Employee Gender Mix by Region

As at December 31, 2016

Region	Female	Male
Canada	61%	39%
United States	44%	56%
Asia*	59%	41%
Other**	37%	63%
Total	57%	43%

\* Asia: Cambodia, China, Hong Kong, Indonesia, Japan, Macau, Malaysia, Philippines, Singapore, Taiwan, Thailand and Vietnam

\*\* Other: Europe, Caribbean, Latin America, Australia, New Zealand and India

- New employee resource groups (ERGs) were launched for employees who have served in the military in the U.S. (MiLE), and for working parents and employees in the Philippines caring for elderly parents and children with special needs or chronic illnesses (Family Connections). Our ERGs now have more than 8,000 members worldwide.
- Pamela Kimmert was appointed to Manulife's Board of Directors, increasing the representation of women among our independent directors to 36 per cent.
- One-quarter of Manulife's Executive Committee members are now women.
- John Hancock scored 100 per cent on the Human Rights Campaign Foundation's Corporate Equality Index for the third year in a row. The index is a national benchmarking survey and report on corporate policies and practices related to LGBT equality in the workplace.

## Employee Gender Mix by Level

As at December 31, 2016

Level Grouping	Female	Male
Vice President and above	23%	77%
Manager, Director and Assistant Vice President	43%	57%

Manulife is a member of the 30% Club, a global group committed to gender balance in business leadership.



Manulife CEO Donald Guloi and members of the PROUD employee resource group raising the rainbow flag at Manulife's global headquarters to mark Toronto Pride.

## NATIONAL TELECOMMUTING INSTITUTE

John Hancock's Annuity and Fixed Products Call Center is attracting another set of talented individuals into its workforce through a partnership with the National Telecommuting Institute (NTI), a non-profit that places physically disabled Americans in work-at-home jobs. Working as part of a team of customer service representatives, the agents provide customer support and help reduce wait times during peak call hours. They're given the same training as other agents at the Center, but the training is delivered virtually. "NTI is the perfect complement to our layered staffing approach," said Meaghan O'Brien, Manager, Shared Services Contact Center. "As a virtual team, they're able to provide us with critical phone coverage during lunches and breaks, as well as improved business continuity planning."

Recruitment of women into the role of Assistant Vice President and higher accounted for 41 per cent of total senior hires globally in 2016.

## ECALE CENTRE

Manulife is proudly supporting the soon-to-be-built Ecale Centre, Canada's first emergency and transitional housing facility dedicated exclusively to homeless LGBTIQ2S (lesbian, gay, bisexual, trans, intersex, queer, questioning and Two Spirit) youth. Our donation will support the Centre's social enterprise room, a space that will be focused on helping these young people prepare for employment or school through skills development workshops, small entrepreneurial ventures in the community and individual counselling.


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# Q&A: Diversity and Inclusion

An interview with Sandeep Tatla, Assistant Vice President and Global Head of Diversity and Inclusion



**Creating a culture that is diverse and inclusive ensures that we’re creating an environment where all of our talent thrives.**



Sandeep Tatla joined Manulife in 2016 to act as a catalyst for change within our organization. She is working with leaders and employees to foster a more diverse and inclusive culture that supports our broader business strategy. Here she shares her early impressions about Manulife’s commitment to diversity and inclusion and why it’s so important to our company and society.

## Why is diversity and inclusion important to Manulife?

Fostering a culture that is diverse and inclusive ensures that we’re creating an environment where all of our talent thrives and where different, new and fresh perspectives and ideas are not only welcomed, but encouraged and expected. It’s this kind of culture that nurtures innovation and attracts and retains the best talent, ultimately helping us deliver better customer solutions.

## Being new to the organization, what are your impressions of Manulife’s culture?

I’ve been most impressed with Manulife’s critical behaviours, which are the pillars of our company’s culture: we work as one, we question and innovate, and we own our future. These critical behaviours set a solid foundation for an innovative and inclusive culture, and I see them being brought to life every day. It’s hard not to be inclusive if you’re living our critical behaviours.

I’ve also been impressed by the commitment of Manulife’s leaders and the passion and excitement for diversity and inclusion shown by our employees. They want to move forward and help us on our journey. Our employee resource groups have over 8,000 members who are active at events and on social media. You can’t help but be inspired by them.

## What do you see as the broader social value of the company’s commitment to diversity and inclusion?

Our commitment to diversity and inclusion shows respect for individual differences and for the diverse communities we serve. Hiring people from these same communities not only increases their job opportunities, it also helps us better relate to our customers and provide the products and services that meet their needs. In so doing, we help these communities thrive and prosper.

