

# Environmental, Social and Governance Report

2021

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# About this Report

In seeking to *minimize* our environmental footprint, our Environmental, Social and Governance (ESG) Report is only available in *digital* format.

**Additional information on our ESG practices is available in the following publicly available reports:**

- Manulife Financial Corporation 2021 Annual Report
- 2022 Management Information Circular
- 2021 Green Bond Report
- 2021 GRI Index
- 2021 SASB Index

## Scope

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

## Frameworks

The structure and content of this report are informed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) standards, the Task Force on Climate-related Financial Disclosures (TCFD), the United Nations Sustainable Development Goals (SDGs) and the Stakeholder Capitalism Metrics published by the International Business Council of the World Economic Forum.

## Audience

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

## Boundaries

This report largely covers our activities during Manulife's 2021 fiscal year. All facts and figures are as of December 31, 2021, unless stated otherwise. This report includes information from our global operations including Canada, Asia, Europe, and the United States, where we primarily operate as John Hancock. The information in this report is provided on a consolidated basis unless stated otherwise.

All dollar amounts are in Canadian currency, unless stated otherwise. Manulife Financial Corporation and its subsidiaries, including The Manufacturers Life Insurance Company, are referred to herein as "we," "our," "Manulife," and the "company."

Manulife, Manulife & Stylized M Design, and Stylized M Design are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates, including Manulife Financial Corporation, under license.

## Caution Regarding Forward-looking Statements

This report contains forward-looking statements which are made pursuant to the "safe harbour" provisions of

Canadian provincial securities laws and the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements in this report include statements with respect to Manulife's Climate Action Plan and journey to net zero. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include factors identified in the "Caution regarding forward-looking statements" in our 2021 Annual Report and elsewhere in our filings with Canadian and U.S. securities regulators.

The forward-looking statements in this report are presented for the purpose of assisting investors and others in understanding our objectives and strategic priorities and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements except as required by law.

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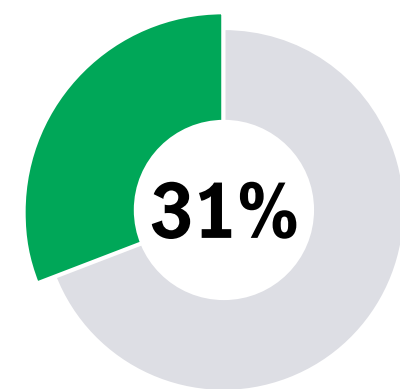
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Social

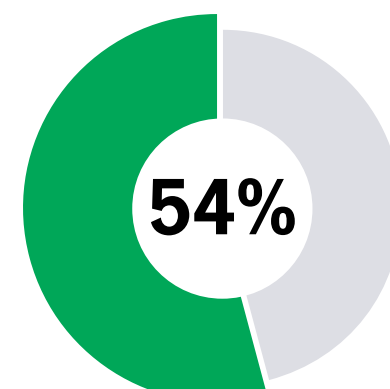
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**31% of Manulife's VP-level roles and above are held by women,** an increase in representation of 4% from last year, achieving our 2022 target ahead of schedule

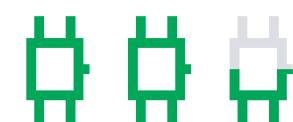


**54% of Manulife's independent Board directors are women,** exceeding our goal of 30% which we have maintained since 2013

Providing financial services to **over 6 million customers** in emerging markets



**2.7 million** customers globally have access to our **behavioural insurance** platforms



Global customer rNet Promoter Score (NPS): **+21 pts** a **9-point improvement** over 2020



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



**61%** of Manulife Investment Management managed farms use **regenerative** practices



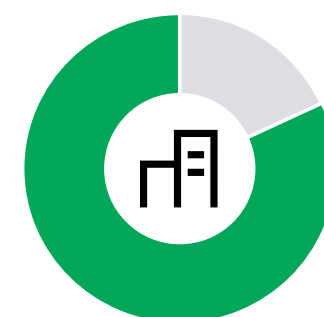
**479,000 acres of land** protected by Manulife Investment Management Timberland and Agriculture Sensitive Lands program

**\$21.7 million**

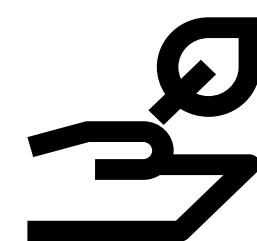
directly invested in **local communities** around the world

**\$31.8 million**

invested in **employee training and development**



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



**\$67.4 billion** in total company **sustainable investments**

**2021 ESG Ratings<sup>1</sup>**

Rating	2021
<sup>2</sup> Member of <b>Dow Jones Sustainability Indices</b> <small>Powered by the S&amp;P Global CSA</small>	61 81 <sup>st</sup> percentile
<sup>3</sup> <b>MSCI ESG RATINGS</b>	AA
<sup>4</sup> <b>CDP</b> <small>DISCLOSURE INSIGHT ACTION</small>	B-
<sup>5</sup> <b>SUSTAINALYTICS RATED</b>	ESG Risk level:Low

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

<sup>2</sup> As of December 2021, Manulife Financial Corporation is a member of the DJSI North America Index.

<sup>3</sup> As of December 2021, Manulife Financial Corporation received an MSCI ESG Rating of AA.

<sup>4</sup> As of December 2021, Manulife Financial Corporation received a CDP Climate Change score of B- which represents a management level disclosure.

<sup>5</sup> As of January 2022, Manulife received an ESG Risk Rating of 17.9 and was assessed by Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors.

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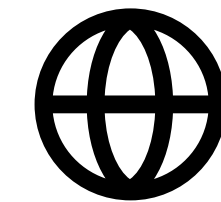
# About Manulife

Manulife is a global financial services company with a clear and compelling mission: Decisions made *easier*. Lives made *better*.

With our global headquarters in Toronto, Canada, we operate as Manulife across Canada, Asia, and Europe, and primarily as John Hancock in the United States. We provide financial advice, insurance, and wealth and asset management solutions through Manulife Investment Management, to individuals, institutions, and retirement plan members worldwide. Through our behavioural insurance offerings — Manulife *Vitality*, ManulifeMOVE, and John Hancock *Vitality* — we support our customers in living healthier, more active lives by rewarding them for making healthy lifestyle choices.

We have a storied history dating back more than 130 years in Canada, 125 years in Asia and 155 years in the U.S. We have more than 38,000 employees and over 119,000 agents, serving more than 33 million customers across the world. Throughout our history, we have provided products and services that seek to improve health outcomes and provide financial security for our customers and partners. We have been driven to create positive change and stand alongside our communities during good times and bad. We remain committed to being a catalyst for change, pursuing our mission and taking action to make a positive environmental and social impact.

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



**38,000+**  
**employees**

**119,000+**  
**agents**

**33+ million**  
**customers**

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## Products and Services

### Our approach

Around the world, more than 33 million customers trust Manulife to help protect their loved ones, grow their wealth, improve their health — and build their futures. We provide financial protection and wealth management, with a diverse suite of products and services to meet the current and future needs of individuals, groups and institutions.

While specific offerings are tailored to local markets, they generally include financial advice, insurance and wealth and asset management solutions. Key products and services in each region are listed below.

### Our diverse range of products and services by market includes:

#### In Canada

- Annuities
- Exchange-traded funds (ETFs)\*
- Financial planning and advice\*
- Group life, health and disability insurance
- Group retirement savings plans\*
- Guaranteed interest certificates (GICs)
- Individual life, health and travel insurance

- Individual retirement savings plans\*
- Institutional pooled funds\*
- Mortgage creditor insurance
- Mutual funds\*
- Outsourced Chief Investment Officer (OCIO)\*
- Retail banking
- Segregated funds
- Separately managed accounts (SMAs)\*
- Sustainable Investment Strategies\*
- Target-date funds\*

#### In the U.S.

- Annuities
- Closed-end funds\*
- Collective investment trusts (CITs)\*
- Education savings plans (529)\*
- Exchange-traded funds (ETFs)\*
- Financial planning and advice
- Group retirement savings plans\*
- Individual life insurance
- Individual Retirement Accounts (IRAs)\*
- Institutional commingled funds\*
- Institutional segregated accounts\*
- Model portfolios\*
- Mutual funds\*
- Outsourced Chief Investment Officer (OCIO)\*
- Separately managed accounts (SMAs)\*
- Sustainable Investment Strategies\*
- Target-date funds\*

#### In Asia

- Advisory Mandates\*
- Annuities
- Creditor insurance
- Education savings plans
- Group life and health insurance
- Group retirement savings plans\*
- Individual life and health insurance
- Individual retirement savings plans\*
- Institutional segregated accounts\*
- Investment-linked products
- Mutual funds\*
- Segregated investment mandates\*
- Sustainable Investment Strategies\*

#### In Europe

- Alternative Investment Funds (AIFs)\*
- Institutional segregated accounts\*
- Sustainable Investment Strategies\*

#### Our investment capabilities

- Asset allocation and solutions\*
- Infrastructure equity\*
- Liability-driven investing (LDI)\*
- Liquid alternatives\*
- Private equity and credit\*
- Public equity and debt\*
- Real estate equity and debt\*
- Timberland and farmland\*

\* Products and services provided by our Global Wealth and Asset Management segment.

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# A Message from Roy Gori

At Manulife, we believe we have an essential role to play in protecting and preserving the environment, supporting health and well-being, and contributing to the communities where we live and work. That's why we've taken meaningful and concrete steps to help build a healthier, more equitable future. On behalf of our more than 38,000 colleagues around the world, I'm proud to share our progress with you.

We continue to invest in our communities to empower sustained health and well-being, drive inclusive economic opportunity, and accelerate a sustainable future. Working with our partners, we delivered on high-impact initiatives, including our second "MOVE for GOOD" challenge that motivated our customers collectively to walk 100 million steps to unlock a donation that encouraged underserved children in Hong Kong to be more active. We're also tremendously proud of our annual MLK Scholars program, which marked its fourteenth edition this year. Since it was implemented in 2008, we've invested over US\$15 million to provide summer jobs and professional development opportunities to over 6,000 youth.

We were proud to share the first phase of our Climate Action Plan, a robust and long-term commitment to reducing our environmental footprint, supporting the transition to a net

zero future, and investing in climate change mitigation and resilience. Under this plan, while we are already net zero on Scope 1 and 2 emissions, we will continue to reduce our absolute Scope 1 and 2 emissions by 35% by 2035, and we have committed to net zero financed emissions by 2050 with short-term targets to be validated by the Science Based Targets initiative. We have also added goals linked to our Climate Action Plan into our Executive performance assessment and compensation to ensure leaders across our business are engaged in this essential work.

We're also bringing our commitments to life through our business and making impact-focused investments, including the acquisition of 89,800 acres of forested land in the U.S. to be used for carbon sequestration and storage. Manulife Investment Management also expanded their sustainable investing products with the launch of investment strategies in Sustainable Asia Bond, Global Climate, and ESG Asian Multi-Asset Income.

The health and well-being of our global team is a top priority. In the U.S., we provided access to a platform that offers health navigation, advocacy, and support for LGBTQ+2 and Black, Indigenous, and People of Colour colleagues and their families. We increased our maternity,

parental and adoption leave benefits for colleagues in Canada. And in Hong Kong, mental health benefits covered under the plan for team members have been extended to dependents.

We continue to make progress on our ambition to promote Diversity, Equity, and Inclusion through expanded hiring commitments, education and community support for organizations helping Black, Indigenous, and people of colour. In June, we brought our global colleagues together for our first Afternoon of Reflection and Learning to allow all team members to explore the many dimensions of diversity through speaker sessions, guided discussions, and more.

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

**Roy Gori**  
President and Chief Executive Officer

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# Our Impact Agenda, our Approach to Creating a Long-Lasting Impact

Decisions made *easier*. Lives made *better*.  
At Manulife, these are our reasons for  
being. They're core to who we are and the  
journey we're on.

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

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



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



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



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

This work benefits our business while benefiting our planet and the people who call it home. It gives us all an edge over tomorrow.

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



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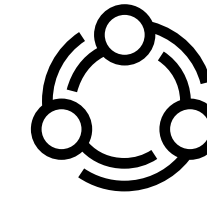


### Sustained Health and Well-being

Make healthier behaviour choices easier and more accessible and provide advice and solutions to drive financial security.

#### Commitments:

- Innovate and scale our behavioural insurance platform
- Do our part towards the global Vitality goal of getting 100 million people 20% more active by 2025
- Continue to elevate the well-being of our people
- Expand Healthy Building Certifications for key Manulife Investment Management managed Real Estate properties



### Drive Inclusive Economic Opportunity

Accelerate the upward mobility of underrepresented groups and contribute to making financial solutions accessible to everyone.

#### Commitments:

- Increase women representation at the AVP level to 40% and at the VP+ level to 32%
- Increase Black, Indigenous and People of Colour (BIPOC) representation in leadership roles by 30% by 2025 and ensure at least 30% BIPOC representation in graduate programs each year
- Increase spend with diverse suppliers by at least 4% by 2025
- Increase focus on financial inclusion and accessibility of products and services



### Accelerate a Sustainable Future

Support the transition to a net zero economy and protect and grow the value of nature-based solutions.

#### Commitments:

- Net zero financed emissions by 2050
- Reduce absolute scope 1 and 2 emissions 35% by 2035
- Certify 100% of eligible Manulife Investment Management managed farmland as certified sustainable by 2023
- Reduce paper volume by 35% by 2025 and ensure remaining paper is from sustainable sources

For more information on our Impact Agenda and implementation progress, please visit [Manulife.com/Sustainability](https://www.manulife.com/sustainability).

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# Q&A with Manulife's Global Chief Sustainability Officer, Sarah Chapman

## Why was it important for Manulife to establish an Impact Agenda?

Manulife has an incredible foundation of work and expertise in a wide variety of areas that relate to critical ESG topics. From our focus on sustainable real estate to our over 36-year history of managing timberland and agriculture assets sustainably to encouraging healthy lifestyles through our behavioural insurance products, we have long been a positive voice and leader to several pressing social and environmental issues. Despite our proactive commitments and actions, we recognized we needed to sharpen our focus if we truly want to make an impact — a North Star to guide the organization globally in areas where we have the greatest ability to effect change.

This is where the Impact Agenda plays a critical role. Organized around three interconnected areas of focus — empowering health and well-being, driving inclusive opportunities, and accelerating a sustainable future — the Impact Agenda channels our commitments and enables us to actively set goals and track progress

to ensure we are making tangible progress year-over-year. In doing so, the Impact Agenda helps us coordinate a foundation that has a credible workflow at the global level with focus to accelerate and catalyze our efforts in the markets where we operate around the globe.

## How will the Impact Agenda be implemented?

The Impact Agenda is a lens we use to help make decisions about the future of our business. For instance, innovations in products, services and community investments, and decisions around thought leadership, advocacy and public policy — with the ultimate goal of addressing key societal and environmental issues with our business expertise. It is implemented across every division and geography of our business through strategic initiatives focused on shared value that drive toward our overall mission: Decisions made *easier*. Lives made *better*.

While the Global Sustainability team sits at the centre of the organization, our company wide ESG structure is intentionally

disaggregated, with subject matter experts embedded in many areas of the business which allows for maximum impact across our areas of specific expertise. For instance, from a social perspective, there is an effort in Asia to make health insurance and financial products and services more available to underserved communities. In the U.S., we are offering specialized digitally enabled health insurance products to help customers proactively manage diabetes.

From an environmental perspective, we are reimagining the way we view agriculture and timberland assets to create a more streamlined lifecycle that incentivizes companies to invest in the longevity of nature. Despite the different initiatives we are exploring and implementing, what remains consistent across all facets of our business is our dedication to a shared responsibility across our global workforce. Every person on the Manulife team is empowered to take ownership and determine how their role directly contributes to the Impact Agenda.

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**How does Manulife hold itself accountable for reaching the goals and commitments set out in the Impact Agenda?**

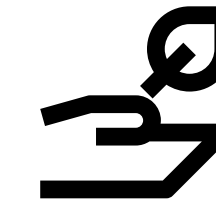
Accountability is paramount to affecting real change. It is why we put so much focus on a culture of shared responsibility throughout our organization and why we continuously reflect on our efforts to see what we can do to improve in the future. Within each pillar of the Impact Agenda, we have measurable targets and commitments — all of which have robust roadmaps outlining strategy, logistics and milestones along the way. The timelines of our goals vary in length, but what is important is that they are all actioned and measured by employees at all levels of the organization.

From a governance perspective, we have a Board committee, the Corporate Governance and Nominating Committee, that oversees all ESG-related initiatives and efforts. There are cross-functional practitioner level centres of expertise alongside various councils that drive the execution of the strategy and support the Board in their role.

**How is Manulife's Impact Agenda differentiated in the industry?**

Many of our peers are focused on similar issues at the highest level as they are material ESG factors within our industry, but our approach to action will set us apart. Manulife's Impact Agenda is not a net new strategy; it's built on a foundation of tangible impact with measurable results. For instance, in 2020, we shared commitments around diversity, equity and inclusion and since that announcement, have made solid progress against our talent goals and have made strong partnerships in the community, like signing the CEO Action for Diversity and Inclusion Pledge in the U.S. In 2021, we shared the details of the initial phase of our climate action plan, including commitments to reduce our absolute scope 1 and 2 emissions 35% by 2035 and net zero financed emissions by 2050. With respect to empowering health and wellness, over 2.7 million customers have partnered with us with an aim to live healthier lifestyles through our behavioural insurance platform.

While we're proud of the progress we've made, tackling some of society's most pressing issues depends on collective action and strong partnerships between industry, governments, global citizens and Non-governmental organization (NGOs). No single entity will be able to mitigate climate change and create a healthier, more equitable world on their own. At Manulife, we're committed to continue doing our part.



“Accountability is paramount to affecting *real change*. It is why we put so much focus on a culture of shared responsibility throughout our organization and why we continuously reflect on our efforts to see what we can do to improve in the future.”

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# Materiality Assessment and Stakeholder Engagement

In 2021, we assessed the relevancy of our stakeholder's expectations regarding Manulife's ESG strategy and performance. Their feedback affirms that we are on the *right track* and provides insight into how we can actively address key topics through our business and operations.

The following table identifies our key stakeholder groups, how we typically engage with them, and their primary topics of interest, as identified through the materiality assessment and our ongoing stakeholder interactions.

Stakeholder group	Ways we engage	Sustainability topics of interest to stakeholders
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Annual global employee engagement survey</li> <li>• Annual mid-year engagement action check-in survey</li> <li>• MFCentral — global employee intranet and resource centre</li> <li>• Ongoing polling and surveys and Voice of the Employee (VOTE) group polling and testing</li> <li>• Executive-led Town Halls and Ask Me Anything sessions</li> <li>• Diversity, Equity and Inclusion Council</li> <li>• Employee resource groups</li> <li>• Global recognition program</li> <li>• Feedback following training sessions, like Annual Code of Business Conduct and Ethics training</li> <li>• Online internal community forums</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity, equity and inclusion</li> <li>• Protecting employee data and privacy</li> <li>• Operating ethically</li> <li>• Employee health and well-being</li> <li>• Respecting human rights</li> <li>• Recognition</li> <li>• Personal development and learning opportunities</li> </ul>
<b>Consumers/customers</b>	<ul style="list-style-type: none"> <li>• Net Promoter System</li> <li>• In-person working sessions</li> <li>• Human-centred design</li> <li>• Call centres</li> <li>• Financial services professionals</li> </ul>	<ul style="list-style-type: none"> <li>• Protecting customer data and privacy</li> <li>• Ethical operations</li> <li>• Providing financial solutions to meet customer needs</li> <li>• Helping customers make informed decisions</li> <li>• ESG integration in products</li> </ul>

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Stakeholder group	Ways we engage	Sustainability topics of interest to stakeholders
<b>Shareholders/investors</b>	<ul style="list-style-type: none"> <li>• Shareholder engagement</li> <li>• Annual meeting</li> <li>• Investor events and Presentations</li> <li>• Webcasts</li> <li>• Investor Relations website</li> <li>• Annual Report and Management Information Circular</li> <li>• Meetings, phone calls and email correspondence</li> <li>• Quarterly earnings results and earnings calls</li> </ul>	<ul style="list-style-type: none"> <li>• Protecting customer data and privacy</li> <li>• Operating ethically</li> <li>• Corporate governance</li> <li>• Human capital development</li> <li>• Climate change</li> <li>• Responsible investment</li> <li>• Diversity, equity and inclusion</li> </ul>
<b>Industry consultations</b>	<ul style="list-style-type: none"> <li>• Mandatory local and regional reporting requirements</li> <li>• Voluntary reporting and engagement on key issues</li> <li>• Questionnaires</li> <li>• Industry consultations</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Climate change risk governance</li> <li>• ESG integration into risk management</li> <li>• Climate change in relation to investments</li> <li>• Enhanced disclosure and investor information</li> </ul>
<b>Civil society/NGOs</b>	<ul style="list-style-type: none"> <li>• Ongoing dialogue with local and regional non-governmental organizations</li> <li>• Partnerships</li> <li>• Industry working groups</li> <li>• Funding research projects</li> <li>• Conferences and forums</li> </ul>	<ul style="list-style-type: none"> <li>• Protecting customer data and privacy</li> <li>• Operating ethically</li> <li>• Investing policyholder assets in a sustainable manner</li> <li>• Developing investment products that provide environmental or social benefits</li> <li>• Access to finance for underserved populations</li> <li>• Diversity, equity and inclusion</li> </ul>
<b>Supplier/vendors</b>	<ul style="list-style-type: none"> <li>• One-on-one meetings</li> <li>• Supplier diversity program</li> <li>• ESG screening in Requests for Proposals (RFP)</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor Code of Conduct</li> <li>• Ethical supply chain</li> <li>• Supplier diversity</li> <li>• Data privacy and cyber security</li> <li>• Well-being of supplier/vendor employees</li> <li>• Health and safety</li> <li>• Fair and inclusive workplace</li> <li>• Solvency and economic value</li> <li>• Innovation and digitization</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Community partnerships</li> <li>• Sponsorship of community events</li> <li>• Volunteerism</li> </ul>	<ul style="list-style-type: none"> <li>• Making a positive social impact</li> <li>• Meeting the needs of local communities</li> <li>• Diversity, equity and inclusion</li> </ul>

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**Supporting the SDGs**

ESG at Manulife

Environmental

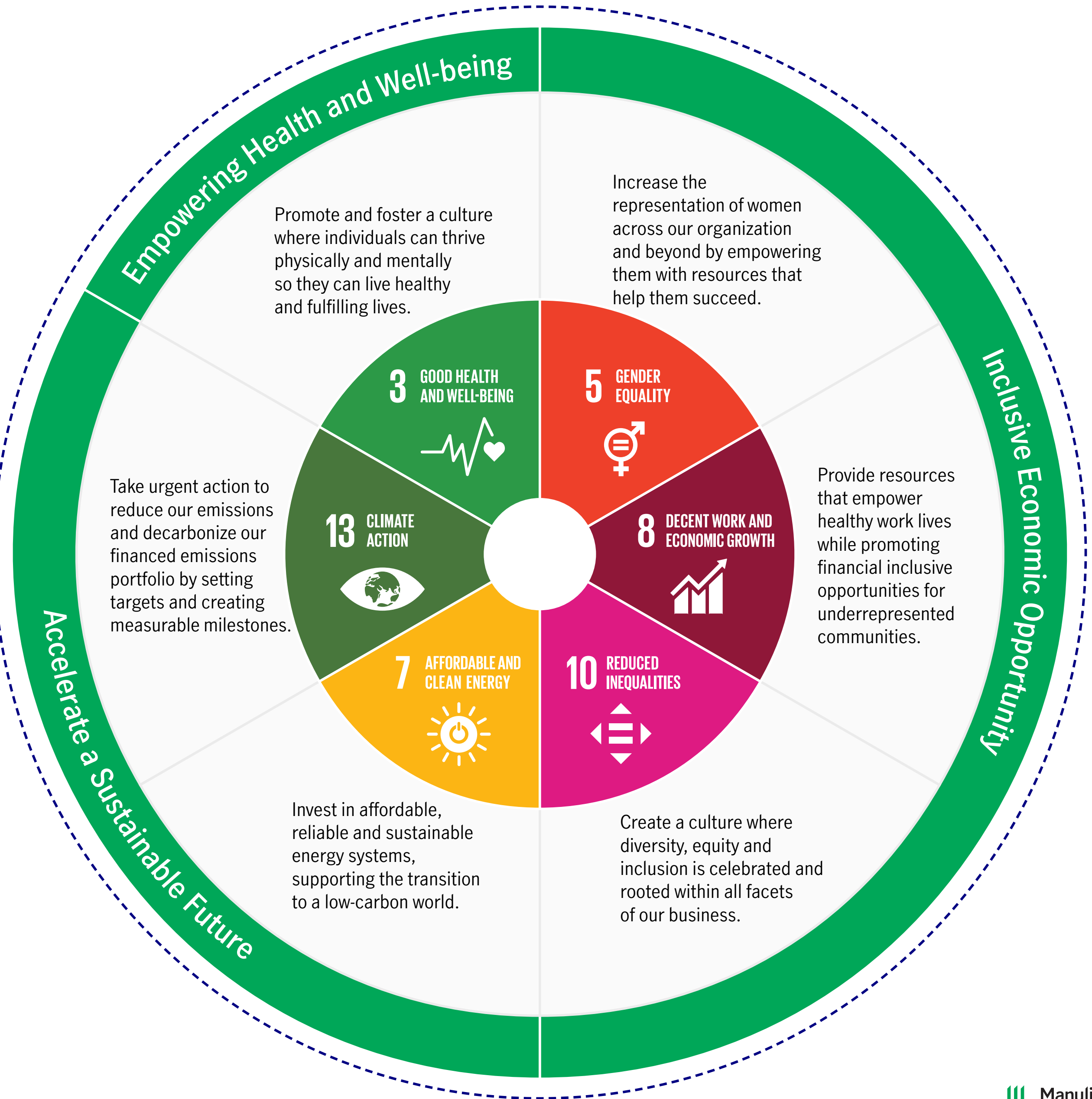
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# Supporting the Sustainable Development Goals

Through our Impact Agenda and goals, we are well-positioned to *contribute* toward seven SDGs.





