Manulife Financial Corporation

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Engagement Team:
Vipula Pandita, vipula.pandita@morningstar.com

Introduction

In March 2022, Manulife Financial Corporation ("Manulife" or the "Company") issued a Green Bond (the "2022 Green Bond") and raised USD 750 million to finance or refinance projects that provide positive environmental impacts in the United States and Canada. In May 2025, Manulife engaged Sustainalytics to review the projects financed with proceeds from the 2022 Green Bond (the "Nominated Expenditures") and assess whether they meet the use of proceeds criteria and whether Manulife complied with the reporting commitments in the Manulife Sustainable Bond Framework.[1] Sustainalytics provided a Second-Party Opinion on the Framework in February 2022.[2] This is Sustainalytics' third annual review of allocation and reporting of the instruments issued under the Framework, following previous reviews in March 2023 and March 2024.[3,4]

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and Manulife's reporting based on whether they:

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

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs[5]

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators

Renewable Energy	Development, construction, operation, maintenance, and upgrades of:
	• Facilities and equipment wholly dedicated to the generation of renewable energy, as defined by the International Renewable Energy Agency (IRENA) Statute6, including:
	  • wind energy;
	  • solar energy;
	  • small-scale run-of-river hydro (under 25 Mega Watts);7
	  • bioenergy from waste biomass;
	  • tidal energy.
		• Renewable energy capacity installed (MWh)
		• Avoided or reduced carbon emissions (metric tonnes CO_2)

[1] Manulife, "Sustainable Bond Framework", (2022), at: https://www.manulife.com/content/dam/corporate/global/en/documents/pas/MFC_SBF_2022_EN.pdf
[2] Sustainalytics, "Second-Party Opinion, Manulife Sustainable Bond Framework", (2022), at: https://www.manulife.com/content/dam/corporate/global/en/documents/pas/MFC_SB_SPO_2022_EN.pdf
[3] Manulife, "Annual Review", (2023), at: https://www.manulife.com/content/dam/corporate/global/en/documents/pas/MFC_GB_LAS_2023_EN.pdf
[4] Sustainalytics, "Annual Review", (2024), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/manulife-annual-review-2024.pdf?sfvrsn=38384237_1.
[5] The Nominated Expenditures are in the categories Renewable Energy, Environmentally Sustainable Management of Natural Resources and Land Use and Green Buildings.
[6] IRENA Statute, 2009. https://www.irena.org/-/media/Files/IRENA/Agency/About-IRENA/Statute/IRENA_FC_Statute_signed_in_Bonn_26_01_2009_incl_declaration_on_further_authentic_versions.pdf?la=en&hash=635C494208DD405EA8CD2BDB04414FECD40F55F1.
[7] Selection criteria of hydropower plants include an environmental and social impact assessment undertaken by a credible third party to demonstrate no significant risks or controversy surrounding the respective project.

	• Geothermal energy (direct emissions of under 100 grams CO_2/kilowatt) • Transmission infrastructure and other supporting infrastructure wholly dedicated to renewable energy generation facilities, including inverters, transformers, energy storage systems and control systems. • Production or manufacturing facilities wholly dedicated to equipment, feedstock, or components for renewable energy generation facilities.	
Environmentally Sustainable Management of Natural Resources and Land Use	Purchase and operation of sustainably managed timberland holdings certified by credible third-party forest certification systems, such as: • Forest Stewardship Council (FSC); • Programme for the Endorsement of Forest Certification (PEFC). Purchase and operation of sustainably managed farmland holdings certified by credible third-party forest certification systems, such as: • Leading Harvest Standard.	• Sustainable forestry certification and certified area (square footage) • Removed or sequestered carbon emission (metric tonnes CO_2)

Green Buildings	Purchase, construction, operation, and maintenance of new or existing commercial or residential buildings that:
	• Have achieved, based on third-party assessment, greenhouse gas emissions performance in the top 15% of their city,
	or
	• Have received, or expect to receive, based on its design, construction and operational plans, certification according to third party verified green building standards, such as:
	  • LEED Gold or Platinum standard,
	  • BOMA BEST/360 Gold or Platinum,
	  • Energy Star score of 85+.
		• Green Building certifications and certified areas (square footage)
		• Avoided/reduced carbon emissions (metric tonnes CO_2)

Issuer's Responsibility

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

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from the 2022 Green Bond. The work undertaken as part of this engagement included collection of documentation from Manulife and review of said documentation to assess conformance with the Framework.

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

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

Conclusion

Based on the limited assurance procedures conducted,[8] nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. Manulife has disclosed to Sustainalytics that the proceeds from the 2022 Green Bond were fully allocated as of December 2022.

Detailed Findings

Table 2: Detailed Findings

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

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

Appendices

Appendix 1: Allocation Reporting

Table 3: Allocation Reporting from 2022 Green Bond

Use of Proceeds Category	Sub-Sector	Pro-rated Net Proceeds Allocated (USD million)
Renewable Energy	Hydro[9]	70.33
	Solar	110.78
	Wind	136.36
	Biomass[10]	37.26
Environmentally Sustainable Management of Natural Resources and Land Use	Timber	199.63
Green Buildings	Real Estate	191.67
	US Mortgage	
	CAD Mortgage	
Total Net Proceeds Allocated		**746.03**[11]
Total Proceeds Unallocated		**0.00**
Total Proceeds Raised		**750.00**

Appendix 2: Reported Impact

Table 4: Reported Impact from 2022 Green Bond

Use of Proceeds Category	Sub-Category	Reported Impact
Renewable Energy	Solar	i. Renewable Energy Capacity Installed: 214,025 MWh ii. Avoided/Reduced Carbon Emissions: 75,218 $MtCO_2$
	Wind	i. Renewable Energy Capacity Installed: 280,332 MWh ii. Avoided/Reduced Carbon Emissions: 27,075 $MtCO_2$

[9] Manulife has confirmed to Sustainalytics that the financing is allocated to small-scale run-of-river hydro projects with a capacity of under 25 MW. The selection criteria for these hydropower plants include an environmental and social impact assessment conducted by a credible third party, ensuring the projects do not pose significant risks or controversies.
[10] Manulife has communicated to Sustainalytics that the biomass facility utilizes wood and wood waste for energy generation. Furthermore, Manulife has confirmed to Sustainalytics that no waste derived from fossil fuels or palm oil is involved in the project.
[11] Manulife has communicated to Sustainalytics that USD 3.97 million were incurred as transactional costs.

	Biomass	i. Renewable Energy Capacity Installed: 243,412 MWh ii. Avoided/Reduced Carbon Emissions: 83,683 $MtCO_2$
Environmentally Sustainable Management of Natural Resources and Land Use	Timber	i. Certified Acres: 174,973[12] ii. Removed/Sequestered Carbon Emissions: 320,160 tCO_2 iii. Sustainable Forestry Certification: Sustainable Forestry Initiative
Green Buildings	Real Estate	i. LEED Gold Certified Area: 696,255 square feet ii. BOMA Best Platinum: 30,529 square feet
	US Mortgage	
	CAD Mortgage	

[12] Manulife has confirmed to Sustainalytics that the financed forestry projects are certified by the Sustainable Forest Initiative (SFI) endorsed by the Programme for the Endorsement of Forest Certification (PEFC).

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