As part of our commitment, we also partner with community organizations that promote and support diversity and inclusion in society, giving financial assistance and collaborating with them on targeted initiatives.

## What inspires you the most about the work you do?

We spend most of our waking hours at work. It’s important that we feel valued and respected, and that we can come to work and be our authentic selves. I’ve been in environments where you have to hide parts of who you are or pretend to be someone you aren’t – it takes away energy and focus that could be channelled into more productive activities. For me, knowing that I can play a role in helping people come to work and be their authentic and best selves is what motivates and inspires me.



- Social Highlights
- Spotlight: Community Investment
- Promoting Social Change
- Employees in the Community
- Spotlight: Employee Engagement
- Career Development and Learning
- Rewards and Recognition
- Diversity and Inclusion
- Q&A: Diversity and Inclusion
- > Our Stories: Employee Health and Wellness by the Numbers

# Our Stories: Employee Health and Wellness by the Numbers

Manulife’s commitment to health and wellness extends from our customers to our employees. We offer a wide range of programs aimed at helping them be their best selves.

For our efforts, Excellence Canada presented Manulife with silver certifications in the categories of Healthy Workplace® and Mental Health at Work® in its 2016 awards program. In addition, the Bureau de normalisation du Québec recognized Manulife with its Healthy Enterprise Award. John Hancock received the American Heart Association Platinum Fit-Friendly Worksite Award and The League of American Bicyclists Bicycle Friendly Business Award.

Employee participation in our programs is outstanding. Here’s a quick look at the 2016 numbers:

- Vitality activities, which can include educational seminars, healthy food purchases and employer-specific events, were completed by 3,518 John Hancock employees.
- Across our U.S. offices, 3,415 John Hancock employees completed a Vitality health review, while in Canada, 1,838 employees completed a health risk assessment (HRA). The HRA, known as the Vitality Health Review™, is an online tool that gathers information about each of the 13 modifiable health risk factors and conditions targeted by Vitality, as well as readiness to change, perceived health status and productivity.
- Vitality Checks were completed by 2,474 John Hancock employees. These annual biometric screenings measure blood

pressure, cholesterol, glucose and body mass index.

- John Hancock’s Stay Fit Benefit provided 1,584 employees with up to US\$400 each to offset the annual cost of gym memberships, fitness classes, weight loss support and smoking cessation programs. Similarly, in Canada, 1,562 employees directed an average of \$339 company-provided benefit dollars to use on various personal health and wellness initiatives such as gym memberships, running shoes, personal trainers, health classes and more.
- More than 300 employees in Canada and the U.S. participated in the annual Work Your Way to a 5K program, which involves 10 weeks of training in preparation for a five-kilometre run.
- More than 70 on-site activities related to mental health were organized across Canada during Mental Health Week.
- Close to 2,000 employees in Canada and over 900 employees in the U.S. participated in our annual flu shot clinic.
- Over 10 weeks, 403 employees participated in the Winning@Losing Challenge.
- The month-long Trektober Challenge prompted 465 employees to take a combined total of 90 million steps.
- Ergonomic support was provided to more than 700 employees through individual assessments and group sessions.

- More than 500 employees in Canada participated in weekly guided mindfulness sessions as part of a meditation program.



On June 1, 2016, Manulife held its first annual Global Walk, aimed at inspiring people to make walking a daily habit – and finding small, simple ways to build fitness into their everyday lives. Almost 1,500 employees around the world gathered for a brisk lunchtime stroll near their offices, averaging 9,635 steps each.

## WORKSMART: FLEXIBLE WORK ARRANGEMENTS FOR EMPLOYEES

We support a healthy work-life balance by offering flexible work options that allow employees to choose how, where and when they work best through our WorkSmart program. At the end of 2016, more than **4,800 Manulife employees** across North America were working remotely one or more days a week, with just over 4,000 of those employees working remotely two to five days a week.

## HEALTH AND SAFETY IN THE WORKPLACE

Manulife is committed to providing a healthy and safe environment for all employees. We have a comprehensive Health and Safety Program that includes employee education, training, monitoring, and enforcement procedures. Its goals are to:

- Protect employees from injury and occupational disease;
- Promote wellness efforts; and
- Prevent violence and harassment in the workplace.

All Manulife contractors, sub-contractors and their workers are expected to meet our Health and Safety Program requirements.





Tables

Over 9,100 runners from 77 countries participated in the 2016 Angkor Wat International Half Marathon, besting last year's record.