# ESG Governance

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

Oversight of our ESG framework is part of the mandate of our Board of Directors' Corporate Governance and Nominating Committee (CGNC). The CGNC reviews the progress made on our sustainability strategy and stays informed of ESG trends, risks and opportunities through management reporting. Members of the CGNC include the Chairman of the Board and six independent Board members. Board members also receive ongoing education through presentations and information packages

about emerging issues and topics relevant to our business and operations and the regulatory environment to enhance their knowledge and understanding of ESG matters.

The CGNC's oversight of our ESG framework complements the work of the Executive Sustainability Council (ESC). The ESC consists of our Global Chief Sustainability Officer (CSO) along with nine members of our Executive Leadership Team (ELT), including our Chief Executive Officer (CEO). The chair position, currently held by our Global Chief Marketing Officer, is held on a two-year rotational basis. Meeting on a monthly basis, the ESC is responsible for establishing the enterprise's sustainability ambition, guiding the development and execution of the sustainability strategy and providing recommendations and direction on matters related to ESG. In addition to the ESC, we have subsidiary-specific committees that execute asset-class-specific sustainability objectives.

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The CSO chairs Manulife’s Sustainability Centre of Expertise (CoE), which consists of corporate function and business unit sustainability leads tasked with integrating sustainability into our business practices. This group’s responsibilities include leading the development and implementation of the sustainability strategy; ensuring integration of sustainability into business unit strategies, policies and procedures; and advising on sustainability matters and providing support and capacity building to business units.

Led by the CSO, Manulife’s Global Climate Change Taskforce consists of representatives from multiple businesses and functional areas. It drives the development of the climate strategy, risk management activities on climate-related matters, performance tracking and disclosures. The Climate Change Taskforce supports execution of our climate action plan and includes representation from subsidiary-specific working groups.

**Board of Directors**



**Executive Sustainability Council**

Oversees ESG and sustainability strategy and disclosures



**Sustainability Centre of Expertise**

Discusses and aligns on sustainability-related matters



**Climate Change Task Force**

Develops and drives the Climate Action Plan



Met five times with 100% attendance

**Meets monthly**

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

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

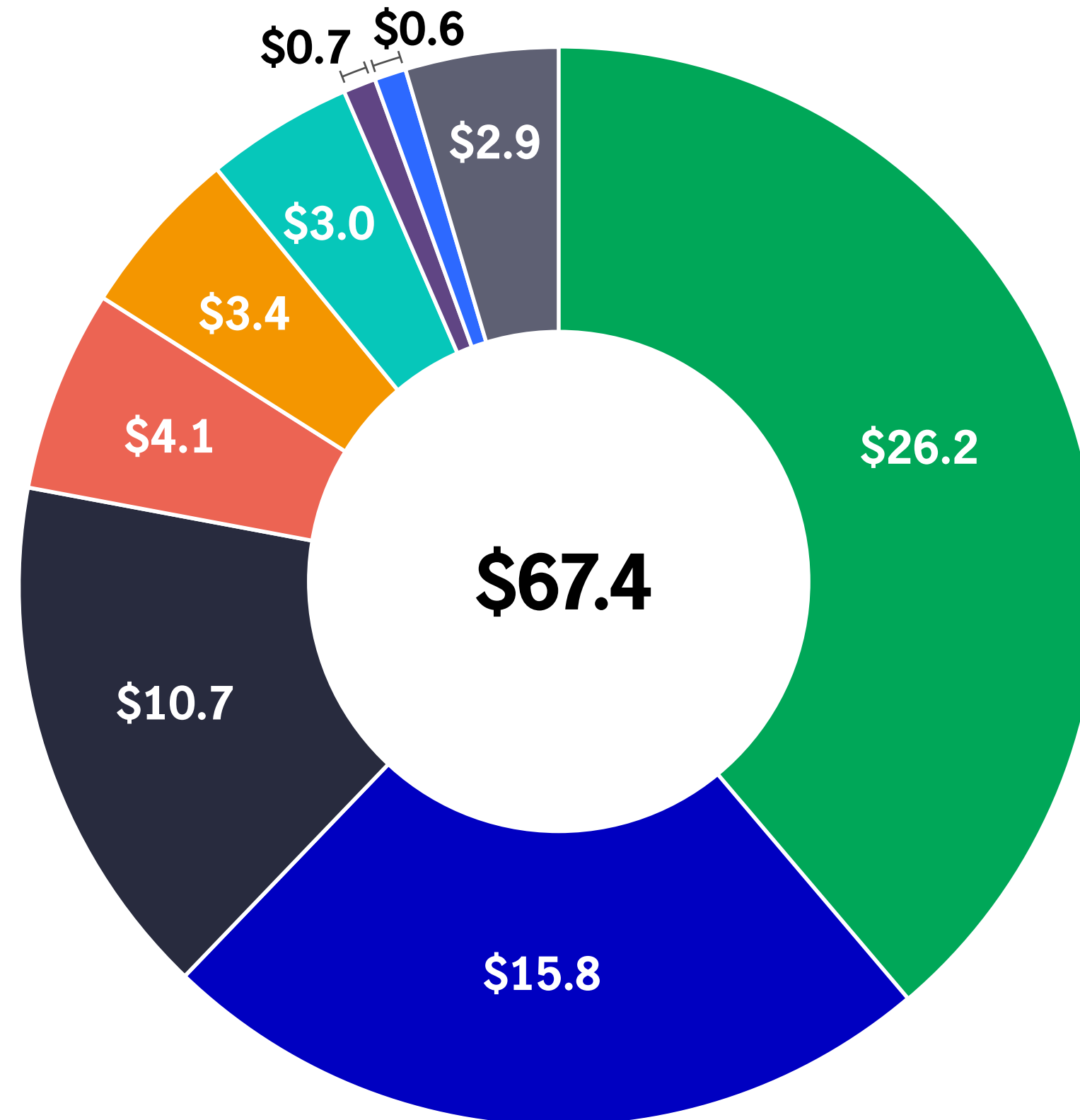
**Meets weekly**

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



# Sustainable Investing

## Sustainable Investments at Manulife (C\$ billions, General Account and private third-party assets)<sup>6</sup>



<sup>6</sup> Green investment categories (defined by Manulife Sustainable Bond Framework) and social investments. See data appendices for relevant exclusions.

- \$26.2, Green buildings**  
Direct equity investments and commercial mortgages, backed by green building certifications Leadership in Energy and Environmental Design (LEED), Buildings Owners and Managers Association (BOMA Best), and Energy Star. Residential mortgages are not relevant to Manulife at this time and are excluded.
- \$15.8, Sustainably-managed timberlands**  
Private timberland assets operated by Manulife subsidiary Manulife Investment Management Timberland and Agriculture and private placements certified to Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) standards.
- \$10.7, Renewable energy**  
Private debt and equity financing of energy from renewable sources (solar, wind, geothermal, waste biomass, hydroenergy).
- \$4.1, Sustainably-managed agriculture**  
Private timberland assets operated by Manulife subsidiary Manulife Investment Management Timberland and Agriculture and certified to the Leading Harvest Standard.
- \$3.4, Energy efficiency**  
Private debt financing of energy efficiency upgrades at U.S. government sites.
- \$3.0, Clean transportation**  
Private debt financing of electrified transport and mass public transit.
- \$0.7, Sustainable management of water resources**  
Private debt financing of water recycling and purification businesses.
- \$0.6, Green bonds**  
Private debt and equity investments; public securities excluded with the exception of several green bond investments.
- \$2.9, Affordable healthcare, education, and housing**  
Free or substantially subsidized, and/or non-profit facilities and institutions that provide accessible and affordable education, housing, and healthcare regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line or households with income below 80% of the area median income (AMI).



# ESG Integration in Asset Management

Managing our clients’ investments, we work to deliver *strong* risk-adjusted investment returns over time while helping realize a *sustainable trajectory* for the global economy.

Manulife Investment Management values and actively supports the robust integration of sustainability principles, including our active ownership strategies in our investment approaches. This holds true across asset classes, geographies and our business identities — whether we are acting as asset operators, equity holders or debt holders.

## Sustainability as standard

Our sustainable investing teams prepare plans on an annual basis. These plans articulate the ESG goals the teams seek to attain during the year with assignment of projects to individual team members who have oversight and responsibility for the goal accomplishment. For example, goals for our public markets investments include increasing impact of engagements, ESG integration success measures, system enhancements and structured training sessions. Similarly, goals for our private asset class investments include enhancing tools to incorporate ESG throughout the investment life cycle (investment decision, monitoring, reporting), and providing support to the development and distribution of new and existing products. Goals are prioritized based on the impact on the overall investment processes and the firm’s objective to achieve ongoing excellence in ESG integration.

Initially, the goals are recommended and presented by the sustainable investing teams to the respective public and

private markets sustainable investing committees for review and input. These goals are reviewed continuously through execution of the work plans. The sustainable investing teams report activities and progress of the business plans to their respective committees.

Our group of 25 sustainable investment professionals reinforces and strengthens ESG integration and stewardship activities across our investment teams and asset classes.

## Supporting our clients

We are committed to a program of ongoing education on sustainability and, in 2021, began development of an education curriculum — the Manulife Investment Management Sustainable Investing Academy. This curriculum will cover varying levels of sustainability, from foundational through to more advanced topics. The education program will initially be made available to institutional investors in Canada in spring 2022, with the current objective of expanding to other markets in the future.

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# Private Markets

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

## In private markets, our strategies integrate ESG throughout the investment lifecycle.

1. We use our ESG due diligence process, based on a combination of external resources including the SASB, the Principles for Responsible Investing (PRI) and our own expertise
2. We document ESG due diligence in an investment memorandum that is evaluated during the investment committee approval process
3. Once an investment is made, we continue to monitor material aspects that might affect an asset or company, including ESG factors
4. We communicate ESG-related information regularly to our investors through our quarterly reports, at annual general meetings or on an ad hoc basis when requested by investors

## Offering sustainable real estate investments

Our real estate platform develops and manages commercial real estate for our clients around the globe. The portfolio includes office, industrial, retail and multi-family space strategically located in major metropolitan markets.

Our [Real Estate Sustainable Investing Framework](#) outlines our approach which is based on responsible property investment and aligns with global standards and benchmarks, including GRESB. We incorporate ESG considerations across the entire real estate value chain, from construction and acquisition of an asset through all aspects of property management. These practices are supported by resources such as our proprietary Sustainability in Investment and Due Diligence tool, sustainability clauses in our standard lease, and our proprietary Sustainable Building Standards. 54.6 million sq feet of Manulife Investment Management Real Estate is certified under a sustainable building certification, representing over 80% of our global portfolio.<sup>7</sup>

## Managing forests and farms

Our agriculture and timberland businesses exist to create value through the sustainable management of natural resource investments. Our foundational principle is that “good stewardship is good business.” Our business is built around our five pillars of sustainable and responsible investing, which are outlined in our [Sustainability and Responsible Investing Framework and Practices within our timberland and agriculture businesses](#) and summarized here:

- **Climate stability:** We seek to limit the impacts of climate change by responsibly using and managing land, creating carbon sequestration opportunities with our forests and farms and mitigating climate change through investing in renewables and energy efficiency.
- **Ecosystem resiliency:** Healthy ecosystems provide immense value to the vitality of communities and economies. To ensure they thrive for generations to come, we operate in a way that responsibly manages land and protects sensitive lands and biodiversity.

<sup>7</sup> Calculated based on square footage of the gross floor area of properties in the global portfolio. Totals from different certification standards do not sum as properties with multiple certifications are only counted once.

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- **Watershed protection:** Protecting and improving watersheds is vital for the ecosystems and communities that depend on them. We protect sensitive lands, seek adherence to strict water and land management policies and best practices and support forest growth.
- **People empowerment:** We value our people, employees and contractors and strive to provide them with safe and healthy working environments and the tools, training and support they need to thrive.
- **Community prosperity:** We are committed to supporting and strengthening the local and indigenous communities where we operate. We provide employment opportunities and public use of our land, engage with non-governmental organizations (NGOs), and support local causes as part of our community stewardship.

We manage our forests and farms not only to secure competitive financial returns, but also to achieve key environmental and social objectives set out by third-party sustainability standards. In forestry this includes the Sustainable Forestry Initiative® (SFI®) and the Forest Stewardship Council® (FSC®), and in agriculture this includes Leading Harvest and others (for example:

Global GAP, USDA GAP, Lodi, SAI-FSA). As of year-end 2021, 100% of our forests were certified under either SFI or FSC, and 100% of our U.S. farmland was certified under Leading Harvest. We continue to grow our certified sustainable farmland acreage, with the goal of 100% certification of eligible properties under the Leading Harvest Farmland Management Standard globally.

## Investing in infrastructure

The importance of sustainable investing in infrastructure is particularly apparent due to the long-term nature of the assets and investment horizon. As such, we believe that good management of sustainability risks and opportunities in our infrastructure investments can lead to long-term sustainable returns. Our [Infrastructure Sustainable Investing Framework](#) outlines our approach to sustainable investing in infrastructure, including ESG integration in the investment process and the energy transition and exclusions. In line with our ESG integration practices in the investment process, our sustainable investing team in private markets has implemented an annual ESG monitoring process for our infrastructure equity investments. The monitoring process allows our team to track and measure the ESG performance of our investments across our portfolio.

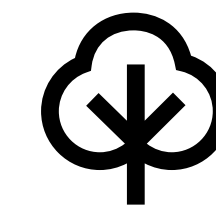
## Enhancing private equity and credit

Our private equity and credit group is committed to sustainable investing and management of our clients' assets as outlined in our [Private Equity and Credit Sustainable Investing Framework](#). Sustainable investing is particularly important for private equity in view of our focus on creating long-term value and building strong relationships with general partners (GPs), sponsors and company management. Within private credit, assessing ESG issues that may be material before an investment is made can help us anticipate inherent downside risks. Profiling potential material risks and opportunities related to ESG across all assets is critical to preserving and enhancing the value of our investments. Ultimately, we believe that evaluation of ESG risks and opportunities in our private equity and credit investments can yield sustainable returns over the long term.

Our private equity and credit teams conduct an ESG assessment of each investment as part of their due diligence and incorporate findings into their fundamental analysis. The outcomes of ESG due diligence are documented in the final investment memorandum, which is presented during the investment committee approval process. ESG documentation in the investment memorandum includes a summary of

material sustainability factors, identification and discussion of risks, areas for improvement, areas not assessed and areas in which the portfolio company is already well advanced.

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



As of year-end 2021, 100% of our forests were *certified* under either SFI or FSC, and 100% of our U.S. farmland was certified under Leading Harvest

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# Public Markets

We develop innovative global frameworks for sustainable investing and collaboratively engage with companies in our securities portfolios. At year-end 2021, over 90% of our assets under management in public equity and public fixed-income strategies were fully integrating ESG factors under our proprietary assessment framework.<sup>8</sup> We understand that sustainable investing requires ongoing change and improvement and look forward to implementing several additional assessment criteria to assess and measure our investment teams' progress.

ESG integration across different public asset classes includes the integration of third-party vendor data — a preliminary step in our process. Manulife Investment Management receives and reviews ESG scores, ratings and data from a number of external data vendors, which creates a more comprehensive third-party assessment of constituents.

Each investment team operates in particular markets and with different nuances to its approach to investing. Accordingly, each team integrates ESG factors into its investment process in a manner that best

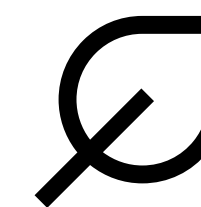
aligns with its investment approach. Each team bears responsibility for the evaluation of ESG factors throughout the due diligence and decision-making processes in the pursuit of risk-adjusted returns and capital preservation, with ESG integration in:

- **Fixed income:** Our approach to fixed-income ESG integration is adapted to identify the material issues within each industry. In addition to the materiality of ESG risks, our investment professionals seek to assess the timing of likely impact. Credit analysts are responsible for completing an ESG risk assessment and can use the ESG risk profile to adjust the relative value ranking of names within a given industry.
- **Listed equity:** In addition to using internal and external ESG data to identify higher- and lower-risk stocks, our teams actively engage with company management to assess a company's exposure — and potentially help enhance its resiliency — to different types of ESG risks. This insight can help shape the teams' modeling and define sensitivities around their estimates of fair value.

- **Multi-asset solutions:** Generally speaking, the industry has been slower to integrate ESG factors in multi-asset versus public equity or fixed-income asset classes separately. We believe, however, that value can be attained through targeted integration.

## Engaging with investee companies

Ongoing engagement with investee companies is an essential part of how we seek to enhance the resiliency of our clients' assets — including where we manage assets on behalf of the Manulife General Account (GA) — as well as achieving actual change in addressing key sustainability issues such as climate change. As investors, we also play a critical role in encouraging companies to adopt sustainable business practices that promote stable long-term growth and reduce the potential impact of material sustainability risks over time.



We are expanding our sustainability offerings, helping our clients address a range of objectives. In 2021, this included the launch of the Manulife Asian ESG Multi-Asset Income Fund in Taiwan. This was the first multi-asset fund with ESG product features launched at Manulife Investment Management's platform in Taiwan, focusing on companies that demonstrate *strong sustainability* characteristics.

<sup>8</sup> As of December 31, 2021, integration is based on Manulife Investment Management's proprietary integration progression levels, which measure investment teams' progress in ESG integration for assets directly managed by Manulife Investment Management.

Public Markets

Management proposals

Proposal category	Number of proposals	Votes contrary to management	Some reasons we voted contrary to management
Director elections	52,783	11%	<ul style="list-style-type: none"> <li>Poor attendance</li> <li>Lack of independence</li> <li>Diminishment of shareholder rights</li> <li>Lack of gender diversity</li> <li>Problematic executive remuneration practices</li> </ul>
Executive compensation (say on pay)	4,458	15%	<ul style="list-style-type: none"> <li>Misalignment between pay and performance</li> <li>Lack of performance-based remuneration</li> <li>Short vesting periods</li> <li>Lack of rigor in performance metrics</li> <li>Outsize pay versus peers</li> <li>Discretionary payments</li> <li>Problematic severance arrangements</li> </ul>

Shareholder proposals on environmental issues

Proposal category	Number of proposals	Votes contrary to management	Some reasons we voted contrary to management
Climate change action and reporting on climate change	51	84%	<ul style="list-style-type: none"> <li>Disclosure would help shareholders assess governance and strategy related to the management of physical and transition risks associated with climate change</li> </ul>
Community—environment impact	8	100%	<ul style="list-style-type: none"> <li>Reporting would help assess management of deforestation risks in the supply chain</li> <li>Reporting would provide information regarding regulatory and other risks associated with the continued use of single-use plastics</li> </ul>
GHG emissions	13	62%	<ul style="list-style-type: none"> <li>Disclosure would help assess company strategy in the face of increasing costs associated with emissions</li> </ul>
Request for advisory vote on climate change	6	100%	<ul style="list-style-type: none"> <li>The advisory vote provides shareholders with another voting outlet to assess climate risk and opportunity management</li> </ul>

Shareholder proposals on social issues

Proposal category	Number of proposals	Votes contrary to management	Some reasons we voted contrary to management
Human rights risks assessments standards or policies	12	75%	<ul style="list-style-type: none"> <li>Reporting would help shareholders assess human rights risks in operations and the supply chain</li> </ul>
Gender/racial pay gap	6	83%	<ul style="list-style-type: none"> <li>Poor current disclosure on diversity and inclusion initiatives toward equal pay</li> </ul>
Labour issues	25	88%	<ul style="list-style-type: none"> <li>Reporting on harassment issues and rates of complaints will help shareholders assess company culture and associated risks</li> </ul>
Equal opportunity employment data	12	83%	<ul style="list-style-type: none"> <li>Data would help shareholders assess representation through employee base and associated promotion rates</li> </ul>

Shareholder proposals on governance issues

Proposal category	Number of proposals	Votes contrary to management	Some reasons we voted contrary to management
Require independent board chair	40	88%	<ul style="list-style-type: none"> <li>Recent failures suggest independent oversight is needed at the board level</li> <li>Role of lead independent director is undefined</li> <li>Generally support separation of roles</li> </ul>
Lobbying and political contributions	51	94%	<ul style="list-style-type: none"> <li>Current disclosure is inadequate to assess risks and benefits of firm lobbying activities</li> <li>Disclosure would allow shareholders to assess alignment between trade associations and current firm initiatives</li> </ul>
Board diversity	8	50%	<ul style="list-style-type: none"> <li>Current board composition lags peers</li> </ul>
Link executive pay to ESG criteria	6	67%	<ul style="list-style-type: none"> <li>Public concern over pricing poses reputational risk that should be considered in compensation</li> <li>Risk related to public and regulatory scrutiny over privacy protections should be reflected in remuneration</li> </ul>
Shareholder rights	180	92%	<ul style="list-style-type: none"> <li>We generally support creation/enhancement of shareholder rights, including the ability to nominate and vote on directors, call a special meeting, and align voting rights with economic interest</li> </ul>

Information shown reflects proposals most often requested by clients and third parties.  
[For full data, see our voting records.](#)

# ESG Integration in Asset Ownership

## Managing our own portfolio of investments

Manulife's General Account consists of our company's own assets, which largely support our policyholder liabilities. We believe that in order to deliver strong risk-adjusted returns, we must consider ESG-related risks and opportunities in our investment process.