# Debt Financing for Business

Manulife is a long-term investor in the countries in which we do business, and our activities help support the growth and development of local economies. Through loans and investments, for example, we inject capital into important infrastructure projects and extend credit to businesses. In 2016, Manulife provided nearly \$9.3 billion in financing to help businesses grow.

## AMOUNT OF DEBT FINANCING AUTHORIZED IN 2016

(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	Total
British Columbia	\$ 126	\$ 659	\$ 701	\$ 1,581	\$ –	\$ 24,568	\$ 549,862	\$ 577,497
Alberta	52	181	740	–	–	9,952	554,721	565,646
Saskatchewan and Manitoba*	11	50	362	–	561	6,690	6,300	13,974
Ontario	175	1,599	3,681	4,399	4,565	67,692	1,494,849	1,576,960
Quebec	156	1,134	1,409	–	600	2,233	439,001	444,533
New Brunswick	–	–	150	823	–	–	38,325	39,298
Nova Scotia and Prince Edward Island*	32	99	100	–	–	8,592	99,987	108,810
<b>Total Canada</b>	<b>\$ 552</b>	<b>\$ 3,722</b>	<b>\$ 7,143</b>	<b>\$ 6,803</b>	<b>\$ 5,726</b>	<b>\$ 119,727</b>	<b>\$ 3,183,045</b>	<b>\$ 3,326,718</b>
<b>Total U.S.</b>	–	–	–	–	–	11,547	5,958,773	5,970,320
<b>Total Asia</b>	–	–	–	–	–	–	–	–
<b>Total</b>	<b>\$ 552</b>	<b>\$ 3,722</b>	<b>\$ 7,143</b>	<b>\$ 6,803</b>	<b>\$ 5,726</b>	<b>\$ 131,274</b>	<b>\$ 9,141,818</b>	<b>\$ 9,297,038</b>

\*Data for Saskatchewan and Manitoba and for Nova Scotia and Prince Edward Island has been consolidated to protect the privacy of individual borrowers who might otherwise be identifiable.

Note: Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut are not shown in the table above as the amount of debt financing authorized in 2016 in these jurisdictions was nil.

## NUMBER OF CUSTOMERS FOR WHOM DEBT FINANCING WAS AUTHORIZED IN 2016

	\$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	Total
British Columbia	8	12	6	5	–	2	22	55
Alberta	3	2	4	–	–	4	18	31
Saskatchewan and Manitoba*	1	1	2	–	1	2	2	9
Ontario	10	29	28	13	6	15	47	148
Quebec	14	23	13	–	1	1	12	64
New Brunswick	–	–	1	2	–	–	4	7
Nova Scotia and Prince Edward Island*	2	2	1	–	–	3	7	15
<b>Total Canada</b>	<b>38</b>	<b>69</b>	<b>55</b>	<b>20</b>	<b>8</b>	<b>27</b>	<b>112</b>	<b>329</b>
<b>Total U.S.</b>	–	–	–	–	–	2	121	123
<b>Total Asia</b>	–	–	–	–	–	–	–	–
<b>Total</b>	<b>38</b>	<b>69</b>	<b>55</b>	<b>20</b>	<b>8</b>	<b>29</b>	<b>233</b>	<b>452</b>

\*Data for Saskatchewan and Manitoba and for Nova Scotia and Prince Edward Island has been consolidated to protect the privacy of individual borrowers who might otherwise be identifiable.

Note: Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut are not shown in the table above as the amount of debt financing authorized in 2016 in these jurisdictions was nil.



# Employees

We have a global workforce of approximately 35,000 people, with nearly 13,000 in Canada alone. The following tables provide details of our global workforce.

## WORKFORCE DATA BY EMPLOYMENT TYPE AND COUNTRY

Country	Employment Type			Total
	Regular	Temporary	Contractor	
Australia	6	–	–	6
Barbados	16	–	–	16
Belgium	25	–	–	25
Bermuda	7	–	–	7
Brazil	3	–	–	3
Cambodia	253	–	1	254
Canada	12,019	21	891	12,931
China	1,914	100	7	2,021
Hong Kong	2,055	113	21	2,189
India	1	–	–	1
Indonesia	1,490	55	–	1,545
Japan	1,414	121	44	1,579
Macau	18	–	–	18
Malaysia	790	3	–	793
New Zealand	86	–	–	86
Philippines	5,458	2	45	5,505
Singapore	607	1	92	700
Taiwan	79	1	11	91
Thailand	155	1	–	156
United Kingdom	46	–	1	47
United States	5,662	–	290	5,952
Vietnam	658	21	–	679
<b>Total</b>	<b>32,762</b>	<b>439</b>	<b>1,403</b>	<b>34,604</b>

Note: Includes active regular/temporary employees, contractors and employees on paid leave.