## Integrating ESG into investment decisions

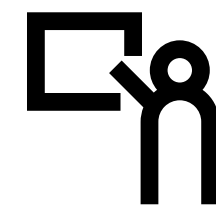
The Manulife General Account (General Account) maintains its own ESG Governance and has developed ESG Investment Guidelines for its investment mandates, which include requirements to:

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

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

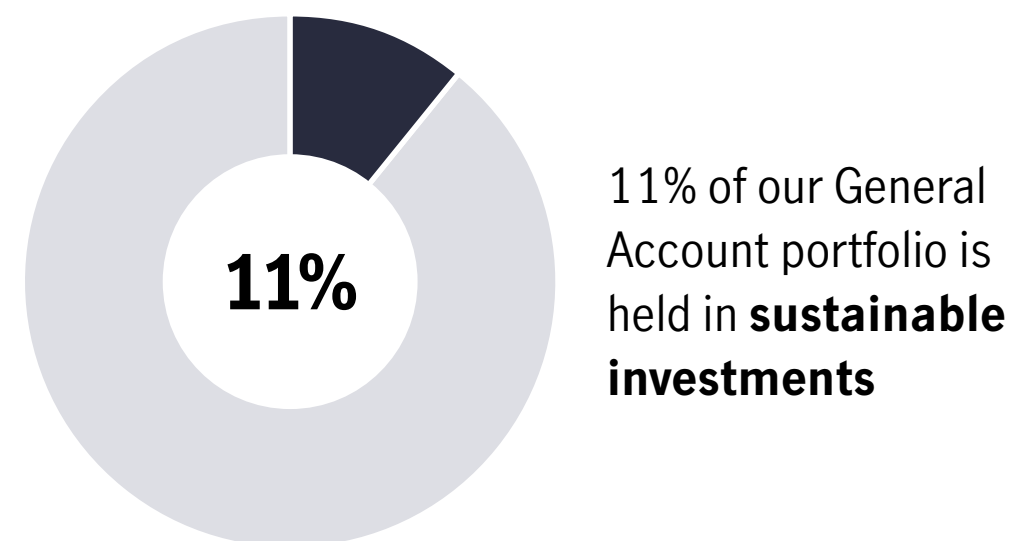
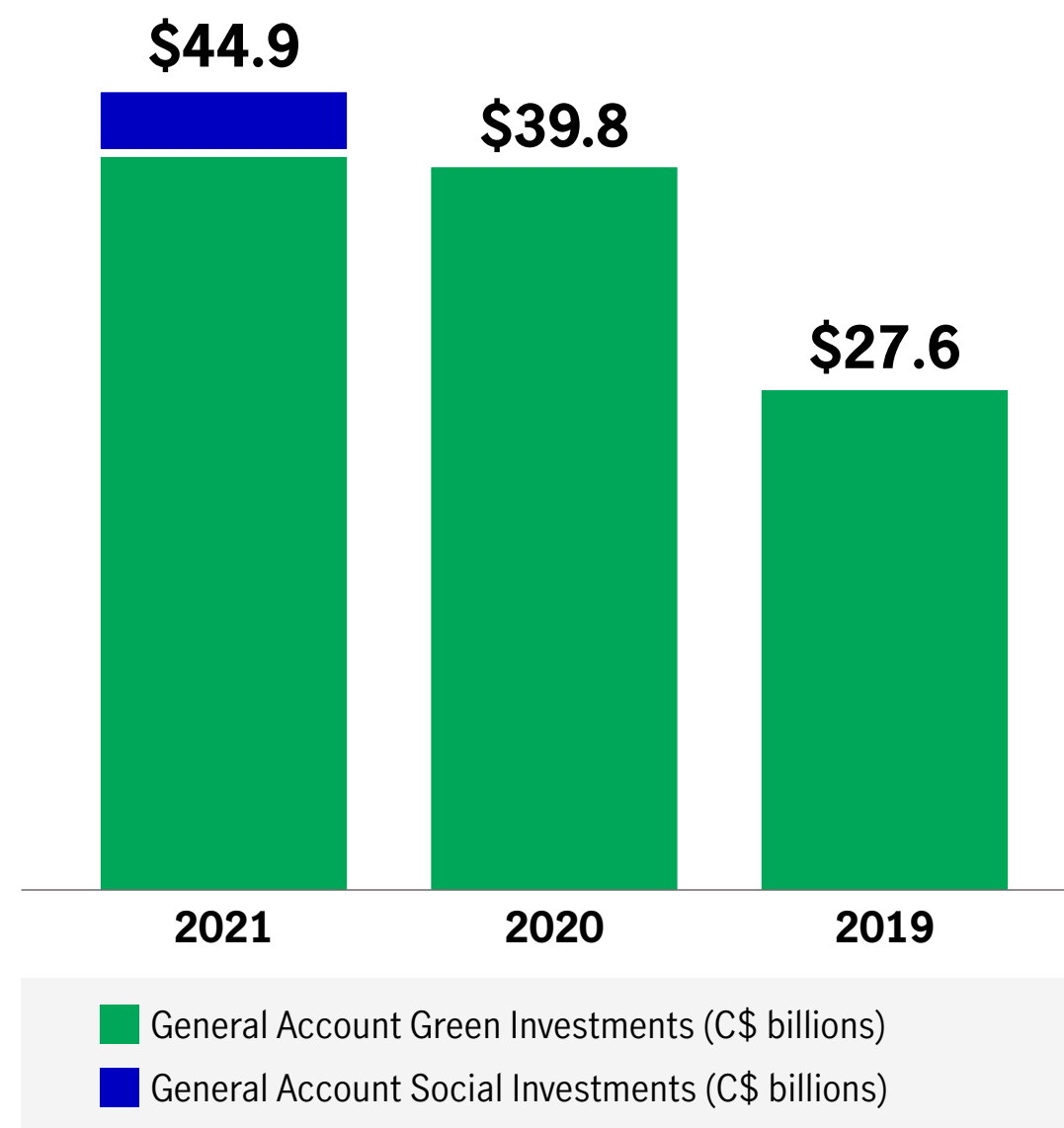
To support the implementation of our guidelines within portfolio management, in 2021, a more comprehensive training program was established to educate investment teams on the relevance of ESG in the investment process. Topics presented to the department thus far include:

- Manulife's Climate Action Plan
- How independent rating agencies are approaching ESG
- The science behind climate change
- The road to net zero
- Green and ESG-linked bonds



In 2021, a comprehensive training program was established to *educate* investment teams on the relevance of ESG in the investment process.

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



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

#### \$18.9, Green buildings

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

#### \$9.5, Renewable energy

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

#### \$4.3, Sustainably-managed timberlands

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

#### \$3.4, Energy efficiency

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

#### \$3.0, Clean transportation

Private debt financing of electrified transport and mass public transit.

#### \$1.6, Sustainably-managed agriculture

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

#### \$0.7, Sustainable management of water resources

Private debt financing of water recycling and purification businesses.

#### \$0.6, Green bonds

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



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

#### \$2.9, Affordable healthcare, education, and housing (new category for FY21)

Free or substantially subsidized, and/or non-profit facilities and institutions that provide accessible and affordable education, housing and healthcare regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line or households with income below 80% of the area median income (AMI).



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## General Account ESG Investment Guidelines

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

As an asset owner, Manulife's investment decision making is steered by a set of guidelines that provide guidance to investment professionals on the integration of ESG considerations into investment decisions and ownership practices specific to the general investment account assets of the General Account's various wholly owned life insurance companies globally.

Recognizing that ESG issues can affect investment performance, properly assessing and effectively managing these issues can both protect and lead to higher long-term sustainable returns. Consideration of ESG factors and associated risks and opportunities are fundamental to the analysis of investments contemplated for inclusion and retention in the General Account assets portfolio.

Our investing approach, which contemplates staying invested through the economic cycle, makes it particularly important that all factors that can impact the performance of an asset or an organization over varying time horizons, including the long term, be carefully considered, including ESG factors.

Should an investment present ESG-related risk exposure, ESG factors will be considered when assessing the economic benefits/costs of the investment, to evaluate and rank the investment in relation to other investment opportunities, and to improve short-, medium-, or long-term portfolio sustainability.

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

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

### In reviewing potential and existing investments, General Account analysts will consider ESG factors that are material to an investment. They will do this by:

- Considering and screening ESG risks and opportunities material to specific (target/existing) investments and assessing their relevance, as appropriate. This includes but is not limited to:
  - **Environmental Factors:**
    - Holding all applicable environmental permits, validly obtained by complying with all notice and comment protocols
    - Complying with all applicable environmental permits
    - Impact on climate change
    - Environmental degradation/waste and pollution
    - Protected sites/species
    - Unsustainable practices/resource depletion
  - **Social Factors:**
    - Human rights
    - Working conditions
    - Diversity, equity and inclusion
  - **Governance factors:**
    - Anti-bribery and anti-corruption
    - Corporate governance
    - Product safety and quality
    - Executive pay

Monitoring material ESG issues at, and encouraging ESG awareness by, the borrower level as appropriate, as part of general ongoing investment surveillance (for example, through publicly available reporting and/or interactions with borrowers). In some cases, this may present a challenge as many of our investments are in companies/assets that are privately held, as such there may be limited to no publicly available information.

Including a discussion of material ESG risks and opportunities in investment reviews and approval materials.

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

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## Implementation of ESG Guidelines

With the implementation of ESG Guidelines, analysts integrate ESG factors into their investment analysis and decision-making processes, and the emphasis will be where a company's management of these risks relative to industry norms are material to the credit rating, value or risk/return of the investment.

The General Account's ESG Guidelines were updated in July 2021 to primarily identify those sectors that require greater scrutiny from the Credit Committee. These sectors represent sensitive areas and in which the General Account has very limited or no existing exposure, including cannabis, military weapons, non-military weapons, thermal coal and tobacco.

Additionally, the General Account developed a methodology for incorporating ESG Impact Scores across the sectors in which it invests as well as the issuers within those sectors. These scores will provide greater clarity in the identification and reporting of ESG risks and opportunities in investment reviews and approval materials. The ultimate score for sectors and issuers will be determined by each of the investment teams along with Credit Risk. This methodology is being rolled out to the investment teams in early 2022.

## Building on best practices

Manulife is an active member of the Private Placement Industry Association working group, which is working to develop an ESG-oriented questionnaire to be included in due diligence materials of new private placements. This will help standardize information needs and requests from private entities that do not currently report such information or provide disclosures in a non-standardized format.

Additionally, we have spearheaded efforts to gather industry peers on a quarterly basis to share and discuss best practices regarding ESG. This work was complemented by a survey of best practices conducted in 2021. Results were consolidated and anonymized to share back with survey respondents to gain insights on competitive and leading practices.

## Green bond issuances

We were the first global life insurer to issue a green bond in 2017 with an inaugural issuance in Singapore and have since issued green bonds in Canada (2018) and in the U.S. (2022). With three issuances to date, our total outstanding green bond issuance amounts to the Canadian dollar equivalent of \$2 billion. The environmental benefit of the General Account's low-carbon investments that underpin our first two green bond issuances amounts to 240,000+ tons of avoided carbon dioxide emissions annually. Sample investments include solar and wind energy in the U.S. and Canada as well as sustainably managed forests. In 2022, we updated our [Sustainable Bond Framework](#). For more information, refer to our [Green Bond Report](#).



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# Partnerships and Engagements

## Manulife is a leading member of several global sustainability networks

In order to combat the consequences of climate change, we collaborate with other like-minded organizations that feel passionately about the cause. Our strategy is to work together with those from diverse backgrounds and in different industries. It is a well-rounded approach that checks off proactive milestones, so we are all held accountable in the global fight to preserve our environment.

### Climate Action 100+

In 2017, Manulife Investment Management was a founding member of Climate Action 100+, as of February 2022, included more than 615 investors from around the globe representing US\$65 trillion in investor capital. Climate Action 100+ focuses on the world's largest corporate greenhouse gas (GHG) emitters. By late 2019, Climate Action 100+ had logged notable successes among major mining

and oil and gas companies. In 2021, we continued to see notable climate action from investee companies targeted through Climate Action 100+ outreach. We engaged with the industry associations involved in Climate Action 100+ to enhance the investor expectations on meaningful climate action. In 2021, we also took a lead role in the collaborative engagement with one of the world's largest chemical firms. Through this position, we're looking to influence the issuer to adopt more expansive emissions reduction targets and the production of a climate lobbying report among other goals.

### United Nations Environmental Program (UNEP) Finance Initiative

UNEP Finance Initiative is a global partnership between UN Environment and over 230 financial institutions that promote sustainable finance. Manulife has been a contributing member since 2005. Between 2017 and 2019, Manulife Investment Management participated

in the United Nations Environment Programme Finance Initiative (UNEP FI) pilot project, which brought together 20 of the world's largest investors to advance the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The participants in the pilot developed scenarios, models, and metrics to enable a scenario-based, forward-looking assessment and disclosure of climate related risks and opportunities. With UNEP FI and expert support, the investors tested their portfolios against a range of climate scenarios and co-developed a metric for determining the climate value at risk (climate VaR) for equity, bond, and real estate portfolios. The outputs and conclusions of this group are intended to stimulate and ease the adoption of the TCFD recommendations by the wider industry. Through 2021, we continued to collaborate through Phase II of the UNEP FI project aimed at developing new climate risk assessment methodologies and researching sector-specific climate risks and opportunities.

## Task Force on Climate-related Financial Disclosures (TCFD)

We have been a supporter of the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) since November 2017 and are committed to adopting and aligning our disclosures to the TCFD recommendations. Our climate-related disclosure can be found on page 48 in our [2021 Management's Discussion and Analysis](#). Manulife's ESG Report provides additional disclosure on Manulife's position on climate change and our strategy to support the transition to a low carbon economy.

## Accounting4Sustainability (A4S) CFO Leadership Network

A4S is the finance network promoting sustainability integration into strategy and decision-making. We are a founding member and active participant on the A4S CFO Leadership Network: Canadian Chapter. In 2021, Manulife contributed to the "Essential Guide to Engaging the Board and Executive Management" practical guide for financial teams to engage their board and executive management team on sustainability.

## Principles for Responsible Investment (PRI)

The PRI works with more than 4,000 signatories in over 60 countries to promote responsible investment practices. Manulife Investment Management has been a signatory since 2015 and is an active member of various working groups, including the Sovereign Bond Advisory Committees, Infrastructure Advisory Committee, Fixed Income Advisory Committee and Real Estate Advisory Committee.

Our annual submission to the PRI reports on Manulife Investment Management's activities and progress in implementing the PRI's principles according to the PRI's reporting framework. For the 2019 reporting year (the latest published reporting year), we received the highest rating (A+) for Strategy and Governance, listed equity and Sovereigns, Supranational and Agencies (SSA) fixed income integration, an 'A' rating for real estate, listed equity active ownership and fixed-income integration, and a 'B' rating for infrastructure and private equity in our first filing for both modules.<sup>9</sup>

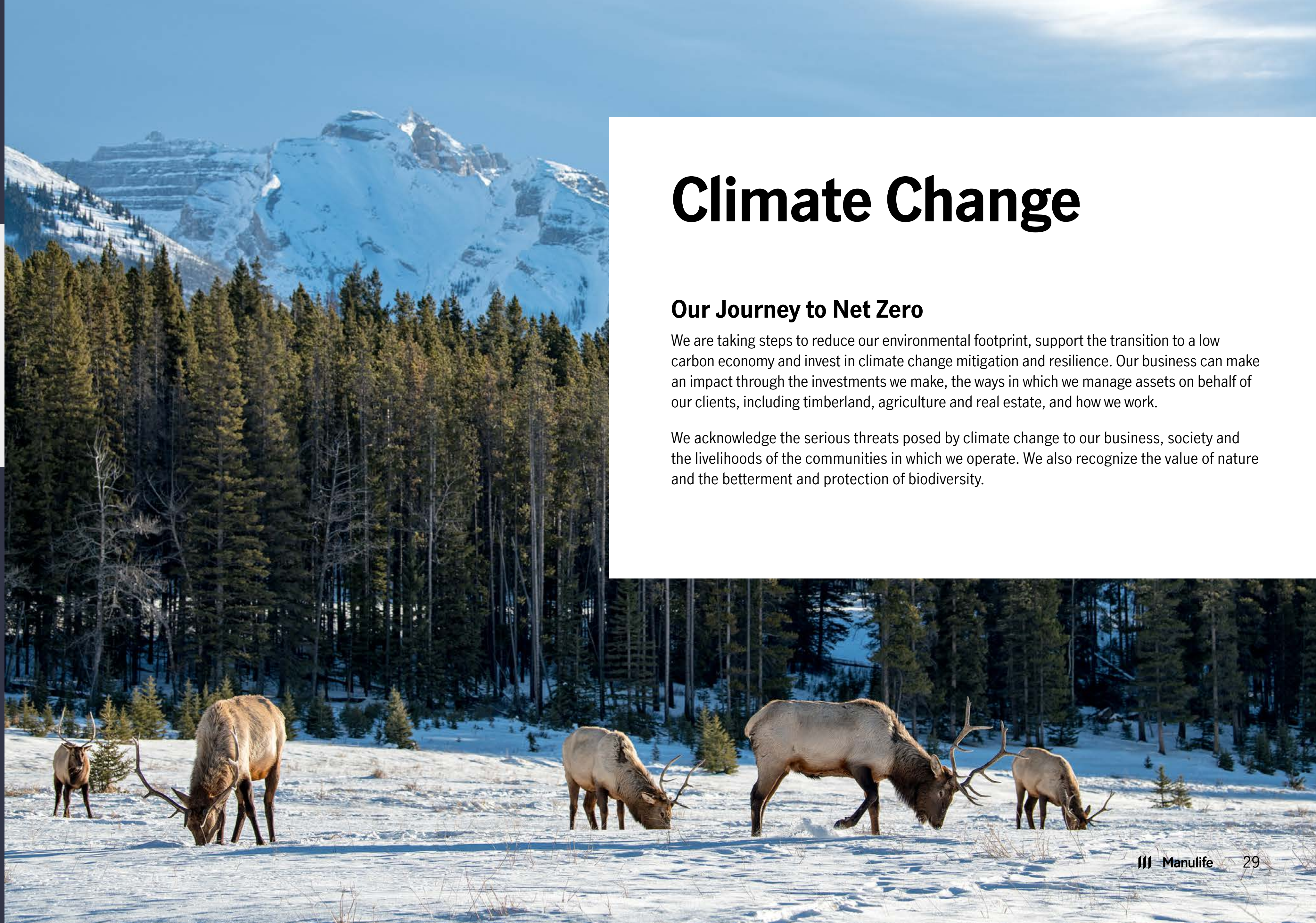
<sup>9</sup> As of December 31, 2019, the most current data available. The PRI has notified respondents that the 2021 assessment report will be delayed. Please visit the PRI website to learn more about their assessment methodology or to see our transparency report.

## Business Ambition for 1.5

In 2021, Manulife committed to the Business Ambition for 1.5°C is led by the Science Based Targets initiative (SBTi) in partnership with the UN Global Compact and the [We Mean Business Coalition](#).

## Stakeholder Capitalism Metrics Initiative

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



# Climate Change

## Our Journey to Net Zero

We are taking steps to reduce our environmental footprint, support the transition to a low carbon economy and invest in climate change mitigation and resilience. Our business can make an impact through the investments we make, the ways in which we manage assets on behalf of our clients, including timberland, agriculture and real estate, and how we work.

We acknowledge the serious threats posed by climate change to our business, society and the livelihoods of the communities in which we operate. We also recognize the value of nature and the betterment and protection of biodiversity.

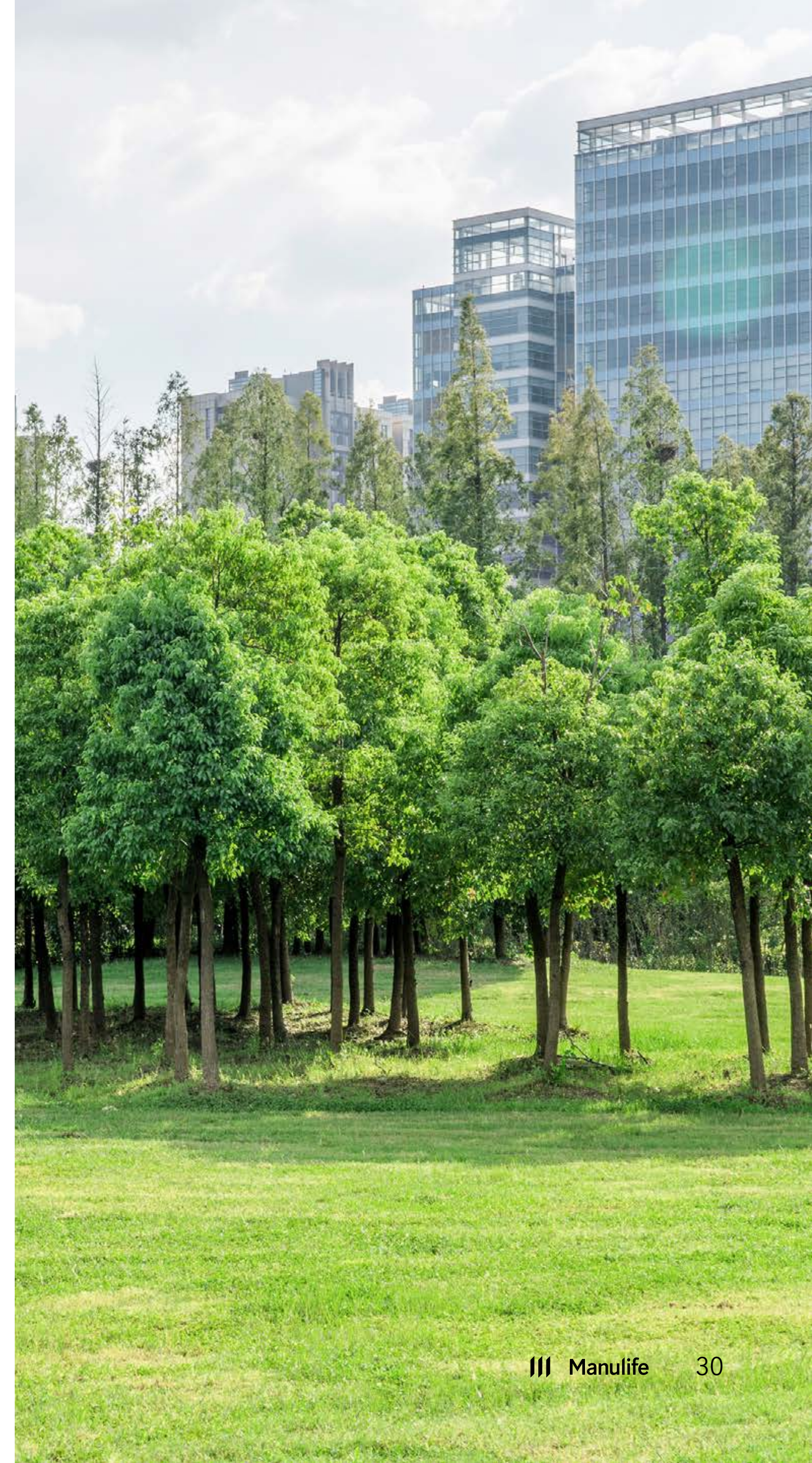
**Our effort to combat climate change is embedded across our business strategy. We are taking steps to becoming a net zero company through:**

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

Our [Climate Change Statement](#) summarizes our approach and is complemented by [Our Journey to Net Zero](#), which further outline the commitments we made in 2021, across our operations, investments, products and services.

## Transition to net zero

Our journey to net zero builds on our mission: Decisions made easier. Lives made better. By addressing climate change, we move closer to fulfilling our mission and giving our customers the confidence to plan for the future. We recognize the link between environmental and financial stewardship. Our vast natural resource holdings have enabled us to achieve net zero emissions in our operations, and we are uniquely positioned in our sector to accelerate the use of nature-based solutions in the fight against climate change. We are actively incorporating climate change considerations into our decision making, including how we manage our operations, how we make investment decisions, and how we develop and offer financial products and services. As a business deeply rooted in long-term thinking, we are made stronger when our people and planet thrive.



# Our Operations

## Reducing our carbon footprint

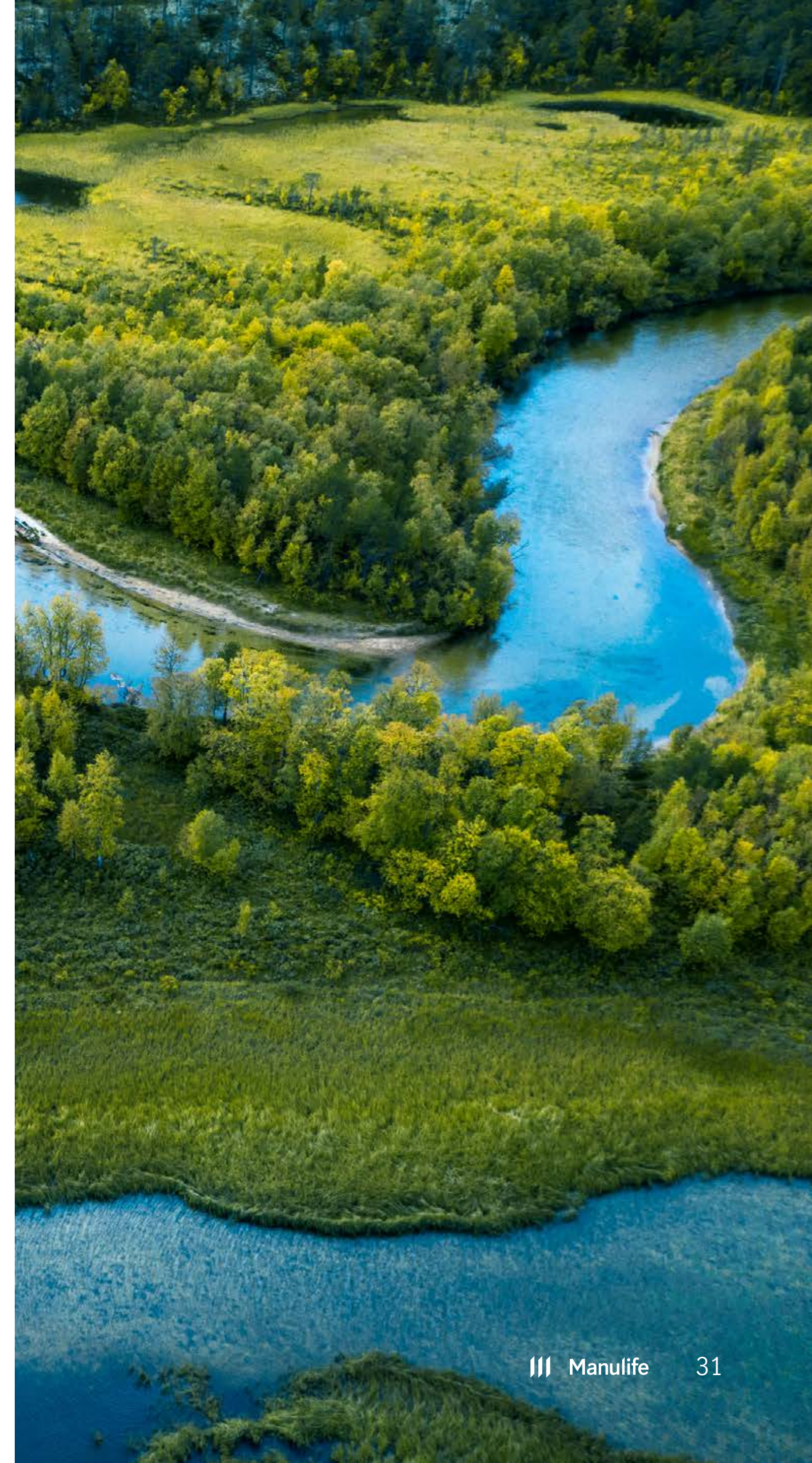
We take action to minimize our operational footprint to lessen our environmental impact and reduce operating costs — helping prepare our business for a sustainable path forward. We continue to take action to reduce our footprint:

- We have achieved and remain focused on net zero in our operations<sup>10</sup> — our substantial natural resource holdings have enabled us to remove more carbon from the atmosphere than we emit; and we continue to make substantial investments in high quality, natural climate solutions
- We are working to reduce our absolute Scope 1 and 2 emissions 35% by 2035, taking active steps to operate more efficiently through measures such as fuel switching and energy retrofits<sup>11</sup>

- We have committed to the Business Ambition for 1.5°C, recognizing the importance of aligning our emissions trajectories with the latest science — and are working to validate our targets in line with the criteria and recommendations of the SBTi
- We actively look for opportunities to work more effectively across our value chain to reduce Manulife’s broader emissions footprint, through aspects such as sustainable procurement and green leases — however, we continue to prioritize addressing our most significant value chain footprint through our investments

<sup>10</sup> Includes direct sources of Scope 1 and 2 emissions. Scope 3 (category 1 – 14) emissions are defined by the WRI GHG Protocol as indirect, value chain emissions and make up a portion of our broader operational carbon footprint.

<sup>11</sup> Our commitment to emissions reductions apply to any properties where we have operational control.



## Forests, farms and real estate investment properties

Keeping our real estate, forests, and farms operating takes energy. This year, we deepened our understanding of our GHG emissions and assessed decarbonization opportunities across our properties. We are proud of the climate benefits of the carbon removals from our forests and farms — and continue to go beyond carbon removal in pursuit of our emissions reductions goals.

### Real estate

As the transition to a net zero economy advances, investors and regulators are striving to manage the built environment as efficiently as possible to reduce emissions and meet global climate goals. Across the global Manulife Investment Management real estate portfolio, we have energy reduction targets, as well as targets for

water use, waste diversion, and GHG emissions reduction, which we report on annually in our publicly available [Real Estate Sustainability Report](#). We have set a GHG reduction target for our global real estate portfolio of 80% by 2050, using 2018 as the baseline.<sup>12</sup>

### Forest and farms

Manulife Investment Management Timberland and Agriculture is focused on managing forests for positive climate impact. The responsible stewardship and management of our forests and farms contributes to our climate goals. Natural climate solutions (NCS) are critical to climate change mitigation and use nature’s climate benefits to address the global warming imperative. Through our plants and soil, Manulife’s terrestrial ecosystems absorb and store more GHGs than our operations emit on an annual basis.<sup>13</sup>

Manulife Investment Management-managed forests and farms can also be a source of emissions, through aspects such as fuel combustion to operate heavy machinery, application of fertilizers, and powering of processing facilities. Focusing on climate impacts means going beyond carbon removal and actively working to identify new opportunities for abatement of absolute emissions in our forestry and farmland operations. Decarbonization opportunities are currently under assessment and remain a priority with the release of SBTi Forest, Land and Agriculture (FLAG) sector guidance at the end of 2021.

For additional details on our real estate, timberland and agriculture asset management activities, please refer to the [ESG Integration at Manulife](#) section. Additional details can also be found in:

- [Manulife Investment Management 2020 Real Estate Sustainability Report](#)
- [Manulife Investment Management Timberland and Agriculture 2020 Report on Sustainability and Responsible Investing](#)
- [Manulife Investment Management Timberland and Agriculture Sustainable Investing Framework](#)

<sup>12</sup> Intensity-based target is for Scope 1 and 2 emissions under operational control.

<sup>13</sup> Annual CO2 removals include annual increase in carbon stock within standing forest inventory (biogenic growth), plus carbon stored in wood products harvested during that year. Due to year-on-year variation introduced by forest inventory estimation methodologies as well as harvesting schedules, we report a five-year average of carbon removals. For the purpose of Manulife’s net zero status, net zero claims include only removals resulting from GA investment in Manulife Investment Management forests and farms – please see performance table for additional detail.



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## Occupied corporate real estate

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

### Green leases

We also occupy leased properties, which means we can influence our landlords to green their spaces. We incorporate sustainability into our leased space selection process. This enables us to choose the best performing properties and open a dialogue with prospective landlords on how we can collaborate to achieve environmental outcomes.

### Aspects which we may consider include:

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

### Energy efficient design

Our workplaces are in a continuous state of improvement. Energy efficient design is an important principal in the development and implementation of major projects in buildings where our employees work. In 2021, we completed major improvements to our Canadian Segment headquarters at 500 King Street North in Waterloo, Ontario, incorporating LED lighting throughout the building with occupancy sensing, updated controls, and control strategies.

### In 2021, we took the following steps to enhance our approach:

- **We enhanced business integration of sustainability processes in Corporate Real Estate.** In 2021, we updated our guidance for collaborative agreements in landlord leasing documents, supporting business integration across Manulife, emphasizing the role of sustainability in determining the suitability of a space. We also reached out to existing and potential landlords with our new green lease information and questionnaires, so they are aware of the new program.
- **We expanded the testing and implementation of green leases in Asia and North America.** Several renewals provided an opportunity in 2021 to test our processes. In North America, green lease language was included in renewals for properties in Vancouver and Toronto. In Asia, we successfully inserted green lease language in a significant new leased property and lease renewals in Hong Kong.

## Purchased goods and services

As a global financial services company, we rely on goods and services such as paper, data centres, and travel to carry out our work. We work to integrate sustainability into our procurement decisions. Manulife includes ESG-related questions, including climate change, in RFPs as part of our overall vendor management and engagement processes. This includes training category managers evaluation of vendors on ESG-related aspects, including types of responses deemed acceptable from suppliers participating in a RFP.

## Aspects considered through questionnaires include:

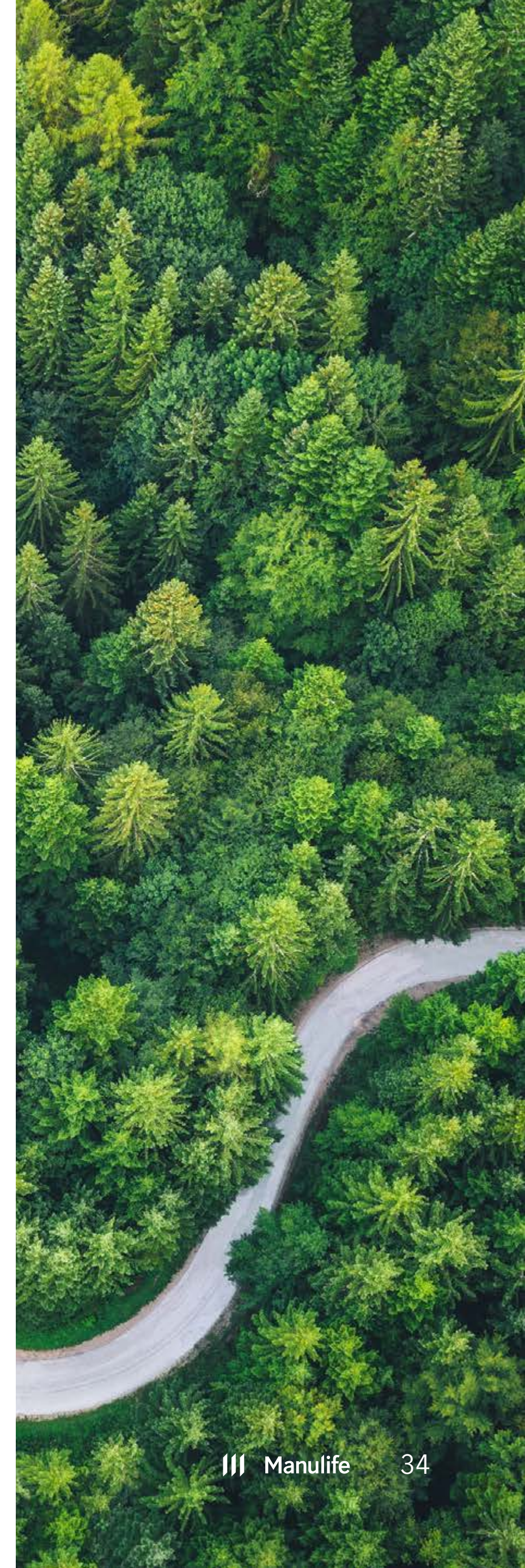
- Transparency, such as publication of sustainability reports and other external disclosures related to ESG performance
- Performance and targets, particularly on environmental/climate change KPIs, including Scope 1–3 GHG emissions

Manulife has taken an active approach to engaging directly with suppliers on sustainability-related matters. We actively conduct engagement sessions with key suppliers to identify sustainability issues on which we can collaborate.

Where Manulife utilizes branded merchandise for global internal or external campaigns, guidelines are provided to support incorporation of sustainability in the procurement process through our Merchandise Tip Sheet. For example, avoiding branding of disposable items, focusing on recyclable content, and reducing excess packaging.

As a signatory to the [Sustainable IT Pledge](#), we are committed to cutting emissions from digital technologies. We integrate sustainability in the procurement process and through lifecycle management. We work proactively with vendors to ensure our hardware is in production service until end-of-life and ensure we properly dispose of all hardware. We also leverage virtual server and storage infrastructure to minimize the overall hardware footprint of our operations. Additionally, Manulife Bank works with Bullfrog Power, Canada's leading green energy provider, to purchase 100% green electricity for our network of ATMs across Canada.

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



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## Our operations

We are in a unique business – we don't just occupy workspace, we are operators of significant real estate, agriculture, and timberland assets.

In 2021, we continued to strengthen the foundations of decarbonization across our business. Real estate continues to implement a GHG management strategy to address current commitments, client demand and industry trends. With emissions ranging from the application of fertilizers to the cultivation of rice fields, Manulife Investment Management Timberland and Agriculture continued to prioritize improved carbon footprinting of our operations.

Going beyond decarbonization, our Regenerative Agriculture initiative, including a pledge to engage with every one of our farm tenants on benefits and opportunities related to regenerative agriculture, is setting us up for long-term improvements to land management for carbon sequestration.

Manulife's operational emissions	2021	2020	2019
<b>Total Scope 1 emissions (tCO2e)<sup>14</sup></b>	<b>162,749</b>	150,672	102,739
Corporate	167	–	–
Real Estate	35,475	37,285	38,054
Manulife Investment Management Timberland and Agriculture	127,107	113,387	64,685
Timberland	80,035	76,753	–
Agriculture	47,072	36,634	–
<b>Total Scope 2 emissions (tCO2e), location-based</b>	<b>124,076</b>	128,155	193,776
Corporate	1,376	1,557	702
Real Estate	104,778	116,421	151,945
Manulife Investment Management Timberland and Agriculture	17,922	10,177	41,128
Timberland	–	–	–
Agriculture	17,922	10,177	–
<b>Total Scope 2 emissions (tCO2e), market-based</b>	<b>109,442</b>	113,249	183,611

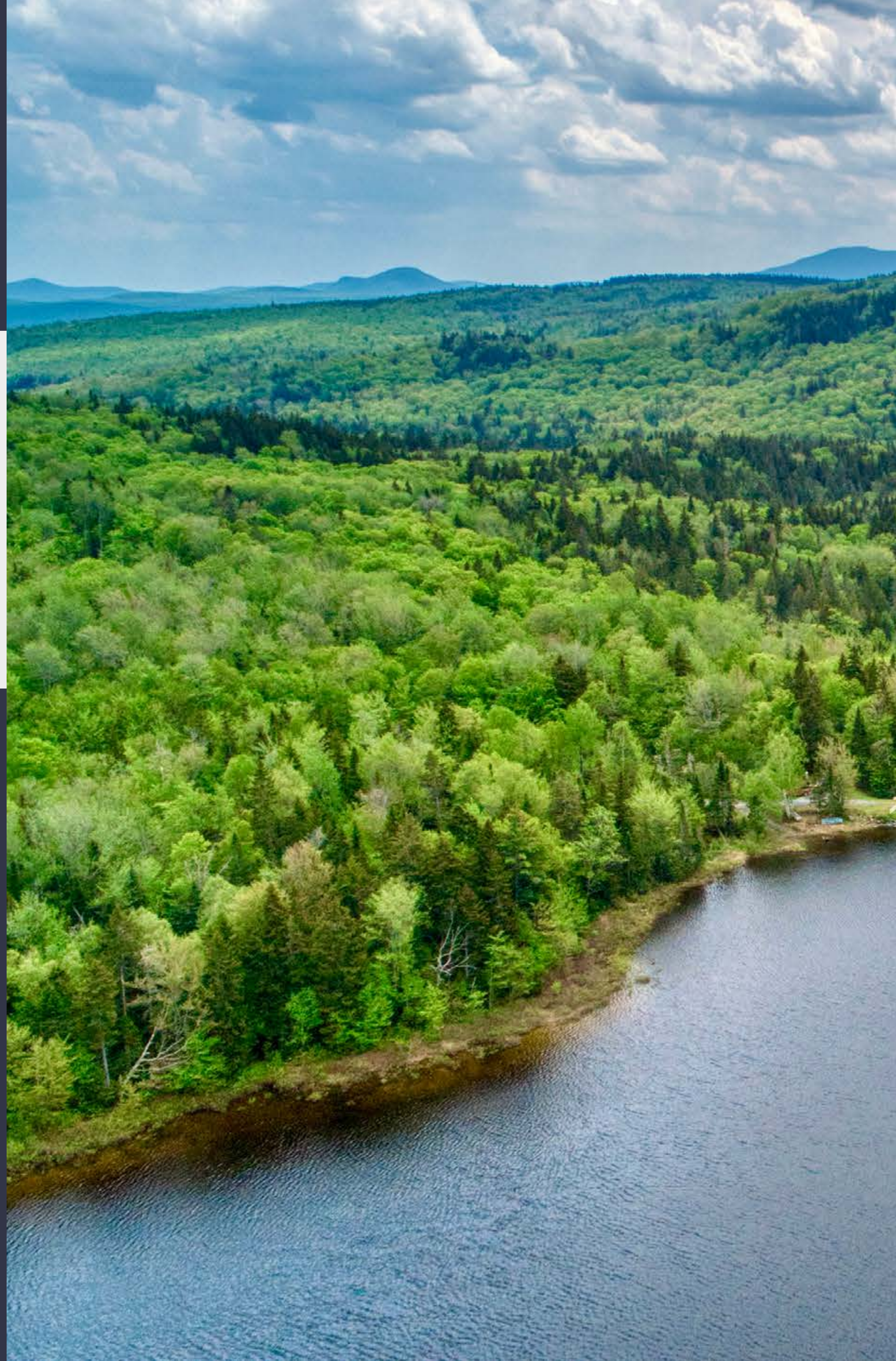
Manulife value chain emissions	2021	2020	2019
<b>Scope 3 emissions (tCO2e)<sup>15</sup></b>			
Manulife Investment Management Timberland and Agriculture	391,014	359,186	424,658
Tenant leased properties	195,684	199,569	239,093
Contractor fuel use	195,330	159,617	185,565
Corporate	10,171	16,240	39,442
Purchased goods and services	6,626	8,445	10,765
Paper	5,705	5,696	7,309
Data centres	921	2,749	3,456
Waste	1,560	1,751	3,018
Business travel	1,985	6,044	25,660
<b>Carbon removals (MtCO2e)</b>			
Carbon Removals from Timberland and Agriculture (MtCO2e) <sup>16</sup>	-2.46	-2.24	-3.14
Manulife-only assets	-1.51	-1.38	–
Third-party assets	-0.95	-0.86	–
Manulife Operational <sup>17</sup> Emissions (MtCO2e)	+0.29	+0.28	+0.30

<sup>14</sup> Manulife regularly reviews and enhances our protocols for accounting for energy use and GHG emissions across the business. In FY21, Manulife rebaselined FY19 and FY20 data due to (a) divestiture of wholly owned subsidiary NAL Resources in January 2021, which previously represented the majority of our energy use and emissions (b) refinements our list of properties where operational control exists for Real Estate and Corporate properties.

<sup>15</sup> Manulife continues to evolve our Scope 3 emissions accounting methodologies and may have additional sources of Scope 3 emissions.

<sup>16</sup> Annual CO2 removals include annual increase in carbon stock within standing forest inventory (biogenic growth), plus carbon store in wood products harvested during that year. Due to year-on-year variation introduced by forest inventory estimation methodologies as well as harvesting schedules, we report a five-year average of carbon removals. CO2 removals may fluctuate over time due to planting and harvesting cycles and the use of a 5-year average moves. As demand for harvested wood products has strengthened relative to supply over the past half-decade in response to housing shortages and pandemic-related needs, harvesting has increased to take advantage of stronger wood markets.

<sup>17</sup> Manulife Scope 1 & 2 emissions (location-based)



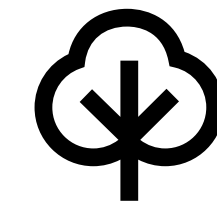
# Our Investments

## Financing the transition to net zero

Our General Account consists of our company's own assets, which support our policyholder liabilities. Manulife invests substantial capital in both public and private markets, meaning we play a critical role as an enabler of the transition to net zero.

- We have committed to net zero investment portfolio by 2050 and are in the process of setting short-term, science-based financed emissions targets to be validated by the SBTi
- We continue to work to grow our portfolio of green investments, such as renewable energy and energy-efficient real estate

Manulife's portfolio of green buildings was **\$18.9 billion at the end of 2021**



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## Asset ownership

Our General Account plays a critical role in the achievement of our climate ambitions, which includes a commitment to the [SBTi](#) as well as net zero investment portfolio by 2050. In accordance with our ESG Guidelines, the General Account incorporates climate-related considerations throughout the investment cycle.

### Understanding our impact

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

## Making the transition to net zero

We continue to refine our transition plan for investments made by our General Account. On an ongoing basis, we evaluate our investment approach toward higher-emitting sectors such as oil and gas and power, and, where appropriate, recommend changes to investment limits and/or the investment duration of certain sub-sectors. Where an issuing entity generates more than 30% of its revenue from thermal coal mining operations, we have formalized requirements for further scrutiny within our ESG Guidelines.

As a debtholder, our engagement with management teams and opportunities may differ from that which is typical for equity holders who have ownership stakes in the company. Nonetheless, particularly for emission-intensive sectors, analysts question management teams on several ESG factors, including emissions policies and decarbonization efforts, when provided the opportunity at industry conferences and on calls or meetings with management.

While continuing to invest in more established areas of renewable power generation (such as wind, hydro and solar), we proactively develop and pursue various initiatives to assess emerging areas of investment opportunity related to the energy transition. In 2021, these included “white paper” assessments of the hydrogen market and the developing carbon sequestration and storage (CCS) market to position Manulife to invest in these sectors readily as appropriate investment opportunities on a risk-adjusted basis become available.

The General Account is a founding investor in Manulife’s Impact Focused investment platform, with the acquisition of 89,800 acres of timberland in Maine in 2021. This represents future access to tools such as carbon credits (offsets) and the use of carbon removals (insets), the strategy for which we continue to refine as net zero expectations evolve.

Taken together, these actions are expected to *positively impact* the carbon footprint of our own investment portfolio. As we monitor progress across the industry, we believe our focused work on decarbonization and the increased level of training and information sessions we provide in ESG, including climate, support our objective to be an industry leader in this area.

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To this end, in 2021, we took the following steps to enhance our approach:

- **We established a General Account Climate Change Working Group (CCWG).** The working group provides a platform to share ESG learning, identify ESG-related areas for improvement, and to recommend and implement various ESG initiatives. The group meets on a weekly basis and includes members across our operating geographies with representatives from each of our industry teams as well as members of our Portfolio Management and Credit teams. The group assists in improving departmental efforts to assess, monitor and report various ESG matters, including but not limited to climate change, the identification of potential opportunities and to assist in coordinating and providing ESG training to investment officers, among other issues.

- **We completed a pilot process for setting interim science-based targets in the power generation sector.** In 2021, Manulife formally committed to setting interim Science-based Targets for the reduction of financed emissions, utilizing a sector-by-sector approach. Undertaking this exercise is a critical step towards net zero financed emissions — as one of the first Canadian-headquartered financial institutions making commitments to the SBTi, we are influential in the scaling of science-aligned methodologies across our sector.