## WORKFORCE DATA IN CANADA BY EMPLOYMENT TYPE AND PROVINCE

Province	Employment Type		Total
	Full-Time	Part-Time	
British Columbia	263	6	269
Alberta	415	14	429
Saskatchewan	62	2	64
Manitoba	77	3	80
Ontario	8,691	216	8,907
Quebec	2,184	73	2,257
New Brunswick	15	–	15
Nova Scotia	882	19	901
Prince Edward Island	1	–	1
Newfoundland and Labrador	8	–	8
<b>Total</b>	<b>12,598</b>	<b>333</b>	<b>12,931</b>

Note: Includes active regular/temporary employees, contractors and employees on paid leave. Due to the large number of employees working from home, this data is based on the employee's province of residence rather than office location.

# Taxes and Procurement

## TAXES

Manulife incurred \$998 million of income and capital taxes in 2016, as well as another \$878 million in other taxes, paid or payable to all levels of government globally.

### Taxes Paid or Payable

For the year ended December 31, 2016

(C\$ thousands)	Income Taxes	Capital Taxes	Total Income and Capital Taxes
<b>Federal</b>	<b>\$ 213,617</b>	<b>\$ –</b>	<b>\$ 213,617</b>
Provincial and territorial:			
British Columbia	36	–	36
Alberta	4,688	–	4,688
Saskatchewan	28	49	77
Manitoba	10	–	10
Ontario	41,916	–	41,916
Quebec	7,155	6	7,161
New Brunswick	3	–	3
Nova Scotia	685	2,583	3,268
Prince Edward Island	1	–	1
Newfoundland and Labrador	5	–	5
Yukon	–	–	–
Nunavut	–	–	–
Northwest Territories	–	–	–
<b>Total provincial and territorial</b>	<b>\$ 54,527</b>	<b>\$ 2,638</b>	<b>\$ 57,165</b>
<b>Total Canada</b>			<b>\$ 270,782</b>
<b>Total U.S.</b>			<b>581,376</b>
<b>Total Asia</b>			<b>145,465</b>
<b>Total Income and Capital Taxes</b>			<b>\$ 997,623</b>
<b>Other Taxes</b>			<b>878,494</b>
<b>Total Taxes</b>			<b>\$ 1,876,117</b>

## PROCUREMENT

Manulife purchased goods and services worth \$2.1 billion for its worldwide operations in 2016.

Our Vendor Code of Conduct, which applies to all third-party vendors, establishes minimum performance standards and expectations regarding ethical business practices and good governance.

We’re also committed to supporting LGBT- and women-owned businesses to reflect the diversity of the communities in which we operate. In 2016, we recognized Lesbian, Gay, Bisexual, Transgender- (LGBT-) and women-owned classifications in our procurement database. Manulife also became a member of the Financial Services Roundtable for Supplier Diversity, a non-profit organization comprising regional, national and global financial services companies with formal supplier diversity initiatives.





# Manulife Bank Public Accountability Statement

Manulife Bank’s ABM network is powered with 100 per cent green energy from Bullfrog Power®.

# Manulife Bank Public Accountability Statement

Since its inception in 1993, Manulife Bank has been guided by the conviction that banking plays a central role in the financial health of Canadians. We offer competitive, flexible banking solutions designed to address our customers’ short-term needs and support their longer-term goals. And, because everyone’s financial situation is unique, we work closely with independent financial professionals who understand our customers’ overall financial objectives and can help ensure they find the banking solutions that are right for them.

## EFFICIENT, FLEXIBLE BANKING SOLUTIONS

Manulife Bank encourages Canadians to simplify their banking and make their money work harder so that they can achieve their financial goals and get more out of life. In addition to offering competitive rates on all of our products, Manulife Bank helps Canadians bank more efficiently with two innovative, flexible banking solutions:

- **Manulife One** allows our customers to combine nearly all of their banking needs within a single, efficient account. This can result in significant savings compared to traditional banking and empowers customers to take control of their finances. Manulife One for Business provides flexible financing for the commercial properties of Canadian small business owners.
- **Manulife Bank Select** combines a traditional mortgage with a high-interest chequing account to simplify the banking experience for Canadians.

With these products, customers can customize the structure of their debt and mitigate the risk of rising interest rates by dividing their debt among a variety of fixed and variable-rate options.

Advantage Account, Manulife Bank’s high-interest chequing account, and the chequing account component of Manulife Bank Select both pay high rates of interest on every dollar and feature no-fee everyday banking when customers maintain a balance of \$5,000 or more.

To help ensure our products are affordable for those who may have retired, we offer a discounted monthly fee for seniors on both Manulife One and Manulife Bank Select.

## PERSONALIZED, LOCAL ACCESS

Manulife Bank leverages a referral network of almost 21,000 independent financial advisors and mortgage brokers across Canada to refer or distribute its banking products. This approach allows our customers to access objective, personalized advice in their community and at their convenience. The integration of personalized advice with innovative, flexible banking solutions helps enable our customers to confidently build effective financial plans and achieve their financial goals.

We support our customers through a nationwide team of more than 170 retail lending specialists and business development consultants, who are available to meet locally with customers, and the advisors and mortgage brokers who support them.

We have two branches that offer select services to our Private Banking clients, by appointment only. The branches are located in Toronto and Vancouver:

- 250 Bloor Street East, Main Floor, Toronto, Ontario
- 550 Burrard Street, Suite 728, Vancouver, British Columbia

## MOBILE, ONLINE AND TELEPHONE ACCESS

Manulife Bank makes it easy for customers to manage their day-to-day finances through mobile, online and telephone banking. Using these services, our customers can manage many common banking needs such as viewing balances, paying bills, transferring money and finding a local ABM. Notably, Manulife Bank’s interactive voice response (IVR) system features natural language recognition and voice biometrics in both official languages, simplifying the customer experience by allowing them to validate their identity using only their voiceprint and navigate the IVR system with spoken requests. In addition, Manulife Bank’s website makes it easy for visitors to get in touch with a retail lending specialist or financial advisor in their community.

In 2016, we added two features to streamline customers’ banking experience:

Manulife Bank’s mobile app now features touch ID for iPhones, and customers are now able to make Interac Flash® payments using their Manulife Bank debit card.

Manulife Bank leverages online application systems for mortgage brokers, independent financial advisors and retail lending specialists. These systems allow our customers to get up and running with many of Manulife Bank’s deposit and loan products quickly and efficiently.

We continue to develop our two client service centres in Waterloo, Ontario, and Halifax, Nova Scotia. This dual centre model helps us provide seamless operations in the event of a business disruption. The Customer Service Centre’s hours allow our customers in Canada to speak with a bank service representative from 8:00 a.m. to 8:00 p.m. local time, Monday to Friday, and on Saturday from 8:00 a.m. to 5:00 p.m. Eastern time.

**Manulife Bank was presented with an Employment Equity Achievement Award from the Government of Canada for improved representation in the workplace for persons with disabilities, members of visible minorities, women, and Aboriginal peoples.**



# Manulife Bank Public Accountability Statement

(continued)

## AUTOMATED BANKING MACHINE (ABM) ACCESS

Manulife Bank has 834 publicly accessible ABMs across Canada. In addition, Manulife Bank is a member of THE EXCHANGE® Network<sup>1</sup>, Canada's second-largest network of ABMs. Our membership allows Manulife Bank customers to use any EXCHANGE ABM without being charged a convenience fee.

## CORPORATE GIVING AND SOCIAL RESPONSIBILITY

Manulife Bank shares Manulife's commitment to volunteerism, community development and corporate giving as described in Manulife's 2016 Public Accountability Statement, and its data is fully integrated into the information provided for those initiatives.

Following the significant expansion of Manulife Bank's ABM network in 2015, we are pleased to announce that, together with Bullfrog Power®, every Manulife Bank ABM is now powered with 100 per cent green energy.



<sup>1</sup> Fiserv EFT is the owner of THE EXCHANGE® trademark and its associated rights. Fiserv EFT has granted FICANEX® the exclusive right to use, market and sublicense THE EXCHANGE® trademark and the intellectual property rights associated with the operation of THE EXCHANGE® Network throughout Canada. Manulife Bank is an authorized user of the mark.

Manulife Bank employees are frequent and strong supporters of Manulife's philanthropic initiatives. In 2016, employees played a prominent role in activities such as a Habitat for Humanity build in the Kitchener-Waterloo region of Ontario; the Halifax Dragon Boat Festival, in support of amateur sport in Nova Scotia; and the Manulife LPGA Classic in Waterloo, in support of St. Mary's General Hospital Foundation.