Through 2021, we engaged external consultants to support a pilot process for target-setting in the power generation sector in accordance with the [pilot SBTi guidance](#). The pilot considered all methodologies for target-setting, including sector decarbonization, temperature-setting and portfolio coverage approaches for public equities and project finance in power generation. With completion of the pilot at the end of 2021, we remain committed to validation of financed emissions targets across all required asset classes through 2022. This timeline is determined by the availability of systems for data analysis and resource availability for target validation services.

- **We established an emissions baseline across our ~\$427 billion investment portfolio.** In 2021, we completed an inaugural project to measure our financed emissions. Leveraging existing methodologies, such as those provided by Trucost, and in-house calculations, we were successful in quantifying emissions from the majority of our portfolio. Given the uncertainties associated with estimating emissions where companies do not proactively disclose this information, we continue to refine our approach through 2022. As a result, our disclosure remains focused on public equities and debt, where data reliability and comparability are notably higher. As guidelines for accounting of financed emissions continue to develop, Manulife is well-positioned to expand the scope of disclosure in future years.

- **We formalized the inclusion of ESG factors, including climate, in credit underwriting.** In 2021, the General Account continued to grow its portfolio of low-carbon investments across a range of sectors including renewable energy, timberland and energy efficiency transactions. The formalization of ESG analysis into credit underwriting has enhanced the General Account's ability to identify specific areas of the portfolio where our long-term investment orientation and fundamental approach to credit underwriting align with longer-dated risks and opportunities associated with the energy transition.
- **We supported development and implementation of an internal ESG database in support of our climate commitments.** Manulife's Advanced Analytics team was engaged by investment managers across Manulife (including the General Account), to build and implement an internal ESG database to provide better information related to its portfolio companies' emissions and to track and monitor its green investments. The development of this system began in 2021 and is expected to be completed in 2022.

## Our investments

Understanding the complete carbon emission profile of our General Account investment portfolio is a critical step in the transition to net zero.

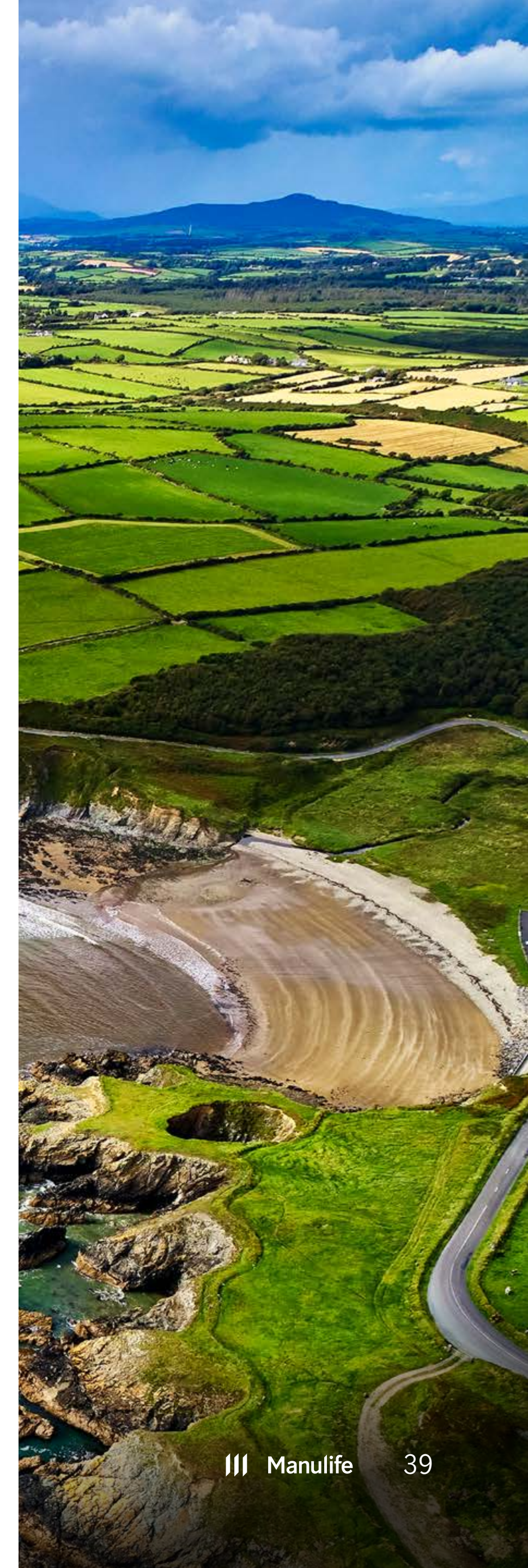
Over the past several years, we have piloted methodologies for accounting for the carbon footprint of our financed emissions. Accounting for our portfolio footprint is evolving on a day-to-day basis, as portfolio companies expand their own emissions reporting capabilities, improve the quality of their reporting in alignment with emerging regulations, and methodologies are refined by industry groups and data analytics providers.

Manulife's portfolio emissions	2020	2019
Estimated portfolio emissions (MtCO <sub>2</sub> e) <sup>17</sup>	<b>38.3</b>	–
Estimated weighted average carbon intensity (WACI) (tCO <sub>2</sub> e/mCAD) <sup>18</sup>	<b>677</b>	–
Listed equity	<b>255</b>	216
Fixed income	<b>740</b>	673
Total disclosed portfolio coverage (%) <sup>19</sup>	<b>73%</b>	–

**17** For the purpose of reporting, Manulife utilized a Trucost methodology for compilation of publicly available data and therefore, incorporates scope 1, 2, and Scope 3 - upstream emissions (where significant to the sector). Emissions are reported per the Partnership for Carbon Accounting Financials (PCAF), utilizing the Global GHG Accounting and Reporting Standard for the Financial Industry. Data is as of Dec 31, 2020. Due to the nature of publicly available emissions disclosure across industries, data lags by one fiscal year. In FY20, Trucost moved to Enterprise Value apportioning for all instruments in line with PCAF - prior year data utilized Market Capitalization, limiting data comparability.

**18** Indicates the carbon intensity of money invested, providing a measure of responsibility for emissions and contribution to climate change. Due to market forces and changes in market capitalisation, year-on-year performance comparison may be challenging. As Manulife continues to pilot and utilize financed emissions metrics, attribution of performance year-over-year is expected to improve.

**19** While we have quantified emissions from 86% of our portfolio holdings, holdings where emissions are wholly estimated through average and/or proxies are excluded from this disclosure (currently, ~27% of our listed equity and bonds portfolio). Manulife is undergoing a Science-based Target setting process and actively enhancing our internal methodologies for data compilation and analysis, including refining decision-useful intensity metrics for portfolio management. We look forward to improvements to our reporting to support further demonstration of our progress against Climate Action Plan commitments.





# Our Products and Services

## Being part of the sustainable solution

As a global life insurer, we understand the connection between our environment and human health. As an investment manager, we are in a position to build dedicated investment strategies that address the issues of climate change and offer nature-based solutions to mitigate climate change through forests and farms. We are accelerating the pace of innovation around developing products that both solve customer needs and help create a more sustainable future.

- Where appropriate, we are collaborating with asset management peers on key issues, including climate, and are demonstrating asset manager support for responsible investment through avenues such as the CDP Science-based Target Campaign, Global Investor Statement to Governments on Climate Change and signing of the Finance for Biodiversity Pledge
- We are encouraging the adoption of sustainable business practices in public markets, promoting action that enables sustainable long-term growth and reduces the potential impact of material sustainability risks over time
- We continue to grow our offerings of dedicated sustainable investing strategies, including nature-based solutions to climate change<sup>20</sup>
- We are contributing to a growing body of knowledge on the impact of climate change on human health, strengthening our ability to respond to client needs

## Asset management

We value and actively support the robust integration of sustainability principles in our investment approaches, including our active strategies. This holds true across asset classes, geographies and our business identities — whether we are acting as asset operators, equity holders or debt holders. Our goal is to encourage action and mitigate systemic environmental risks in a strategic and impactful way, including working with companies we invest in and advocating for change across an array of forums.

Across our asset management business, we made improvements to ESG integration, reporting and monitoring in 2021, which incorporates climate-related factors. We also launched dedicated climate-related strategies in support of our clients.

<sup>20</sup> Not all investments available to all investors in all jurisdictions.



# Private Markets

## Timberland and agriculture

We seek to limit the impacts of climate change by responsibly using and managing land, creating carbon sequestration opportunities with our forests and farms, and mitigating climate change through investing in renewables and energy efficiency.

### Being a steward

Healthy ecosystems provide immense value to the vitality of communities and economies and play an important role in mitigating climate change. To ensure they thrive for generations to come and optimize their benefits to the climate, we operate in a way that responsibly manages land and protects sensitive lands and biodiversity. We also seek to adhere to strict water and land management policies and best practices and support forest growth.

## Offering natural climate solutions

While climate change negatively impacts nature, we have realized that one of our greatest assets to fighting climate change is nature itself — which is why there is a growing popularity of natural climate solutions. Natural climate solutions are actions to protect, sustainably manage, and restore natural or modified ecosystems in ways that address societal challenges effectively and adaptively. As a timberland and agriculture investment manager and member of both the WBCSD's Nature Action and Forest Solutions Group projects, our very business is managing nature.

We work with leading carbon project developers and accredited third-party verification and validation bodies to identify new carbon project opportunities, conduct feasibility studies, timberland inventories and project calculations and compile documentation for ongoing monitoring, reporting and verification.

We have experience managing carbon projects in both compliance and voluntary markets and across project types including carbon removals achieved by planting new forests and boosting the carbon capture of existing forests with improved forest management as well as avoided emissions resulting from changing the forest management regimes.

Our carbon projects adhere to the Manulife Investment Management Timberland and Agriculture Carbon Principles that we adopted in 2021 that are aligned with the Core Carbon Principles created by Integrity Council for the Voluntary Carbon Market—a recently launched governance body evolving from the Taskforce on Scaling Voluntary Carbon Markets. Our Principles provide a framework for high-integrity, high-quality carbon sequestration and crediting across our carbon project activities for both forest and soil carbon. In addition to managing investments for timberland value, we have the ability to develop portfolios of forest investments managed primarily for carbon value and based on these high-integrity carbon principles centered on additionality, permanence, monitoring and reporting and verification, among other criteria.



**In 2021, we took the following steps to enhance our approach:**

• **We invested in the development of carbon-focused investment options.** Manulife Investment Management, on behalf of the General Account, acquired 89,800 acres of timberland in the U.S. state of Maine to integrate natural climate solutions into its investment decisions. The investment is classified as carbon-focused with the core of the investment thesis centred on the timberlands being used primarily to store carbon.

• **We enhanced accounting for carbon removals.** We take the accounting of carbon removals seriously and continued to roll out collection of light detection and ranging (LiDAR) data for our Manulife Investment Management-managed forests in 2021, supporting measurement of forest carbon sequestration with improved accuracy. LiDAR technology measures a tree’s reflection of light and enables high-resolution mapping, in many cases, of individual trees. From the LiDAR forest inventories, carbon calculations can be performed directly and then seamlessly fed into client- and property-level reports that support third-party verification.

**Additional information**

- [ESG Integration in Asset Management](#)
- [Manulife Investment Management Timberland and Agriculture Sustainable and Responsible Investing Report](#)
- [Manulife Investment Management Stewardship Report](#)
- [Manulife Investment Management Sustainable and Responsible Investing Report](#)



### Real estate

As the transition to a net zero economy advances, investors and regulators are expecting the built environment to reduce emissions and meet global climate goals. Across the Manulife Investment Management managed global real estate portfolio, we have energy reduction targets, as well as targets for water use, waste diversion and GHG emissions reduction, which we report on annually in our publicly available real estate sustainability report. We have set a GHG reduction target for our global real estate portfolio of 80% by 2050, using 2018 as the baseline.

### In 2021, we took the following steps to enhance our approach:

- **We developed sustainable development guidelines for new construction.** In an effort to set the precedent for new builds, our guidelines integrate sustainability into our development practices. This is key to managing long-term risks and delivering healthy, efficient and high performing building that are well positioned to support our communities, tenants and investors. The new guidelines document sustainability design requirements and leadership practices for all developments we are invested and partnered in and set both minimum requirements and leading practices we seek to pilot.
- **We held training for property and asset management on greenhouse gases** (GHG101 webinar).
- **We launched a new property standard on carbon management**, including development of a property carbon management planning toolkit.

#### Additional information

- [ESG Integration in Asset Management](#)
- [2021 Manulife Investment Management Real Estate Sustainability Report](#)
- [Manulife Investment Management Stewardship Report](#)
- [Manulife Investment Management Sustainable and Responsible Investing Report](#)
- [2021 Real Estate Climate Risk Disclosure Report](#)



## Infrastructure

In infrastructure, the importance of sustainable investing, including consideration of climate-related topics, is due to the long-term nature of the assets and investment horizon. Infrastructure represents an important source of emissions but also a critical solution to the issue of climate change.

Our infrastructure investment team acknowledges the risks and opportunities associated with climate change and the transition to a lower-carbon economy. Our infrastructure investment team is an active participant in the energy transition in the United States, with investments in industries such as solar, wind, and battery storage. We believe these and other renewable energy assets are the key components of a lower-carbon electricity system.

For natural gas-fired plants, our infrastructure team looks at a few opportunities where these plants are integrated or have the potential to be integrated with the broader renewable energy strategy in the region to help provide system stability for the intermittency of wind and solar power. Natural gas has been the principal driver in the United States for the decreased dependence on coal-fired energy generation.

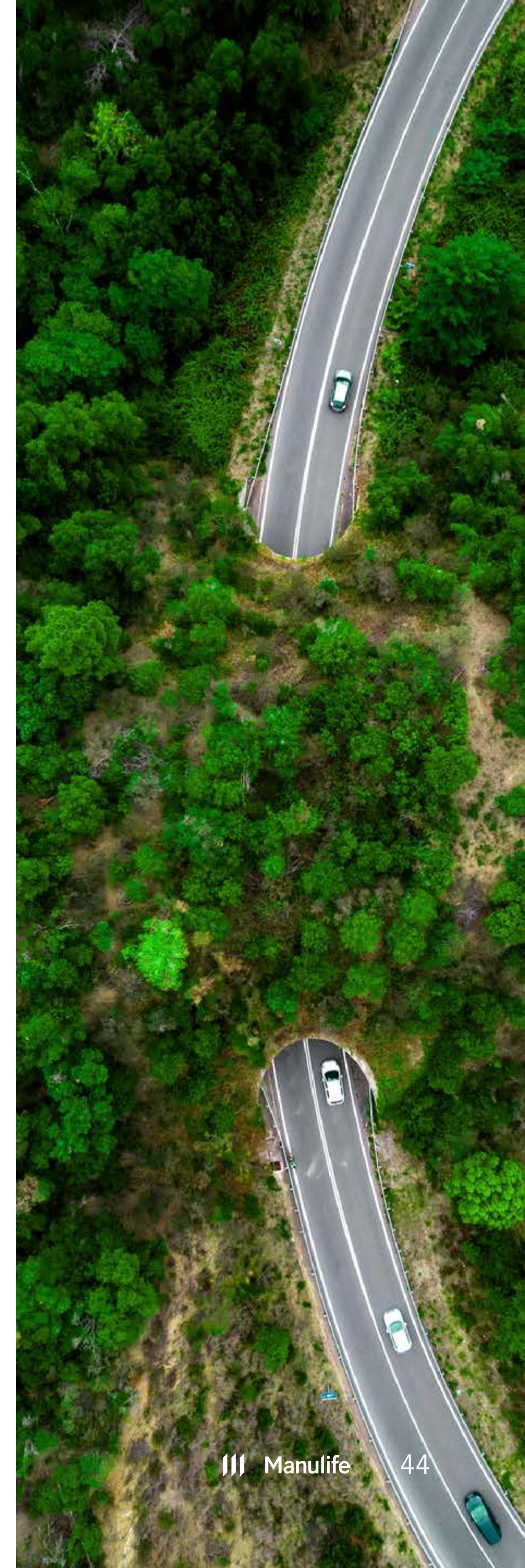
The investment team has and will continue to consider investment opportunities in utilities that are working to transition to a lower-carbon economy. This may include utilities that have plans to retire their legacy-owned coal-fired power stations as part of an energy transition strategy. In line with our views on energy transition, our infrastructure team no longer evaluates investments in individual coal-fired power plants. In addition, we believe there are increasing economic and environmental risks to coal-fired assets.

### In 2021, we took the following steps to enhance our approach:

- **We engaged with infrastructure owners on Scope 1, 2 and 3 emissions.** As part of broader ESG monitoring improvements undertaken across the private equity business, we requested infrastructure assets disclose their Scope 1, 2 and 3 emissions if available. If they had not yet measured their emissions, we asked how they view their climate-related impact (low, average, high), and explain why they believe so. We also looked to assess what our portfolio companies' preparedness was for potential climate-related impacts and explain why they believe so.

#### Additional information

- [ESG Integration in Asset Management](#)
- [Manulife Investment Management Stewardship Report](#)
- [Manulife Investment Management Sustainable and Responsible Investing Report](#)
- [Manulife Investment Management Infrastructure Sustainable Investing Framework](#)



### Private equity and credit

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

#### In 2021, we took the following steps to enhance our approach:

- **We developed an ESG portfolio baseline, including climate-related KPIs.** To complete this process, we partnered with an external provider that specializes in data collection and processing for firms in the investment industry. We developed two sets of questionnaires — one for fund investments and one for portfolio company investments — based on industry standards and best practices.

In our questionnaire for fund investments, we asked GPs how they integrate climate-related issues in their governance and processes. This included asking whether they have a dedicated ESG team, resources available for employees to assess climate-related risks and opportunities, and whether they have assessed their firms’ emissions. We also inquired on how they engage with their portfolio companies on climate-related issues. This included asking whether they have assessed the emissions profile, physical and transition risks, or climate-related KPIs for their portfolio companies.

For our direct portfolio company investments, we asked how they integrate climate-related issues in their governance and processes, if they have assessed carbon emissions, if they have conducted an assessment on physical/transition risk and if they have identified any climate-related risks, opportunities and/or financial impacts.

#### Additional information

- [ESG Integration in Asset Management](#)
- [Manulife Investment Management Stewardship Report](#)
- [Manulife Investment Management Sustainable and Responsible Investing Report](#)
- [Manulife Investment Management Private Equity and Credit Sustainable Investing Framework](#)



# Public Markets

Manulife Investment Management is a signatory of UNPRI, and our Manulife Investment Management Public Markets teams are committed to investing sustainably across our businesses. At year-end 2021, over 90% of our assets under management in equity and fixed-income strategies were fully integrating ESG factors in accordance with our proprietary assessment framework. This includes factors associated with climate change.

## ESG integration

Per our ESG integration approach, we see ongoing engagement with investee companies as an essential part of how we enhance the resiliency of our clients' assets — including where we manage assets on behalf of the Manulife General Account as well achieving actual change in addressing key sustainability issues such as climate change. As investors, we also play a critical role in encouraging companies to adopt sustainable business practices that promote stable long-term growth and reduce the potential impact of material sustainability risks over time. In 2021, 60%

of our engagement activities<sup>21</sup> focused on climate-related topics.<sup>22</sup> 17% of ESG-related shareholder proposals we voted on focused on climate, including aspects such as emissions, reporting and governance.

We participate in dedicated collaborative initiatives where we believe we can have a substantial impact to address issues on climate. This includes platforms such as Climate Action 100+ and Climate Engagement Canada (CEC).

## Offering dedicated strategies

We also offer dedicated investment strategies to clients focused on addressing climate change in their investment portfolios — the Manulife Global Climate strategy, launched in 2021, leverages the Paris Agreement and science-based targets as a framework for its security selection process by investing in companies which in our assessment have clear paths to reduce their carbon footprint.

## In 2021, we took the following steps to enhance our approach:

- We enhanced our proxy voting policy to support climate-related shareholder proposals. In 2021, we worked to support a greater number of shareholder proposals specifically related to climate issues. Our intent through this change is to re-emphasize the importance to issuers to not only provide better disclosure regarding ESG risks and opportunities, but also to improve management of those factors.
- We took on a stronger role in industry climate engagement. As a participant in Climate Action 100+, we accepted the opportunity to be the lead engagement investor with a large chemical company. As a result of the overall success of Climate Action 100+, we supported and are a founding member of Climate Engagement Canada (CEC).

### Additional information

- [ESG Integration in Asset Management](#)
- [Manulife Investment Management Stewardship Report](#)
- [Manulife Investment Management Sustainable and Responsible Investing Report](#)

<sup>21</sup> Based on data from our proprietary engagement tracker. A single engagement may be represented across multiple topics as a single engagement often covers a range of issues. Reflects topics which we track that were discussed in at least 3% of our total engagements.

<sup>22</sup> Inclusive of the following topics: GHG emissions; energy management; sustainable finance; physical impacts of climate change; environmental business opportunities; materials sourcing & efficiency.

## Health and life insurance

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

Our approach includes research to understand the human impacts of climate change, awareness building of human impacts across the business, and finally, engagement with external experts on relevant initiatives. An interdisciplinary team of Manulife members is engaged on this work and includes underwriting, risk, actuarial and advanced analytics professionals and representation from business segments across Manulife.

Our changing climate stands to impact human health and every country and individual will be impacted, with vulnerable populations at greatest risk. We believe that the work undertaken by our business benefits Manulife’s ability to manage climate-related risks and opportunities and respond to client needs. But beyond our business, it contributes to a larger body of societal knowledge on the impact of climate change on human health.

In 2021, research and analysis conducted considered the impact of climate change on extreme weather events, and increased temperatures on morbidity and/or mortality, including aspects such as mental health, cardiovascular and respiratory diseases. We additionally contributed to continued scaling of work by the Geneva Association to identify the role that insurers and other stakeholders can play to help mitigate and adapt to a changing climate and environment.





# Climate-related Risks and Opportunities (TCFD Report)

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

**Task Force on Climate-related Financial Disclosures (TCFD)**  
 We have been a supporter of the TCFD since November 2017. For more information, please see pages 48 – 50 in our [2021 Management’s Discussion and Analysis](#).

## Governance

Disclose the organization’s governance around climate-related risks and opportunities

Pillar/recommendation	Manulife action
Describe board oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> <li>The CGNC reviews matters related to climate change as part of its oversight of Manulife’s ESG framework</li> <li>The Risk Committee considers climate-related risks and opportunities through ongoing monitoring and reporting of emerging risks</li> </ul>
Describe management’s role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> <li>Manulife’s ESC consists of the Chief Sustainability Officer and members of the Executive Leadership Team including the Chief Executive Officers and sets the strategic direction of the firm as it relates to our Climate Action Plan</li> </ul>

### 2021 highlights

During 2021, climate change was introduced as a strategic topic for Global Risk Management and leadership acknowledged the need to increase awareness and expertise within the function to better support the management of climate-related risks across the organization. A working group was established to accelerate the effort in upskilling our risk staff, assess and adopt relevant industry practices and emerging regulatory expectations and enhance our existing Enterprise Risk Management (ERM) framework by embedding climate risk considerations into risk management activities across the enterprise.