## OUR CORPORATE STRUCTURE

Manulife Bank of Canada (MBC or Manulife Bank) is a Schedule I federally chartered bank and a wholly owned subsidiary of The Manufacturers Life Insurance Company, which is a wholly owned subsidiary of Manulife Financial Corporation. Manulife Trust Company (Manulife Trust), a subsidiary of Manulife Bank, is a federally incorporated trust company licensed to operate as a trust company in Canada.

## MANULIFE TRUST COMPANY

Manulife Trust leverages the brand, technology, operational and customer service platforms and processes, products, distribution network and management expertise of Manulife Bank.

Manulife Trust offers simple deposit products that are available electronically, as well as fixed-term residential mortgages,

available through Manulife Bank's nationwide network of retail lending specialists. Data provided for Manulife Bank includes Manulife Trust data.

## COMPLAINT HANDLING

At Manulife Bank and its subsidiary Manulife Trust, we place a high value on complaint resolution and are committed to responding to complaints promptly, accurately and with the utmost courtesy. The Manulife Bank Ombudsman Office provides our customers with accessible means with which to communicate any complaints, and we employ our best effort to respond to and resolve them. All complaints and personal information collected by the Manulife Bank Ombudsman Office, whether written or verbal, are handled in a fair, timely, professional and confidential manner.

In 2016, Manulife Bank's Ombudsman received and addressed nine complaints. Of those, two came to us directly from the Financial Consumer Agency of Canada, thereby not escalating through our standard complaint handling process. Five were resolved to the complainant's satisfaction and one was escalated to the Ombudsman for Banking Services and Investments. The average time taken to resolve these complaints was 40 days.



For the fifth year, the best female golfers from around the world came to the Waterloo region, home of Manulife's Canadian headquarters, to compete for the title at the Manulife LPGA Classic. The tournament has helped raise \$1.6 million for St. Mary's General Hospital Foundation.

# Automated Banking Machines (ABMs) Added and Removed in 2016

Manulife Bank has 834 publicly accessible ABMs across Canada. In addition, Manulife Bank is a member of THE EXCHANGE® Network<sup>1</sup>, Canada’s second-largest network of ABMs. Our membership allows Manulife Bank customers to use any EXCHANGE ABM without being charged a convenience fee.

## ABMs ADDED BY MANULIFE BANK IN 2016

Address	City, Province
101 – 9215 Lakeland Drive	Grande Prairie, Alberta
1414 Eighth Avenue	Cold Lake, Alberta*
7150 – 200 Street	Langley, British Columbia*
745 Thompson Drive	Thompson, Manitoba*
176 Goderich Street	Port Elgin, Ontario
849 Second Line E	Sault Ste. Marie, Ontario
4500 rue Beaubien E	Montreal, Quebec
3890 rue Wellington	Verdun, Quebec
6240 avenue Somerled	Montreal, Quebec
2555 rue Provost	Lachine, Quebec
475 avenue Dumont	Dorval, Quebec
395 rue des Erables, Local 110	Valleyfield, Quebec

## ABMs REMOVED BY MANULIFE BANK IN 2016

Address	City, Province
15 – 1941 Uxbridge Drive NW	Calgary, Alberta
9604 – 100 Avenue	Grande Prairie, Alberta
1414 Eighth Avenue	Cold Lake, Alberta*
7150 – 200 Street	Langley, British Columbia*
745 Thompson Drive	Thompson, Manitoba*
134 Main Street	Almonte, Ontario
108 Park Street	Prescott, Ontario
94 Peterborough Street	Norwood, Ontario
1055 Laurier Street	Rockland, Ontario
13 Moore Street	Carleton Place, Ontario
210 King Street E	Gananoque, Ontario
900 Bonacord Avenue	Whitby, Ontario
119 Herkimer Street	Hamilton, Ontario
660 Eglinton Avenue E	Toronto, Ontario
1507 Avenue Road	Toronto, Ontario
2 Talbot Street W	Cayuga, Ontario
733 Goderich Street	Port Elgin, Ontario
165 Fisher Mills Road	Cambridge, Ontario
115 Argyle Avenue N	Listowel, Ontario
3993 Wildwood Drive, Unit 100	Windsor, Ontario
295 Strabane Street	Windsor, Ontario
496 Notre Dame Avenue	Sudbury, Ontario

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\* These ABMs were removed and then reopened in the same location during 2016.

# Debt Financing for Business

Manulife Bank provides loans to businesses, helping to fuel their growth.

## AMOUNT OF DEBT FINANCING AUTHORIZED IN 2016

(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	Total
British Columbia	\$ 126	\$ 659	\$ 701	\$ 1,581	\$ –	\$ –	\$ –	\$ 3,067
Alberta	52	181	740	–	–	–	–	973
Saskatchewan and Manitoba*	11	50	362	–	561	1,089	–	2,073
Ontario	175	1,599	3,502	4,399	4,565	26,414	–	40,654
Quebec	156	1,134	1,409	–	600	–	–	3,299
Nova Scotia and New Brunswick*	32	99	250	823	–	–	–	1,204
<b>Total Canada</b>	<b>\$ 552</b>	<b>\$ 3,722</b>	<b>\$ 6,964</b>	<b>\$ 6,803</b>	<b>\$ 5,726</b>	<b>\$ 27,503</b>	<b>\$ –</b>	<b>\$ 51,270</b>
<b>Total U.S.</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Asia</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>\$ 552</b>	<b>\$ 3,722</b>	<b>\$ 6,964</b>	<b>\$ 6,803</b>	<b>\$ 5,726</b>	<b>\$ 27,503</b>	<b>\$ –</b>	<b>\$ 51,270</b>

\*Data for Saskatchewan and Manitoba and for Nova Scotia and New Brunswick has been consolidated to protect the privacy of individual borrowers who might otherwise be identifiable.  
Note: Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut are not shown in the table above as the amount of debt financing authorized in 2016 in these jurisdictions was nil.

## NUMBER OF CUSTOMERS FOR WHOM DEBT FINANCING WAS AUTHORIZED IN 2016

	\$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	Total
British Columbia	8	12	6	5	–	–	–	31
Alberta	3	2	4	–	–	–	–	9
Saskatchewan and Manitoba*	1	1	2	–	1	1	–	6
Ontario	10	29	27	13	6	10	–	95
Quebec	14	23	13	–	1	–	–	51
Nova Scotia and New Brunswick*	2	2	2	2	–	–	–	8
<b>Total Canada</b>	<b>38</b>	<b>69</b>	<b>54</b>	<b>20</b>	<b>8</b>	<b>11</b>	<b>–</b>	<b>200</b>
<b>Total U.S.</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Asia</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>38</b>	<b>69</b>	<b>54</b>	<b>20</b>	<b>8</b>	<b>11</b>	<b>–</b>	<b>200</b>

\*Data for Saskatchewan and Manitoba and for Nova Scotia and New Brunswick has been consolidated to protect the privacy of individual borrowers who might otherwise be identifiable.  
Note: Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut are not shown in the table above as the amount of debt financing authorized in 2016 in these jurisdictions was nil.



# Taxes

The tables below outline tax expenses for Manulife Bank and Manulife Trust, including amounts paid or payable to federal and provincial governments.

## MANULIFE BANK

	Capital Taxes	Income Taxes	Total Taxes
British Columbia	\$ –	\$ –	\$ –
Alberta	–	–	–
Saskatchewan	–	–	–
Manitoba	–	–	–
Ontario	–	9,975,173	9,975,173
Quebec	–	–	–
New Brunswick	–	–	–
Nova Scotia	2,582,937	677,324	3,260,261
Prince Edward Island	–	–	–
Newfoundland and Labrador	–	–	–
Yukon	–	–	–
Nunavut	–	–	–
Northwest Territories	–	–	–
<b>Provinces and Territories</b>	<b>\$ 2,582,937</b>	<b>\$ 10,652,497</b>	<b>\$ 13,235,434</b>
<b>Federal</b>	<b>–</b>	<b>13,679,016</b>	<b>13,679,016</b>
<b>Total Taxes</b>	<b>\$ 2,582,937</b>	<b>\$ 24,331,513</b>	<b>\$ 26,914,450</b>

## MANULIFE TRUST

	Capital Taxes	Income Taxes	Total Taxes
British Columbia	\$ –	\$ –	\$ –
Alberta	–	–	–
Saskatchewan	–	–	–
Manitoba	–	–	–
Ontario	–	733,556	733,556
Quebec	–	–	–
New Brunswick	–	–	–
Nova Scotia	190,672	16,624	207,296
Prince Edward Island	–	–	–
Newfoundland and Labrador	–	–	–
Yukon	–	–	–
Nunavut	–	–	–
Northwest Territories	–	–	–
<b>Provinces and Territories</b>	<b>\$ 190,672</b>	<b>\$ 750,180</b>	<b>\$ 940,852</b>
<b>Federal</b>	<b>–</b>	<b>972,575</b>	<b>972,575</b>
<b>Total Taxes</b>	<b>\$ 190,672</b>	<b>\$ 1,722,755</b>	<b>\$ 1,913,427</b>