## Strategy

Disclose actual and potential impacts of climate-related risks and opportunities to the organization’s businesses, strategy and financial planning

Pillar/recommendation	Manulife action	
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long-term	<ul style="list-style-type: none"> <li>• <b>Time horizons:</b> Short (1 – 5 years), medium (5 – 15 years), and long (beyond 15 years) time horizons</li> <li>• May be experienced directly (e.g., through financial loss) or indirectly (e.g., through reputational damage), as a result of the physical impacts of climate change or the transition to a low-carbon economy</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Risks:</b> Market/capital, regulatory and reputational risks associated with transition to low-carbon economy; product and operational risks associated with physical impacts of changing climate</li> <li>• <b>Opportunities:</b> Product and market opportunities associated with transition to a low-carbon economy</li> </ul>
Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	<ul style="list-style-type: none"> <li>• Manulife is a long-term oriented underwriter and investor — monitoring and evaluating the impacts from climate-related risks and opportunities remains ongoing and is integrated in existing business segment strategies including group functions such as finance and capital planning</li> <li>• <b>Insurance products:</b> <ul style="list-style-type: none"> <li>– Property and casualty retrocession: annual review of risk exposure to frequency and severity of catastrophic weather events</li> <li>– Life and health insurance: research and data collection to inform underwriting as it relates to impact of physical climate change to morbidity and mortality</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asset ownership:</b> Climate change stress testing, including value shocks ranging from +15% to –65% for industrial sub-sectors over a five-year time horizon — capital levels remained well above minimum regulatory capital requirements</li> <li>• <b>Asset Management:</b> Multipronged “sustainability as a standard” approach across asset classes, with sensitivity to regional, political and cultural differences incorporating physical and transition risks and opportunities through ESG integration, scenario analysis, and engagement — spans investment process from preliminary due diligence and valuation, feasibility and confirmatory diligence, and final valuation, offer and close</li> </ul>
Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2 degree or lower scenario	<ul style="list-style-type: none"> <li>• Climate-related scenario analysis conducted at the business segment level to understand implications of climate-related risks</li> <li>• <b>Asset management:</b> Deploy scenario analyses of how 1.5, 2, 3 and 4 degree Celsius temperature increases may impact certain asset classes (e.g., real estate, timberland, agriculture), complemented by qualitative assessments and the inclusion of carbon pricing into analytical models</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asset ownership:</b> Scenario analysis conducted specific to capital maintenance requirements; supported by Climate Action Plan commitments</li> </ul>
Describe how risks and opportunities are factored into relevant products or investment strategies and describe related transition impact	<ul style="list-style-type: none"> <li>• <b>Asset management:</b> Incorporate ESG factors, including climate-related risks, as described in dedicated Investment Management Climate Report; development of carbon investments and natural climate solutions, such as timberland and agricultural activities that prioritize carbon sequestration</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asset ownership:</b> Establishing near term emissions reductions targets to meet our commitment of net zero financed emissions by 2050; evaluate ESG risks in ratings process for credit analysis; preliminary modelling of pricing mechanisms for carbon risk in bond purchases/sales</li> </ul>

### 2021 highlights

We continue to engage with our regulators on climate-related scenario analysis in our General Account. Over the past two years, we participated in a Bank of Canada and Office of the Superintendent of Financial Institutions (OSFI) pilot project using climate-change scenarios to better understand the risks to the financial system related to a transition to a low-carbon economy. Manulife is among other Canadian banks and insurers participating in these activities. In addition, we included both pandemic and climate stress scenarios in our annual Financial Condition Testing (FCT) overseen by the Board and reported to OSFI. As one of Canada’s largest financial services companies, we view it as our responsibility to be involved in such projects given our position in the Canadian market and climate-related commitments.

## Risk Management

Disclose how the organization identifies, assesses and manages climate-related risks

Pillar/recommendation	Manulife action
Describe the organization's processes for identifying and assessing climate-related risks	<ul style="list-style-type: none"> <li>• Identify climate-related risks using our Environmental Risk Policy, and business-specific guidelines — continue to develop our risk management practices for assessing the relative significance, size and scope, and materiality of the climate-related risks that we identify</li> <li>• <b>Asset ownership:</b> Guided by ESG Guidelines for General Account assets, backing in-force liabilities</li> <li>• <b>Asset management:</b> Guided by ESG Engagement Policy — including direct engagement of some of the world's largest emitters on climate-related risks and opportunities relevant to our business, as well as through collaborative industry program Climate Action 100+</li> <li>• <b>Property and casualty retrocession:</b> Perform short-term horizon assessments of climate-related risks during annual renewal that are based on the reinsurance clients' in-house and third-party catastrophe risk models</li> </ul>
Describe the organization's processes for managing climate-related risks	
Describe risks arising from climate-related events factor into product development and pricing, including key tools/instruments	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<ul style="list-style-type: none"> <li>• <b>Health and life insurance:</b> Developing a framework to assess the impact of climate-related risks on mortality and morbidity at a country level, giving consideration to aspects such as specific weather events and the ability of healthcare infrastructure to cope and adapt</li> <li>• We monitor and influence existing and emerging climate regulation and policy affecting our business through working groups in industry associations, such as the Canadian Life and Health Insurance Association's Climate Change and Sustainability Working Group</li> <li>• Incorporate climate-related risks into our risk taxonomy and risk appetite framework</li> </ul>

### 2021 highlights

Supporting integration within our business segments in 2021, there was continued pursuit of improved resilience to and mitigation of specific climate risks.

- **We launched a new property standard on physical climate risk and resilience for Real Estate investment properties.** Manulife Investment Management's real estate platform recognizes the physical risks climate change poses to our real estate assets, including but not limited to extreme storms, flooding, rising temperatures and water scarcity. As a long-term building owner and proactive manager, it is important we address physical climate change risks through property resilience — features and practices that help prepare for and mitigate these risks. While many properties already use emergency management plans for a variety of risks (e.g., physical security, medical, cybersecurity) they now need to also have emergency management plans to address climate related risks. These plans are expected to identify key steps property teams need to take to de-escalate an emergency, protect the safety of building occupants and prevent or minimize property damage.
- **We expanded climate risk scenario analysis for timberland and agriculture assets.** Following release of Manulife Investment Management Timberland and Agriculture's inaugural climate disclosure at year-end 2020, in 2021 we expanded our climate risk work to include scenario analysis across our entire portfolio, building on the initial scenario analyses in the 2020 report that were limited to California Agriculture and New Zealand timberland. In support of long-term integration of climate risk across our properties, we conducted a series of seven workshops with our operations professionals to better understand physical risks posed by climate change to the assets we manage: North America timberland, North America agriculture, Australia/Victoria timberland, Australia/Queensland timberland, Australia agriculture, New Zealand timberland and South America timberland and agriculture.
- **We initiated development of heat maps for physical climate risk adaptability and vulnerability in regions where we offer Life and Health Insurance.** This included identification of the vulnerability of countries to physical climate risk based on historic events and determination of the adaptability of countries based on government policies, health care infrastructure and emergency response systems, utilizing publicly available data. This work will support a better understanding of the exposure of our health and life insurance product lines to climate-related risks and help us design better ways in which to support our clients.
- **We enhanced incorporation of climate risk into underwriting.** We enhanced underwriting practices in 2021 by integrating climate risk as a key factor into how we classify foreign countries and included climate risk as part of how we establish risk parameters for our Geographic Concentration of Risk Policy. This was a company-wide initiative with increased climate-related impacts through a series of presentations and learning sessions by risk committees and internal SMEs. We are also constantly exploring new ways in which we can further integrate climate risk into critical illness analysis.

## Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

Pillar/recommendation	Manulife action
Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> <li>• <b>Asset management and corporate activities:</b> <ul style="list-style-type: none"> <li>– Scope 1 and 2 operational emissions</li> </ul> </li> <li>• <b>Asset ownership:</b> <ul style="list-style-type: none"> <li>– Scope 3 financed emissions (emissions from investments), multiple asset classes per Partnership for Carbon Accounting Financials (PCAF), The Global GHG Accounting and Reporting Standard for the Financial Industry</li> <li>– Exposure to high carbon-assets</li> <li>– Green investments</li> </ul> </li> </ul>
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions and related risks	Please refer to <a href="#">page 35</a> and our data sheet supplement – which includes disclosure of Scope 3 GHG financed emissions of our General Account, per PCAF requirements. Manulife Investment Management publishes relevant metrics where available on product pages.
Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets	<p>In May 2021, Manulife released its Climate Action Plan. The plan outlines our objectives across three pillars — our operations, our General Account investments, and the products and services we offer to clients. It includes our commitment to net zero financed emissions by 2050, and a 35% reduction in Scope 1 and 2 emissions by 2035. In 2021, we conducted carbon emission estimations based on the PCAF standard for the private portfolio holdings and the public holdings without investees’ disclosure of carbon emissions.</p> <p>We continue to grow the General Account’s portfolio of green investments and developing investment products and solutions for climate change mitigation and resilience. We are taking a sector-based approach to establish near term emissions reduction targets of our financed emissions, focusing first on the heavy emitting industries, such as power generation. We have committed to the SBTi, the global standard for setting carbon emission reduction targets consistent with global decarbonization efforts.</p>

### Additional information

Manulife Investment Management publishes disclosures aligned with the TCFD recommendations which can be found on:

- [Manulife Investment Management Climate-related financial disclosure report](#)
- [Manulife Investment Management Timberland and Agriculture 2020 Climate report](#)
- [Manulife Investment Management 2021 Stewardship Report](#)
- [Manulife Investment Management Climate Risk Report](#)

# Biodiversity

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

## Asset ownership

Biodiversity is one of the factors included in the General Account's assessment of overall environmental risks and opportunities as a component of the underwriting and monitoring of our investment portfolio. In 2022, with the incorporation of our company specific ESG impact scores, this will be a factor included in the assessment of a given issuer.

Our General Account invests \$5.9 billion in sustainably managed forests and farmlands through Manulife Investment Management Timberland and Agriculture. The acquisition of 89,800 acres of impact first timberland investment in 2021, includes a diverse mix of naturally regenerated spruce-fir and northern hardwood tree species. It has been named "Blueback" for the highly sought-after subspecies of Arctic char native to the lakes there. A portion of the lands will be used for stewardship practices as a working forest. Additionally, the lands are subject to a working forest conservation easement.

For properties where we manage or are considering implementing carbon projects, we prioritize the preservation and support of biodiversity and other co-benefits through the application of the Manulife Investment Management Timberland and Agriculture Carbon Principles.

## Asset management

In the forests and farms Manulife Investment Management manages, we operate in a way that responsibly manages land and protects sensitive lands and biodiversity through stewardship practices. This includes protection of watersheds, habitats, and critical wildlife, such as bees, squirrels and salmon. Examples of our efforts to preserve biodiversity in the past year include:

- Restoring over 10 miles of aquatic habitat and connectivity in Washington for endangered species such as Snake River steelhead, Chinook salmon, Bull trout and Pacific lamprey by removing fish passage barriers, reconnecting floodplains, and planting native shrubs.



- Collaborating with the Oregon Department of Fish & Wildlife and Rocky Mountain Elk Foundation to move 4,600 acres of critical big game habitat and recreational land into public hands. The area, which is important winter range for the deer, elk and moose of the Wallowa mountains, is now permanently conserved.
- Strengthening the resilience of Australia’s koalas by working with leading conservation bodies and the Victorian and South Australian governments to secure male koalas from a genetically robust population found in the Strzelecki Ranges in South Gippsland Victoria, where our subsidiary HVP manages about 88,000 hectares of plantation and native forests, and transport them for a breeding program at Koala Life at the Cleland Wildlife Park outside Adelaide, SA.
- Working with high schools across the United States to create on-farm habitats for birds, who provide natural pest control.
- Established pollinator hedgerows in our California orchards by planting native flowering perennials, which encourage native pollinator foraging and bolsters the health of the bee population.

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

- **Microhabitat:** Manulife Investment Management buildings in Montreal are home to six urban roof top gardens which generate on average 1,800 pounds of fresh produce per season for local foodbanks in Canada.
- **Alvéole:** With 78 urban beehives on 51 Manulife properties, we shelter about 3,000,000 bees that produce over 900 kilograms of honey. Alvéole provides the hives, the bees and the beekeeping expertise, while Manulife Investment Management offers a home base for these critical pollinators.
- **Wilder Climate Solutions:** In 2021, we partnered to collect seeds from the American Elm growing at our Global Headquarters at 200 Bloor Street East, Toronto. The seeds have been steadily growing in a local greenhouse with the hopes of helping to support the natural ecosystem and biodiversity within our community when we plant in 2022.

Biodiversity is an element of our overall ESG integration framework and we are committed to the protection and restoration of biodiversity through our financing activities and investment. Manulife Investment Management was a member of the informal working group for the Task Force on Nature-related Financial Disclosures (TNFD), working to develop the scope of that endeavor to deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risk. We have pledged our continued support by becoming part of the TNFD Forum, a multi-disciplinary pool of supporters the TNFD can be used to develop standards.

Manulife Investment Management is a member of the Investment Leaders Group at the Cambridge Institute for Sustainability Leadership (CISL) and is represented on both their Senior Leaders Group and their Working Group. A significant focus of our work with the group involves building subject-matter knowledge and methodologies to assess nature-related risks across portfolios. We support the continued development of CISL’s Handbook for Nature-related Financial Risks, for example. This handbook extends the work of the Dasgupta Report to identify various nature and biodiversity risks with resultant financial risks for issuers.

**In 2021, we took the following steps to enhance our approach:**

- **We worked to better inventory our practices in real estate.** Our real estate team conducted a global inventory of biodiversity practices across our global portfolio. We also hosted a webinar with our key nature partner organizations, including [Alvéole](#) and [Microhabitat](#). These findings shed light on the impacts and opportunities for the real estate industry to support nature and biodiversity in the built environment.

- **We became signatories to the Finance for Biodiversity Pledge.** This included joining several working groups tasked with developing appropriate metrics and stewardship activities in support of commitments to biodiversity and nature by asset managers. By signing onto the pledge, we've committed to collaborate and engage with companies on biodiversity and assess our own biodiversity impact. This will enable us to set targets and disclose appropriate reporting on biodiversity aspects by 2024.

Biodiversity is an element of our overall ESG integration framework and we are committed to the *protection* and *restoration* of biodiversity through our financing activities and investments.

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# Community Investment

As part of our Impact Agenda, we are dedicated to advancing positive, measurable social and environmental change.

Through our community investments, we work with organizations to foster healthier, more inclusive communities across our three interconnected strategic focus areas to empower sustained health and well-being, drive equitable economic opportunity and accelerate a sustainable future.

We focus on removing barriers and empowering people in the communities where Manulife operates. In addition to programmatic funding, we also fund research to support innovative, cutting-edge ideas, to understand, address and promote sustainable change. And with the ongoing challenges of COVID-19 and natural disasters around the world happening with more frequency, we remain committed to helping communities respond effectively with resiliency and recovery resources.

## Our strategy prioritizes investments to organizations that:

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

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

## Our Performance

It is important we understand the impact of our initiatives, which makes it critical to efficiently measure and track our investments. We recently joined Business for Societal Impact (B4SI) so that we can improve the measurement of our inputs, outputs and impacts more purposefully. B4SI is the global standard in measuring and managing corporate community investment, and its framework is used by organizations around the world to effectively measure, report and communicate their social contributions and investments. By joining B4SI we will be better positioned to report on our performance in future years.

In 2021, our total corporate donations amounted to \$21.7 million. In addition, employee donations totaled \$3.7 million, and an additional \$13.2 million was raised/contributed by external sources leveraging Manulife community investment program assets.

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# Sustained Health and Well-being

As a natural extension of our life insurance offerings, we work to make healthier behaviour choices *easier* and more *accessible* by encouraging small, everyday actions to improve how well and long people live.

## Promoting Health in Hong Kong

The Manulife Health Voucher Program was launched in March 2021 in partnership with the Christian Family Service Centre, as the city’s first business-sponsored health voucher charity program. The Program was designed to support up to 2,000 low-income beneficiaries to identify health issues and provide them with free healthcare services. Participants received free health screening and consultation services, as well as seven tailored healthcare service options to choose from as a follow-up to the screening, including a General Practitioner consultation, physiotherapy, body checks, nutrition consultation, traditional Chinese medicine, acupuncture and dental care.

According to initial findings, more than half of the main money-earners in low-income households show at least one symptom of either hypertension, hyperglycemia or hypercholesterolemia, all of which can lead to major chronic disease and complications such as coronary heart disease and stroke.

The findings show a low-income constituency under considerable health stress, where the main household money-earner is vulnerable to chronic disease, in turn putting financial pressures on other family members, thereby increasing the risk of perpetuating the cycle of poverty. The alarming trend points to continued pressure on public health services.

The tests also show that over half (57%) of the beneficiaries were overweight or obese, and men (71%) fared worse than women (54%). Unhealthy lifestyles were prevalent among those diagnosed with three-hypers, with widespread drinking (77%) and smoking (66%), combined with a lack of exercise (57%) and inadequate intake of fruits and vegetables (58%). The Manulife Health Voucher Program has shown that many lack an understanding of the importance of preventive healthcare. Indeed, until they joined the Program, most participants had never previously undergone any kind of medical screening.



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## MOVE for GOOD Challenges

“MOVE for GOOD” is one of Manulife Hong Kong’s key initiatives, which motivates ManulifeMOVE members to combine physical fitness with charitable giving for the betterment of society. To incorporate an element of social impact into our behavioural insurance program, Manulife Hong Kong encouraged members to “MOVE for GOOD.” Through three challenges in 2021, members walked over 1 billion steps which unlocked 2,200 meals to celebrate Chinese New Year for underserved populations; 1,000 mini heaters donated to the elderly during the winter months in partnership with Tung Wah Group of Hospitals and 1,000 pairs of athletic shoes donated to youth to remove the barrier to physical activity.

## Research and Innovation

For over thirty years, Manulife has partnered with the Canadian Institute for Advanced Research (CIFAR) to support pioneering research to improve the health, well-being and resilience of communities across Canada and beyond. Manulife’s founding gift in 1987 funded the creation of CIFAR’s program in Population Health, which produced groundbreaking research addressing how differences in social and economic status can have a major impact on people’s health.

More recently, through the Manulife CIFAR Population Health and Well-being Grant Program, our collaboration focused on COVID-19 and its impact to communities. CIFAR program members drove important research breakthroughs to better understand the short- and long-term effects of the COVID-19 pandemic. Six research projects were completed ranging from combating social isolation in long term care homes with robotic technologies, to promoting disease prevention, to an international study quantifying the burden of cognitive impairment from COVID-19. Together, Manulife and CIFAR remain committed to exploring new approaches to create impact and improve the health and well-being of Canadian families and communities.

## Running with Purpose

John Hancock’s longstanding partnership with the Boston Athletic Association (B.A.A.), as the Principal Sponsor of the Boston Marathon®, promotes healthy living through running. Long recognized as one of the world’s most prestigious road racing events, the Boston Marathon is the pinnacle racing event by virtue of its traditions, longevity and method of gaining entry into the race via qualification. Since John Hancock first sponsored the Marathon in 1986, the field size has grown from 4,904 entrants to 30,000 runners, who hail from countries all over the world.

Based on the extraordinary interest and demand for entries to run the Marathon, John Hancock has leveraged its sponsorship to drive meaningful social impact. Alongside the Boston Athletic Association’s Official Charity Program, John Hancock created its own Marathon Non-Profit Program, which annually donates over a

thousand guaranteed Boston Marathon entries directly to charitable organizations through a competitive application process. Charities then use these entries to recruit runners who commit to raising money for their organizations. In 2021, runners utilizing John Hancock’s bibs raised \$13.6 million — alongside participants in the BAA’s Official Charity Program who raised another \$20.9 million. The \$34.5 million raised through the two programs brings the combined total raised for charity between the two programs to more than US\$426 million since 1989.

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## Healthier, More Equitable and Sustainable Food Systems

One of the organizations that has benefited from John Hancock’s Marathon program is the Tufts Friedman School of Nutrition and Science. Through a longstanding partnership, Tufts has raised more than US\$6 million since 2003 via the Marathon to improve the nutritional health and well-being of populations throughout the world. In recent years, the Friedman School has provided guidance and expertise to help ensure that John Hancock Vitality customers have access to cutting-edge, useful nutrition information and evidence-based rewards and incentives to facilitate healthier food choices. John Hancock is also a member of the Friedman School’s Food and Nutrition Innovation Council, which fosters a robust, science-driven ecosystem of food, agricultural and wellness innovation and entrepreneurship for a healthier, equitable and sustainable food system.

## Ride for Heart

As a Top Supporter of the Heart and Stroke Foundation, Manulife Canada has helped raise over \$24 million since 2018 to support their critical mission that promotes health and saves lives. In 2021, Manulife was once again the proud title sponsor of Canada’s largest single-day charity cycling event, the Manulife Heart & Stroke Ride for Heart, where more than 6,000 people across Canada raised over \$1.6 million. Team Manulife was well represented with colleagues raising over \$100,000. Participants connected digitally using the new Ride for Heart app which included event day programming and fitness tracking capabilities. Leading up to the event, the app helped participants reach their goals with fitness challenges and fundraising tips. The app also allowed people to share their heart by tracking physical activity and using custom heart-shaped maps to show progress on event day.



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# Inclusive Economic Opportunity

Alongside our partners, we accelerate upward mobility and contribute to making financial solutions accessible to everyone through *financial capability* programs and targeted employment initiatives to drive *financial security* and help people develop and sustain money habits.

## Peso Smart

Manulife’s Peso Smart was launched in 2017 as a series of face-to-face weekend classes dedicated to teaching the value of saving and investing to grade six elementary students. Since the pandemic in 2020, Peso Smart has evolved to address the demands of remote learning. More than 200 students have graduated from the program since its inception. Peso Smart x RecoveREADs, which started in 2020 in partnership with Corazon Sanchez Atayde Memorial Foundation (CSAMF), equips students with learning kits that include an activity journal based on Manulife’s Peso Smart modules, which teach children the basics of saving, budgeting and investing. In addition, Manulife employees will train volunteer teachers and parents so they can guide the students’ learning progress even while at home. For school year 2021 – 2022, 300 students from six public elementary schools across four Philippine cities are getting a head start in their financial literacy journey through Peso Smart. The program expands the successful pilot that ran during the 2020 – 2021 school year, at two public elementary schools in Pasig City, where 100 students participated.

## MLK Scholars

Now entering its 15th year, each summer, John Hancock sponsors the employment of more than 600 Boston teens at 50 local non-profit organizations through its MLK Scholars program — the largest, most comprehensive corporate summer job program of its kind in the U.S. The initiative empowers teens with career readiness and financial literacy skills to accelerate their growth as leaders in the office, the classroom, and the greater community. Since the program’s inception in 2008, John Hancock has invested over US \$15 million to provide jobs and professional development opportunities to over 6,000 youth. In addition to driving access to inclusive economic opportunity for the youth participants, the program also benefits non-profit organizations that employ the Scholars by providing important staffing support to help organizations deliver on their missions and drive positive change in local neighbourhoods. In 2021, John Hancock funded 570 jobs at non-profits, hired 35 within the company, and brought back 7 MLK graduates as college interns.

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### National Urban League

The National Urban League is an historic civil rights organization dedicated to economic empowerment, equality and social justice. Founded in 1910 and headquartered in New York City, the Urban League collaborates at the national and local levels with community leaders, policymakers and corporate partners to enable African Americans and other historically underserved groups to secure economic self-resilience. In 2021, John Hancock provided capacity building support for several of National Urban League’s initiatives centred on driving inclusive economic opportunity, including their new Urban Empowerment Fund, a small business lending subsidiary that has become an accredited Community Development Financial Institution (CDFI) recognized by the U.S. Department of Treasury.

### Life Lessons

In its third year, Manulife once again offered the Life Lessons Scholarship Program in Canada for students who have experienced the loss of a parent or guardian with little to no life insurance. The Scholarship Program helps combat the financial burden of paying for post-secondary education during an emotional time and recognizes the perseverance that so many youth show in such adversity. The Manulife Life Lessons Scholarship Program is committed to student success and helps support students financially, making the decision to attend and finish a college, university or trade school program a little easier. Manulife awards scholarships annually in the amount of \$10,000 each to successful applicants.

### Changing Lives through Microloans

In 2021, we launched a new partnership with Windmill Microlending, a registered charity empowering skilled Canadian immigrants and refugees to achieve economic prosperity through microloans. Windmill removes a key barrier to economic opportunity to internationally trained professionals by offering affordable loans of up to \$15,000 to pay for Canadian licensing or training. Windmill’s loans enable newcomers, who lack access to affordable credit, to gain the credentials they need to resume their career. Our funding enabled Windmill to support twenty clients with new microloans.



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# Sustainable Future

Alongside our partners, we support the transition to a low carbon economy and protect and grow the value of nature-based solutions through initiatives that enhance access to and stewardship of the natural environment and improve the livelihood and well-being of local communities.

## Promoting Environmental Stewardship

In 2021, Manulife established a partnership with Outward Bound International to support a new Global Environmental Project to enhance responsible environmental decision-making across its membership at the individual, local and national levels. As part of its mission to provide people with immersive time in nature, the Project will develop innovative methods and processes for training Outward Bound field staff while helping to educate over 150,000 young people who participate in their programs each year in 35 countries on 6 continents. A core component of the Project includes the creation of a new “Tread Lightly” curriculum to teach and encourage participants to better understand, conserve and protect the natural environment. Additionally, the Project will focus on minimizing local environmental impacts in the areas in which Outward Bound Schools operate, including through energy use, transportation, water usage, and waste reduction.

## Forests for Life

In partnership with the Haribon Foundation, we are supporting the Forests for Life Movement, an environmental movement to restore Philippine rainforests using native tree species to ensure that ecological benefits from forests are enjoyed by Filipinos for generations to come. Our partnership is helping to plant 15,000 native trees to improve soil nutrients, provide food and shelter to wildlife, and improve water retention of forests.

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### Urban Farming

The Urban Farming Institute of Boston (UFI) develops and promotes urban farming to engage individuals in growing food and building a healthy community. In 2021, we deepened our support to increase the organization’s capacity to bring people healthy food, transform neglected land in neighbourhoods, and to contribute to economic and environmental resilience. From its flagship headquarters at Fowler Clark Epstein Farm in Mattapan, UFI manages seven urban farms, which are now wellness hubs in Boston’s Roxbury, Dorchester and Mattapan neighbourhoods. In 2021, UFI grew more than 15,000 pounds of fresh food, much of which was distributed for free or subsidized rates in the community.

### Earth Hour in Malaysia

Manulife Malaysia once again joined forces with millions of people around the world to celebrate Earth Hour, raising awareness of the danger of a rapidly changing climate. In addition to switching off the façade lighting at our premises, Menara Manulife, we also encouraged our employees to do the same whilst at home, providing them with mitigation measures and advice to reduce their carbon footprint.



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# Responding When our Communities Need us Most

Throughout 2021, we continued to witness vulnerable communities being left behind in the wake of the COVID-19 pandemic.

Across our global operations, we worked to mitigate the challenges and provide resources to those communities most affected. Several key activities were:

**Manulife** donated \$250,000 to **Project Hope**, to support their work in India, Indonesia, Cambodia, Malaysia and the Philippines. The contribution funded supplies for healthcare facilities including oxygen, ICU beds, PPE kits and other critical medical supplies.

**In Indonesia**, Manulife partnered with the crowdfunding platform, **BenihBaik.com**, to donate more than 500 oxygen cylinders to help support response measures amid the pandemic. The donated equipment was distributed to various health facilities in different locations throughout the country to support the health and well-being of Indonesians.

**Manulife Malaysia** took a proactive approach in response by developing a new flagship program called **MY Community Grant**. The initiative invited organizations to apply for an in-kind grant worth up to RM10,000, to support those who needed it most in a time of crisis. Spanning the entirety of the year, the initiative saw a total of 101 applications submitted from organizations across the nation, with 10 beneficiaries being selected. The causes ranged from empowering young children through education, and

aiding underprivileged communities, to collecting food and redirecting it to the needy. Despite huge disruptions due to the Movement Control Order (MCO) imposed by the Government, which restricted social activities from taking place, the program still managed to facilitate positive social change whereby more than 17,000 people were positively impacted by the various initiatives that MY Community Grant empowered.

**In Hong Kong**, some airlines had to lay off employees as the travel industry suffered during the pandemic. Manulife was quick to hire many of those employees because of their hospitality training and strong customer service talents.



# Volunteering and Giving

Across our global operations, our *employees contributed* to their communities in meaningful ways throughout the year, deepening our social impact, and honing their skills and building their networks.

Manulife continued to provide paid time off for our global team to volunteer at community organizations, and we incentivized donations through a corporate matching gifts program in select markets. Whether through offering their professional skills, or raising money for a cause, colleagues were active in supporting local, national and global organizations while living our corporate values of doing the right thing and sharing your humanity.

## Acts of Kindness

In the spirit of making lives better during the holiday season, Manulife gave each member of our global team the equivalent of \$50 in their local currency to create an act of kindness in their communities. First introduced in 2020, this year's program once again enabled colleagues around the world to pay it forward. The impact was far reaching, with colleagues and their families donating food, preparing warm meals, knitting beanies for maternity wards and contributing clothing, toys or money to charities and causes of their choosing.



**Employees  
volunteered  
17,704 hours**

8,510 hours  
during work hours

9,194 hours  
outside of work



## Remembering and Honouring Our Fallen Heroes

Once again, colleagues in Toronto and Boston volunteered to honour Remembrance Day in Canada and Memorial Day in the United States.

In Toronto, for the 7th consecutive year, more than 12,000 flags were planted on the front lawn of Manulife headquarters at 200 Bloor Street East in Toronto, Canada, honouring members of the Canadian Armed Forces who have fallen in service. Manulife continued its support for the Royal Canadian Legion by encouraging employees to purchase a traditional or digital poppy through the Legion’s website in lieu of poppy donation boxes usually available on-site.

For the 12th consecutive year, John Hancock was the lead supporter of the Massachusetts Military Heroes Fund’s garden of flags on Boston Common to honour Memorial Day. A team of John Hancock volunteers, including members of its military employee resource group, joined hundreds of other volunteers to plant 37,000 flags, each representing a brave local service member who made the ultimate sacrifice. The completed garden is a majestic tribute and conveys a powerful message of support to the families of these fallen heroes that their loved ones will never be forgotten.

## CEO Action for Racial Equity Fellowship

The CEO Action for Racial Equity Fellowship is a first-of-its-kind, business-led initiative that mobilizes CEO Action for Diversity and Inclusion™ signatory organizations to address widening disparities and empower local solutions to enhance access to opportunity and improve the well-being of Black Americans. John Hancock President and CEO, Marianne Harrison, is a signatory to the CEO Action for Diversity and Inclusion, or “CEO Action”, and serves on the Governing Committee of the Racial Equity Fellowship. As part of our commitment, John Hancock agreed to contribute a full-time fellow, Muhsinah Nuriddin, to participate in the fellowship throughout 2021. John Hancock covered all compensation and benefits for Muhsinah’s fellowship, and her leadership is helping drive progress toward racial equity and social justice. It’s one meaningful example of how our employees are empowered to leverage their skills and capabilities to make a positive impact in our communities while also bringing key learnings back to our organization.





# Financial Inclusion

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

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

## Enhancing Access to Products and Services

Manulife serves more than 6 million customers within our emerging markets businesses in Cambodia, Indonesia, India, Malaysia, Myanmar, the Philippines, Thailand and Vietnam. We provide access to finance to traditionally underserved populations through an increasing number of specialized products and services that make our offerings more accessible.

## Addressing critical illness in Hong Kong

Manulife Hong Kong offers an affordable critical illness insurance product, **ManuVital Care**, that provides essential coverage against 112 critical illnesses at a cost as low as HK\$3.8 (CAD \$0.4948) a day. With its low and guaranteed premiums, this product makes health protection accessible to more people and provides flexibility for customers to convert to a more comprehensive plan in the future.

## Investing in Vietnamese young professionals

**Khởi Đầu Bảo Vệ (My Starter Protection)** reflects Manulife Vietnam’s commitment to financial inclusion. Available only on Shopee, the largest e-commerce platform in Vietnam, our first digital insurance product offers a hassle-free way for a younger segment of the population to purchase life insurance.

## Caring for Vietnamese mothers

Manulife Vietnam entered a partnership with **Cộng Đồng Bầu**, a leading online community for expectant and new mothers. With more than 1 million babies born each year in Vietnam, the partnership aims to help empower these families with the right financial knowledge and advice so they can feel prepared and in control of their financial futures.



## Making insurance more accessible in the Philippines

**Manulife Philippines** has lowered the minimum premium for its one-year term product from Php 12,000 to Php 10,000, or as low as Php 28 per day. At Php 10,000 premium, a 30-year-old can enjoy life insurance coverage worth almost Php 3.5 million. Customers can also renew this plan on an annual basis. Manulife Philippines has also lowered the minimum premium for its five-year term product React5, which can now be obtained for as low as Php 23 per day. React5 comes with an Accidental Death Benefit to give Filipinos more coverage.

## Maximizing health options in Vietnam

**Max – Sống Khỏe (Max – Health)** provides affordable and easy-to-understand health insurance protection and near-instant issuance. Available online via Manulife Vietnam’s eCommerce platform [Manulife Shop](#), the first in market solution is helping close the protection gap and further change the relationship and perception that customers have with their insurers.

## Going all-in with banking options

**Manulife Bank’s All-In Banking product:** This mobile-first banking solution includes a daily banking account, a savings account and travel insurance. [All-In Banking](#) is designed to help customers make the most of their money. It does this by waiving their account fee when they increase their savings by at least \$100 per month and by allowing them to automatically sweep extra money from their daily banking account into their savings account at the end of each day.

## Creating Access to Affordable Housing

In the United States, John Hancock is a founding general partner of The Life Initiative (TLI), a US\$100M community investment fund created in 1999 by Massachusetts-based life insurance companies. Over that time, TLI has invested more than US\$500M over the last 20 years in flexible, patient capital to support housing and economic development to benefit low-moderate income people and communities. Key impacts include 18,348 units of housing and 1,323 service enriched housing units created; 1,897 permanent jobs created or preserved, and 10,944 construction jobs created; 1,953 childcare slots supported; and 178,000 increased health care visits annually.

## Promoting Financial Capability

An understanding of basic financial concepts is critical to underfinanced and underserved communities realizing their own financial goals. Beyond financial knowledge, building confidence in financial skills empowers people to make choices that work for them. Several community investment programs focus in this area including:

- Developed by education specialists and Manulife volunteers in the Philippines, **Peso Smart**, referenced in more detail earlier in the report, is a financial literacy program that continues to expand to teach the basics of saving and investing to a range of age groups in underserved communities. For older audiences, key program components include what it means to be a financially healthy person; setting SMART (Specific, Measurable, Attainable, Relevant and Time-Based) goals; understanding the importance of life insurance protection for peace of mind and to help grow your money; exploring various investment options and value investing; deep-diving into unit investment trust funds (UITFs); and making investment journeys better so individuals and families can achieve their financial aspirations.

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- Built on the inspirational values and legacy of its namesake, Dr. Martin Luther King Jr. (MLK), **John Hancock’s MLK Scholars** program annually provides access to economic opportunity and meaningful connections for hundreds of Boston youth. A key element of the program is that all youth have access to digital learning modules offered through EVERFI, an international technology company driving social impact through education. Our digital education program includes 19 learning modules focused on personal finance topics ranging from financing higher education and savings, to identity protection and taxes. The platform also provided mental wellness education to support participants beyond personal finance. This digital resource is now available not just to participants in the MLK Scholars program, but for all youth participating in summer employment programs supported by the Boston Private Industry Council and the City of Boston. Along with the education, young people were invited to complete a survey about their financial preparedness, the value of employment and financial education, their plans for the future, and their day-to-day satisfaction and stress.

More than three in four respondents agreed that the combination of receiving a regular paycheck and financial education helped change the way they think and manage their money. In addition, 78% of participants also reported feeling better prepared to make financial decisions than they did before the summer.

- Manulife’s \$600,000 multi-year commitment to the **YMCAs in the Three Rivers and Quebec regions** is focused on empowering youth to acquire basic financial literacy skills, confidence, and motivation to make the right decisions when it comes to their future financial health. Virtual and in-person sessions are woven into YMCA programs, to meet learners where they are at. Manulife employees helped create the curriculum and supporting materials that are being used in the Three Rivers locations. We also continued our support of financial literacy programs facilitated by Wilfrid Laurier University (WLU) in Waterloo.

- These programs had a sizeable impact in the community in the 2020-2021 school year:
  - **6,400 students at 38 schools** participated in the Lift Off to Higher Education program (previously known as Jumpstart to Higher Education), which helps students in grades seven and eight identify their interests, build financial literacy skills, and learn about different paths of education.
  - **483 students and young alumni** attended one of nine financial literacy sessions for WLU students aimed at increasing their skills and confidence in financial literacy concepts.
  - **25 schools** within the Lift Off to Higher Education program received new computers to help support equal access to education.



# Diversity, Equity and Inclusion

A diverse, equitable and inclusive culture *nurtures* innovation and *attracts* and *retains* the best talent, which helps us deliver better customer solutions and a greater impact on the world.

Our global Diversity, Equity and Inclusion (DEI) aspiration is to cultivate a diverse, equitable and inclusive workplace in which all employees are inspired to bring their authentic and whole selves to work. Manulife is passionate about this initiative as it enables employees to thrive personally and professionally while also providing the best service to our customers, business partners and communities.

## Our DEI strategy focuses on three pillars:

- **Talent** – diversity at all levels in the organization that is reflective of the communities we serve
- **Culture** – employees thrive because they belong and can bring their authentic selves to work
- **Community** – strong partnerships and DEI support in the external communities in which we live, work and serve

Our global DEI strategy is spearheaded by our Global Chief Diversity, Equity and Inclusion Officer, the Global DEI team and our Global DEI Executive Council, who collectively guide, support and facilitate its implementation. Chaired by our CEO, the Council is made up of executive leaders who are passionate about DEI and play a key role for the areas of business they represent. Council members meet as a group quarterly and act as advocates in their respective divisions and functions on an ongoing basis.

We've also created multiple DEI Councils, including country-specific ones in Malaysia and Singapore, and discipline-specific in teams such as Tech and Operations, Legal, Compliance, Audit and Governance. These groups help us further our DEI agenda progress within their respective areas.

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Employee Resource Groups (ERGs) also play an important role in implementing our DEI strategy, providing valuable support and advice, creating community connection within our global organization and raising awareness of issues, challenges and initiatives. They provide insight to DEI issues that are top of mind for employees, identify opportunities where we can play a stronger role and hold us accountable to our DEI strategy and commitments.

In 2020, we announced that we would invest more than \$3.5 million over the next two years to promote DEI in the workplace and our communities. Over \$2 million has been allocated as of December 2021, to various diverse and underrepresented groups in supporting talent growth, hiring and community support. We will continue to engage various underrepresented groups around the world in 2022 to further advance DEI. The goals of these focused investments are threefold: to increase the representation of all forms of diverse talent at all levels in the organization; to create greater inclusion across the company through enhanced training; and to support organizations helping Black, Indigenous and People of Colour (BIPOC) communities.

To support our goal to achieve gender balance, we continue to be a longstanding member of the [30% Club](#), Growth Through Diversity, Increasing Gender Balance and have been working earnestly to support its goal for a minimum of 30% of Board seats and C-Suites to be held by women by 2022.

Recognizing the need to do more, we introduced two leadership and recruitment goals to increase BIPOC representation across our North American businesses, including John Hancock in the U.S. and Manulife Investment Management, as a key hiring KPI:

- Increase BIPOC representation in leadership roles by 30% by 2025.
- Annually hire at least 25% BIPOC talent in our graduate program.

## Employee Self Identification

As we continue on our diversity, equity and inclusion journey, we continuously seek to gain a clearer understanding of the dimensions of diversity that exist within our global team so we can better recruit new team members and foster an environment where everyone can thrive. We made a commitment to building a more diverse workforce through focused recruitment efforts and accelerated mid-career development. Having accurate information on our workforce helps us make strategic decisions about what is working well and where we can make improvements aligned to these commitments. In 2020, we began communicating to employees requesting that they review their personal information in our human resources information platform, and if they choose, confidentially input information with respect to how they identify, including race/ethnicity, gender, ability and sexual orientation. We refreshed the data collection campaign in 2022, calling it “Count Yourself In”, to continue encouraging our employees to self identify. All collected information is stored, transferred, accessed, protected, and used in a manner that is consistent with applicable laws and internal policies. We believe this is a necessary step to measure our progress and to hold ourselves accountable.

**Goal:** Invest **\$3.5M** to promote DEI in our workplace by 2022

**\$2M invested**

**Goal:** Achieve **30% women representation** at VP+ level by 2022

**31% achieved**

**Goal:** Increase by **30% BIPOC talent** at director+ level by 2025

**17% achieved**

**Goal:** Achieve **25% BIPOC representation** in annual new grad hiring

**50% achieved**



# Talent

We're taking intentional steps to increase diversity at all levels of our organization and working hard to establish an inclusive, future-focused culture that values continuous learning and celebrates diversity, recognizes the value of every individual's contributions and supports the development and progression of all colleagues. By ensuring our global team reflects the communities we serve, we better understand the needs of our diverse global customers, allowing us to deliver the products and services they need to make their decisions easier and lives better.

The events of the past two years challenged us to think more broadly about systemic racism and inequities that impacts underrepresented communities. In North America, we committed to increasing BIPOC representation in our ranks through accelerated mid-career development and through student and new graduate programs.

In Asia, we operate in 13 different markets and each one on its own is driving its own areas of focus, reflecting, reflecting its unique historical and cultural context. Despite the differences, our teams share a commitment to hiring more people with

disabilities specifically with a 1% hiring target in 2022 for people with disabilities in all markets in Asia, and we are seeing promising inroads being made through new recruiting channels and tools, disability sensitivity training roll-out to all internal recruiters and local ERG activities to create awareness and community engagement.

## Hiring diverse talent

Manulife's talent acquisition and DEI teams work hand in hand to infuse DEI into all aspects of our recruiting and hiring processes. Our current emphasis is on delivering diverse candidate slates to hiring managers. We do so by tapping into a wide variety of sources for recruiting, including Historically Black Colleges and Universities (HBCUs) and professional organizations in the U.S., as well as other organizations that serve and engage talent from underserved communities.

We also pay attention to inclusive language in job postings and encourage candidates and employees to self-identify to support our diversity goals and help inform our strategies.

All of our recruiters have completed in-depth unconscious bias training, and we have developed DEI interview guides for hiring managers. We plan to revisit the entire interview process in the coming year to promote consistency, eliminate inherent biases and make candidates feel more included.

Our strategy includes building representation of BIPOC professionals through graduate programs, focused leadership recruitment efforts and accelerated mid-career development:

- Focused recruitment efforts from diverse post-secondary schools across North America
- We've fostered partnerships with Career Edge and the Onyx Initiative in Canada and the MLK Scholars program in the U.S. to hire youth
- Accelerated development program for high-potential mid-career BIPOC leaders
- Diverse leadership hiring goals through focused recruitment

# Culture

When people feel like they *belong*, they bring their best selves to work, which in turn manifests itself in our processes, products and services.

For us, DEI is personal; it is not a tick-box exercise or bullet points on a slide. Rather, it is about people being their best and authentic selves, sharing their humanity, contributing their talents and driving progress and change that helps each other and our business.

We are committed to building a culture where everyone thrives and is deeply aware of the role they can play in being an ally and support greater inclusion. This commitment starts at the top with our CEO, who leads our DEI Council and meets quarterly with ERG leaders from different regions to listen, learn and provide support. All Manulife senior executives participate actively in DEI training and events.

## Building a sense of belonging

Creating safe spaces for people to share their personal stories and have the necessary — but sometimes uncomfortable — conversations about race and lived experiences are a big part of how we are building a sense of community and belonging.

At every level of our organization, employees share their stories at ERG-organized fireside chats and events, and on our internal DEI microsite and Yammer network. In October 2021, our Chief Human Resources Officer and our Global Chief Diversity, Equity and Inclusion Officer hosted a virtual Ask Me Anything session, at which the DEI leads from each segment answered tough questions about our DEI efforts. More than 4,300 employees from around the world participated.

Learning about DEI includes — and goes well beyond — mandatory unconscious bias training. Our regional DEI teams and ERGs organize speaker series, book clubs, panel discussions and webinars. We have also developed anti-racism conversation guides and allyship resource tools.

In 2021, we held our first Global Afternoon of Reflection and Learning, where our entire global team participated in keynote sessions, fireside chats and webinars hosted by Manulife leaders and ERGs. The event allowed us take stock of our DEI progress and devote time to gaining a greater appreciation of the many dimensions of diversity at Manulife.

## Encouraging Learning

We rolled out Inclusive Leadership for all leaders globally, as well as All Against Racism for North American leaders, to help leaders drive change and create a thoughtful, respectful and inclusive workplace. Over 3,500 learners accessed the platforms globally, with over 340 leaders participating in the accompanying interactive sessions. These learning platforms provide a unique learning experience that curates content specific to each individual.

**Inclusion Starts with You** is our mandatory unconscious bias training program, intended to empower employees to identify, question and openly discuss bias — and by doing so, genuinely share their humanity and live our values.

## Inclusive language initiative

Initiated as an internal grassroots effort, we are analyzing, understanding and educating our global team on the use of language and terminology in documents and policies, and broadly across the organization. By creating a cross-functional framework, we are confirming that all language used across Manulife is inclusive.



Not inclusive	Inclusive
Illegal alien	Undocumented
Sanity check	Check/Double check
Hi Guys!	Hi Everyone/Hi Folks
Master File	Primary File
Black list & White list	Deny list & Allow list
Pow Wow	Meeting
I'm going crazy!	I'm so overwhelmed
Fall on deaf ears	Ignored





# Community

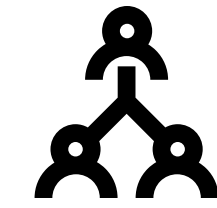
We partner with community and business organizations to ensure that underserved people have access to opportunities. Our community investments are tangible proof of how we live our core values of *Do the right thing* and *Share our humanity*. While we have worked with partners for years to empower underserved and marginalised communities, we intend to put DEI at the heart of our global impact strategy going forward. The three pillars of the new strategy are: empowering sustained health and wellness, driving inclusive opportunities and celebrating a sustainable future.

We have featured some of the new partnerships developed in the past year. However, there are many other partners with whom we have been developing relationships over years. These partnerships have helped guide our strategy, reinforce the transformative work we are looking to tackle and contribute to driving DEI more broadly within the communities we serve.

## Supporting Diverse Suppliers

Manulife was awarded Best-of-the-Best Corporations for Inclusion by National Business Inclusion Consortium in 2021. This recognition represents significant progress over the last 18 months to build our supplier diversity program, which included:

- Appointing a dedicated Supplier Diversity Professional and a Supplier Diversity core team
- Expanding what was originally a U.S.-based program into Canada
- Strengthening our data and analytics capabilities
- Partnering with organizations like [supplier.io](https://www.supplier.io) and nine supplier diversity organizations, Canadian Aboriginal and Minority Supplier Council, which among other things gives us access to their diverse supplier databases



A diverse supplier is a business that is at least **51%** owned and operated by an individual or group that is part of a traditionally *underrepresented* or underserved community. Most of the diverse suppliers we work with are certified by a third-party certifying organization.

### Supporting youth in our communities

- In 2021, we launched a #DiversityChampion Summer Internship Program in Hong Kong together with Herbert Smith Freehills and Hyatt Hotels Corporation. The first cross-industry partnership of its kind in Hong Kong, the program exposed six students to different industries and career paths, while promoting DEI in the workplace. For one month, the students worked in a range of jobs at each of the participating companies.
- In Canada, we created two community partnerships to help increase BIPOC representation in our new grad hiring: ICON Talent Partners is dedicated to educating, training, mentoring and exposing top diverse talent to high-impact sectors, where they are often underrepresented; and ONYX Initiative seeks to close the systemic gap in the recruiting and selection of Black university and college students and recent graduates for roles in corporate Canada.
- We also launched bursary programs for Indigenous students at Wilfrid Laurier University and Seneca College of Applied Arts and Technology.

### Putting DEI at the forefront of leaders’ agendas

Different diversity metrics are tracked in different markets depending on the regional legislative requirements and frameworks. To strengthen leadership and business accountability for diversity, we have introduced customized leader DEI dashboards, which are reviewed quarterly by our CEO and ELT, and we have included DEI in all people leadership goals. All segments and functions also develop their own action plans to improve diversity and inclusion based on their specific challenges.