# Employees

## MANULIFE BANK EMPLOYEES IN CANADA BY EMPLOYMENT TYPE AND PROVINCE

Province	Employment Type		Total
	Full-Time	Part-Time	
British Columbia	33	–	33
Alberta	16	–	16
Saskatchewan	6	–	6
Manitoba	6	–	6
Ontario	503	9	512
Quebec	70	–	70
New Brunswick	6	–	6
Nova Scotia	183	4	187
Prince Edward Island	–	–	–
Newfoundland and Labrador	2	–	2
<b>Total</b>	<b>825</b>	<b>13</b>	<b>838</b>

Note: Includes active regular/temporary employees, contractors and employees on paid leave. Due to the large number of employees working from home, this data is based on the employee’s province of residence rather than office location.

# Declarations

This 2016 Public Accountability Statement is published by, and in respect of, Manulife Financial Corporation, The Manufacturers Life Insurance Company and the following prescribed affiliates:

- First North American Insurance Company
- Manulife Asset Management Limited
- Manulife Securities Incorporated
- Manulife Securities Investment Services Inc.
- Manulife Asset Management (North America) Limited
- Manulife Securities Insurance Inc.
- Manulife Asset Management Investments Inc.
- Manulife Trust Services Limited
- Manulife Assurance Company of Canada

The 2016 Manulife Bank Public Accountability Statement is published by, and in respect of, Manulife Bank and its prescribed affiliate, Manulife Trust Company.

## ABOUT THIS STATEMENT

All dollar amounts in this statement are in Canadian dollars, unless stated otherwise. Manulife Financial Corporation and its subsidiaries, including The Manufacturers Life Insurance Company, are referred to herein as “Manulife”. This Public Accountability Statement is published for the financial year ended December 31, 2016 and all facts and figures are as of December 31, 2016, unless stated otherwise.

## ELECTRONIC DOCUMENTS

A number of shareholder documents are available electronically. For details about electronic document delivery or more information about other e-services, please contact our local stock transfer agents listed in the 2016 Annual Report.

Manulife’s Annual Report is available online at [manulife.com](http://manulife.com). Manulife’s 2016 Public Accountability Statement is also available to view and download from our website at [manulife.com/pas](http://manulife.com/pas).

## DONATIONS AND SPONSORSHIPS

All requests for charitable donations or sponsorships should be submitted using our online application process at [manulife.com/corporate-citizenship](http://manulife.com/corporate-citizenship). Here, you will find information about Manulife’s philanthropic partners and initiatives, as well as guidelines and criteria that determine eligibility for receiving corporate support.

## Contact Us

Manulife  
Attention: Corporate Citizenship  
200 Bloor Street East  
Toronto, Ontario, Canada M4W 1E5



What better way to celebrate  
Canada's 150th birthday than to  
move to the ParticipACTION  
150 Play List?

As a premier partner of the ParticipACTION 150 Play List, Manulife is joining the Government of Canada and other corporate partners in encouraging Canadians to get active and complete as many of the 150 uniquely Canadian physical activities as possible during Canada's sesquicentennial celebrations.

The physical activities, curated by Canadians in the autumn of 2016, include obvious choices such as hockey, lacrosse and canoeing, as well as snow shovelling, polar bear dips and five-pin bowling. Participants can track their activities online and earn chances to win prizes. A cross-country tour will help bring the program to life in communities throughout 2017.

Manulife is proud to support the ParticipACTION 150 Play List and do our part to get Canadians sitting less and moving more.

 [participaction.com/150](https://participaction.com/150)



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ABOUT MANULIFE

Manulife Financial Corporation is a leading international financial services group that helps people achieve their dreams and aspirations by putting customers’ needs first and providing the right advice and solutions. We operate as John Hancock in the United States and Manulife elsewhere. We provide financial advice, insurance, as well as wealth and asset management solutions for individuals, groups and institutions. At the end of 2016, we had approximately 35,000 employees, 70,000 agents and thousands of distribution partners, serving more than 22 million customers. At the end of 2016, we had \$977 billion (US\$728 billion) in assets under management and administration, and in the previous 12 months we made almost \$26 billion in payments to our customers. Our principal operations are in Asia, Canada and the United States, where we have served customers for more than 125 years. With our global headquarters in Toronto, Canada, we trade as ‘MFC’ on the Toronto, New York, and the Philippine stock exchanges and under ‘945’ in Hong Kong.

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May 2017