At the enterprise level, our risk appetite framework was updated in 2021 to incorporate considerations for DEI. Not only have we adopted new internal policies and standards surrounding inclusive language (e.g., pronouns for the LGBTQ+2 community), but we achieved our 2021 target for gender diversity and North America BIPOC representation.

### Empowering women in finance in Asia

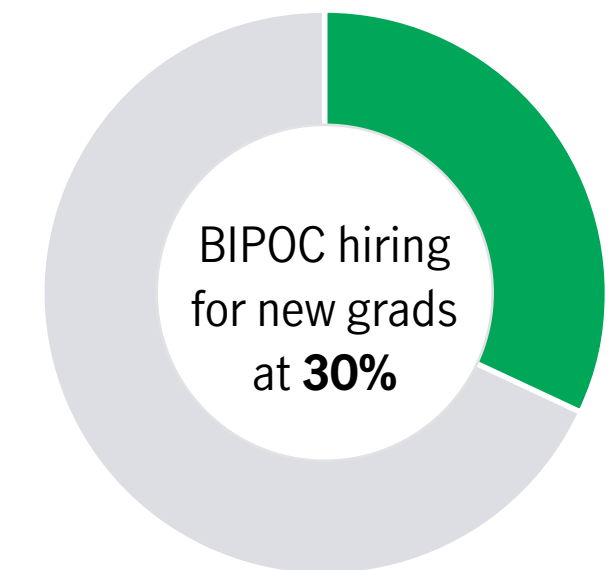
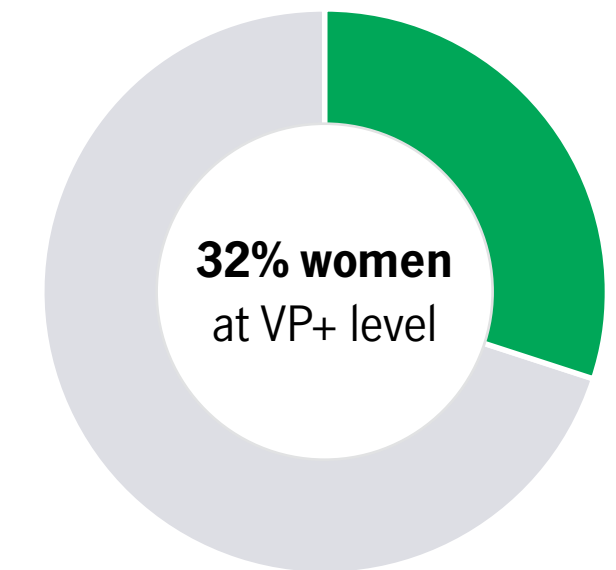
In line with our strategic priority of accelerating growth in our highest potential businesses, we have increased the number of agents in our insurance agency force in Asia to more than 119,000.

Of our total agency count, 71% are women. What’s more, 68% of top-performing agents — members of the Million Dollar Round Table — are women.

### Investing in networks and communities

We have 13 ERGs with 39 chapters and over 13,000 members. Open to all employees, ERGs support local employee engagement, champion our larger DEI initiatives and provide opportunities for personal and professional development. These ERGs are also supported through a network of local country and functional DEI Councils around the world who develop functional specific strategies, policies and initiatives to further embed DEI across Manulife.

### 2022 diversity goals



## Providing pathways for people with disabilities

Throughout 2021, we worked closely with the Ability Employee Resource Group chapter across Manulife to develop programs to support employees who identified themselves as having a disability, encouraging the hiring of disabled employees as well as working with grassroot NGOs. Manulife was also proud to host International Day for People with Disabilities event in December 2021 with Haben Girma, the first deaf-blind graduate from Harvard Law. These programs provide a foundation for us to aspire towards a disability representation goal of 1% across Asia in 2022 and include a disability self-disclosure option in our human resources information platform.

We rolled out disability sensitivity training to all recruitment teams in Asia to help them identify talents from the disabled communities. In 2022, we are developing a more holistic training program for recruiters and hiring managers globally. We engaged in active partnerships with organizations supporting Persons With Disabilities (PWDs) such as Springboard Consulting, SENSational Foundation, CareER Hong Kong, Philippines Autism Society and Leonard Cheshire Foundation who collectively support us through training, sourcing of PWD candidates and access to resources for us in developing our own accessibility and accountability guides.

## Supporting the LGBTQ+ community

We strongly believe that everyone must be treated equal regardless of their sexual orientation, and we have been supporting our colleagues and the LGBTQ+ community globally through various initiatives, including active participation and sponsorships of events like Toronto Pride, Pink Dot Hong Kong and Hong Kong Pride Parade.

In June 2021, we celebrated June Pride for the first time globally with over 20 events and activities organized in the various markets. We also launched a new PROUD ERG chapter in the Philippines, and added a LGBTQ+ pillar within the Singapore DEI Council. All our employees globally enjoy same sex benefits (where permitted by regulations) and we have also added gender reaffirmation benefits in North America and Hong Kong. In Hong Kong, Manulife has been a proud sponsor for two consecutive years of the industry acknowledged “LGBTQ+ Mentoring Programme” organized by Community Business, and also as a long-standing member of HK Interbank group for LGBTQ+ communities and their allies.

For further details on our Diversity, Equity and Inclusion strategy and performance, please see our [Diversity, Equity and Inclusion](#) page on Manulife.com.



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## Providing equal opportunities

Manulife is an equal opportunity employer. We are committed to fair and unbiased recruitment, retention, and advancement practices and we administer all programs based on qualification and performance and without discrimination on any protected ground.

In 2021, we continued on our mission of removing barriers to equal access to employment by involving Human Resources specialists throughout the entire hiring process. When we receive a talent inquiry, a Human Resources representative consults the applicant and acts as the liaison between the candidate and the position in which they are interested. Information received regarding the accommodation needs of applicants is then addressed confidentially.

## Paying for performance

In order to attract, motivate and retain the best and brightest employees, we invest in our employees' development and provide them with the opportunity to receive superior rewards when they exhibit superior levels of performance. Our pay for performance philosophy ensures that pay is fairly differentiated based on individual levels of contribution and fully considers both what was accomplished versus objectives, and how the results were achieved in alignment with our values.

Because we are committed to pay equity, we take steps to identify and mitigate the risk of unconscious bias in our pay practices and decisions. We monitor developments in this area and routinely review our compensation programs to maintain compliance with legal and regulatory requirements.

We also regularly perform comparative pay analyses to ensure that pay for employees with comparable job grades, geographies, job families, performance levels and experience is consistent. The results of our recent analysis showed that, on average, at year-end 2021, the pay received by women globally was greater than 99% of that received by men, after accounting for factors such as role, performance, tenure and geography.

## Percentage of pay received by women as received by men

Level (or equivalent)	2021
Vice-President and Senior Officer	<b>95%</b>
Assistant Vice-President	<b>99%</b>
Management and Professional	<b>99%</b>
Individual Contributor	<b>100%</b>

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# Supplier Diversity

Ethical business practices and good governance are integral to our legacy and long-term success. Achieving this requires a *commitment* to integrity and consistently high standards from all partners, including our vendors.

We support businesses owned by women, racial and ethnic minorities, persons who identify as LGBTQ+, veterans, persons with disabilities, and Indigenous Peoples as part of our efforts to reflect the diversity of the communities in which we operate.

In the United States, we are a founding member of the Pacesetters initiative, a partnership established by the Greater Boston Chamber of Commerce in which large and mid-sized companies and anchor institutions use their collective purchasing power to create opportunities at scale for local businesses owned by members of ethnic minorities. John Hancock has a dedicated supplier diversity [web page](#) to encourage diverse suppliers to pursue opportunities with us.

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

- Uphold all applicable laws and regulations at all times, including anti-money laundering, anti-trust and anti-corruption laws.
- Comply with all privacy and non-disclosure agreements and ensure that all information and data provided by Manulife to a vendor remain confidential and secure.

- Respect the dignity and human rights of all workers and make a commitment to fair employment and labour practices, including providing protection against workplace harassment, abuse, discrimination and violence.
- Comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes, and apply due diligence in their supply chain to ensure no slavery or human trafficking is involved.
- Provide healthy and safe workplaces for their employees and have practices in place to minimize or eliminate any hazards.
- Proactively minimize or mitigate the environmental impacts associated with their business activities through documented policies and procedures.

## Enhancing supplier diversity

As we continue to build a responsible supply chain program, we plan to further expand diversity programs to Canada, integrate supplier diversity into our Canadian procurement buying process, strengthen our data capabilities and introduce diversity-related key performance indicators. We're also planning internal and external campaigns to raise awareness of our supplier diversity focus, including connecting with diverse supplier communities.

# Talent Attraction and Retention

To find the talent we need to deliver on our strategic objectives, Manulife’s core approach to talent attraction is focused on building *enhanced pipelines* to entice top candidates in the market.

We are focused on delivering innovative ways to engage candidates with a personalized experience. We strive to show candidates that we are committed to help ensure they can bring their whole selves to work and to help them imagine what they can achieve as a Manulife employee.

## Attracting a diverse talent pool

We want to appeal to a diverse candidate pool to ensure our workforce reflects the diversity of the markets in which we operate. We are committed to increasing the diversity of candidate slates by leveraging partnerships with networking groups and schools with highly diverse populations and exploring market flexibility where our job opportunities are located.

We are working to remove barriers to diverse candidates by taking actions such as using technology to remove gendered language from our job postings and ensuring diversity among our recruiters and interviewers. We’re working with our external partners to increase our diverse candidate reach by requiring formalized diverse candidate slates. To build long-term sustainable talent pipelines in the communities in which we operate and build upon our position as an employer of choice, we have developed a recruitment team focused on establishing

strong relationships with institutions of higher education. We are expanding use of artificial intelligence and machine learning to identify additional opportunities for diverse candidates and opportunities to automate assessments to minimize human bias in our selection processes.

## Data-centred team

We are putting data at the centre of everything we do including upgrading our talent acquisition insights team. We are also building technology and tools to enable our understanding of the market; identify the talent we need and how we can meet our candidates’ needs and share Manulife’s digital journey.

## We have received awards and recognition in various markets including:

- Manila Business Processing Services has been recognized with the **Best Virtual Career Fair** in the Global Business Processing Outsourcing Talent Acquisition Awards. This supports our ability to meet candidates where they are and adapt to their needs. Additionally, we were recognized as a **top 200 MNC in Singapore** and as one of **Canada’s top 100 employers**.
- We were a **finalist in the LinkedIn Talent Awards** for being a Talent Insights Pioneer. This supports our desire to understand the markets in which we operate and be able to attract a diverse workforce.

## Active reporting

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



# Training and Development

We are committed to creating a workplace that offers *unlimited opportunities* for employees to realize their career goals.

Employees want to work for an organization they believe cares for them, values their perspective and contributions, invests in them and gives them flexibility to deliver great work.

**We want to create a more human centred employee value proposition focused on:**

- Deeper connections
- Autonomous and flexible work
- Personal growth
- Employee well-being
- Shared purpose

Whether it is working abroad, exploring a new career direction, or simply progressing in their chosen field, we help our employees reach their full potential through focused development programs and online resources. We provide employees with opportunities for learning and development at all stages of their career. In addition to on-the-job training, mentoring, coaching, in-house programs and online learning resources, Manulife often subsidizes the cost of continuous learning and examinations as employees pursue their learning and individual development plans.

All 38,000 Manulife employees receive an afternoon dedicated to learning, every second Friday of the month.

**\$31.8 million**  
invested in training  
and development

**19.8 average  
hours spent in**  
training per employee

**\$847.43**  
**investment**  
per employee in training  
and development

## Enhancing the resilience of our workforce

In recent years, we have acknowledged the wide-scale technological, political, and natural disruptions facing the financial services industry and the evolving needs of our workforce to ensure that Manulife is ready for whatever today or tomorrow brings. As part of this effort, we revised our learning strategy in 2020.

Advancing learning by upskilling our employees will be instrumental for meeting external challenges and enabling high-performing teams. Through our evolved learning strategy, people will be able to own their careers, build future focused skills and work to reach their full potential. The strategy includes internal programs that build employees' skills, along with support to help them with their educational plans, so they can move ahead in their careers.

Our vision is to provide a high-quality learning experience that empowers our employees to learn anytime, anywhere. Manulife focuses on offering learning opportunities for employees that enable them to work innovatively and collaboratively — accelerating our ambition of being the most digital, customer-centric global company in our industry.

### Over the next five years, our focus areas for learning will be as follows:

- **Leadership skills** – We remain committed to developing our leaders to lead in a new context, and we recognize the importance of building their leadership muscle. Our focus will be on creating skills-based learning pathways and solutions to develop people leaders at all levels of the enterprise. Key aspects will include coaching and development, communication, DEI, strategic thinking and building global acumen. In 2021, we developed a new learning curriculum for our frontline managers which covers foundational leadership skills and in 2022 our focus will be to build a leadership curriculum for our Directors and AVPs.
- **New Ways of Working (NWOW) skills** – To be the most digital, customer-centric, competitive, and relevant company, we will need to help our employees understand how to integrate NWOW skills and to upskill them to the appropriate role-based proficiency levels for specific skills, such as Agile, Human-Centred Design (HCD), Artificial Intelligence (AI) and Advanced Analytics (AA).
- **Functional skills** – As our organization gains learning maturity, our ambition is that our functions will also have integrated competency-based learning tracks that include Leadership, NWOW and functional skills.
- **Learning technology ecosystem (LTE)** – At the end of 2021, we invested in a cutting-edge, AI-powered Learning Experience Platform (LXP) called Pursuit. The Pursuit LXP is supported by suitable content providers a Learning Management System (LMS), and integrated with our HR employee system. This innovative user centric platform is designed to elevate our employees' learning experience. Among other functionalities, the learning technology systems currently host learning, suggest learning courses for employees to enable their development plan, help us meet our compliance requirements and generate data insights to measure organizational and individual competencies, learning effectiveness and return on investment. The LTE will be key to delivering an optimal employee learning experience.







## Building our technical acumen

As we transform our organization, we're focused on developing strong digital and technical acumen, including our global technology teams, which consist of about 5,500 people.

Since launching a global software engineering incubator program to upskill Manulife technologists on our new technical ecosystem, we've realized clear business benefits, including faster decision-making through proof-of-concept exercises, reduced time frames for issues resolution and software selection, and lower employee onboarding costs. The hands-on, micro virtual instructor lead course cohort program runs concurrently across our global operations, with peer coaching to solve real business problems using core software engineering skills.

Given the program's success, we continued to offer mastery-level micro virtual course training in quality, performance, reliability, security and platform engineering skills. During a quantitative impact study, we introduced Engineering Productivity measures, to qualify and quantify impact of acquisition of new skills and continuous

learning, identifying the blockers to obtaining further value from continuous learning and skills acquisition. Engineering Productivity and qualification measures, when combined with 'effective leadership with data' lead to impactful career advancement, skill advancement conversations and actionable plans between leaders and employees.

We aim to have a higher degree of employee engagement, job satisfaction and technology skills currency enabled through our investment in internal and external real-time online learning tools that result in more realized value for our customers.

## Developing the next generation of leaders

In addition to continuous learning for employees across the business, we continue to deliver leadership learning programs focused on building high-performing teams. These multi-faceted learning and development programs are designed to reflect real-life scenarios, prepare our top talent for more senior roles and strengthen our leadership pipeline. Employees graduate from these experiences equipped with the tools and support they need to lead, motivate and deliver enhanced efficiency and productivity over time.

In spring 2021 we introduced the Leadership DNA, which articulates what it means to be a successful leader at Manulife. It was designed using an agile method — prototypes were created based on external research and internal sources, and then iterated with our business advisory group which consisted of leaders across segments, functions and geographies.

The Leadership DNA enables us to drive a global leadership culture via a common understanding of core Manulife leadership capabilities. With the leadership DNA we have set the context for leadership, as it helps us identify and hire the right leaders, focus our internal selection and development efforts to enable us to have stronger leaders at all levels. It also provides clear expectations to both prospective hires and our internal team on our leadership requirements, so transparency is demonstrated across the entire organization. We believe it will increase in the effectiveness of our leadership capabilities amongst our leaders, leading to improved employee engagement, retention, performance and decision making, which in turn will impact the value to the business.

The Leadership DNA is grounded in our values and for a leader to authentically live those values, they require critical capabilities.

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These capabilities showcase what great leadership looks like at all levels. Although we may be very diverse as leaders, there are capabilities that we share that make us great leaders at Manulife.

The three capabilities which make up our Leadership DNA are Energize, Connect and Excel; three simple words that will help our leaders increase their impact on the teams they lead.

- **Energize** – Focuses on inspiring others and leading change; setting strategies and goals, leading others toward a stated vision. This can be exemplified by going into new markets, product innovation, or improving processes to make us more customer centric. Leaders who can Energize help our business become future-ready.
- **Connect** – Is all about people. Leaders who connect well establish relationships to build trust, share ideas and accomplish work. They create an environment where everyone feels they belong. They also prioritize developing others and themselves as leaders.
- **Excel** – Speaks to execution excellence and delivering sustainable results.

Energize, Connect and Excel form a holistic view of our expectations for great leaders. They work together to ensure we are energizing change, nurturing connection and belonging and excelling our business strategies. We have aligned the Leadership DNA into all aspects of HR; selecting and developing our leaders in a globally consistent way will enable us to be more targeted in our selection, learning and development efforts.

### Empowering colleagues with New Ways of Working

To be the most digital, customer centric, competitive and relevant company in a constantly changing external landscape, we have increased our focus on upskilling our colleagues on specific future focused skills, such as Agile, Human Centre Design, and AI and Advanced Analytics. Growing these skills not only enhances our operational and cost efficiency but also positively impacts our Net Promoter System targets. By putting the customer at the centre of solutioning and product development, we aim to have a higher degree of success delivering world-class customer experiences.

While the COVID-19 pandemic limited in-person learning, employees were able to continue acquiring new skills and knowledge through various digital learning assets, virtual classes, and bite-sized modules. Uptake of the learning programs was high; for example, LinkedIn Learning experienced an activation rate of over 64% in only a 9-month period, with over 23,000 users who logged in and over 100,000 hours of learning. In addition to this, average learning hours per employee increased from 9.33 in 2020 to more than 19 hours in 2021. There was also notable improvement in our engagement survey score related to learning and development.

### Documenting our progress

We have a robust methodology in measuring Key Performance Indicators (KPI) and Return on Investment (ROI). We continuously evaluate and implement measures and KPIs to assess effectiveness of learning and ROI. Tier one metrics will focus on usage funnel metrics such as number of registered users, active users, courses started and courses completed. Tier two will focus on indirect metrics such as impact on business performance, customer satisfaction, cost saving and employee engagement.

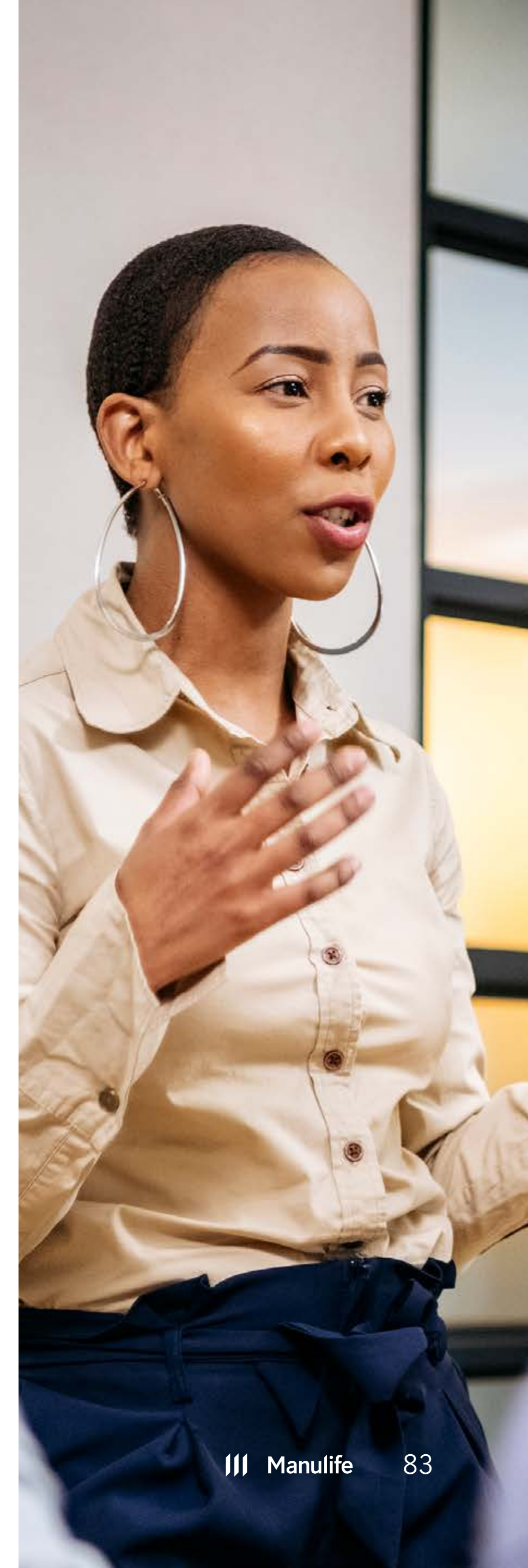


## Developing a continuous learning culture

Manulife is constantly finding ways to encourage learning for its team members. In the spring of 2021, we launched a learning content site, then significantly advanced the employee experience and capabilities with the Pursuit LXP. This new digital learning experience brings together all of our learning resources into a single, easy-to-use site. Pursuit reinforces the importance we place on own growth and energy to challenge ourselves to learn new skills, seek to understand different concepts, and grow our capabilities. It fosters learning across content focus areas that are important to our organization, such as: new ways of working, customer centricity, data and analytics, collaboration, communication and coaching. We regularly arrange external guest speakers and experts to attend our Guest Speaker Series, available to all team members, to drive DEI and well-being.

We also offer access to LinkedIn Learning, including thousands of relevant videos, courses and book summaries in multiple languages. Many of the courses offer the additional benefit of continuing education credits and certificates upon completion.

- **Held a global afternoon of Diversity, Equity and Inclusion-based reflection and learning:** On June 17, we dedicated an entire afternoon to immerse ourselves in the world of DEI through specially curated activities and learning resources from across the world. The agenda was developed with guidance from international and local experts and took into account our diverse regional and cultural DEI priorities. The event was heavily supported by Employee Resource Groups globally. This event was shared many times across social media.
- **Launched Fuel up Fridays:** To support the well-being of our team members through both learning and rest, in September, we introduced Fuel Up Fridays in 2021. Mornings focus on learning and building new skills and afternoons focus on resting and recharging in a way that was meaningful to each individual. This was in addition to five additional days of paid leave made available to all team members in 2021. In 2022, we continued to offer Fuel Up Fridays – afternoons dedicated to learning every second Friday of the month.
- **Developed blended learning modules.** For some of our classroom-based leadership development programs, we condensed and repurposed the content to create blended learning which combined self-paced learning tasks and virtual training. Due to our strong investment in our technology infrastructure before COVID-19, our web-based systems and other remote access technologies allowed our employees to work remotely with the same access, tools and communications lines available to them in the office. Through 2021, we offered live learning through virtual platforms, classroom learning (where possible) and bite sized eLearning through LinkedIn Learning and Pluralsight for a just-in-time learning experience anytime, anywhere.





# Engagement and Recognition

Our ability to *engage* the best, diverse talent is critical to retention. As individuals are focused on working for organizations that align with their values, we believe our culture gives us a competitive edge.

## Listening to our employees

We facilitate employee listening through a variety of platforms and channels. There are two formal employee surveys conducted each year: a full survey in the fall which asks 37 questions directly related to employee engagement, and a short, targeted pulse survey in the spring. In 2021, we added questions to gauge employee sentiment toward well-being and the ongoing response

to the COVID-19 pandemic. Survey findings and follow-up actions are communicated and addressed at the team level so that everyone is involved in building a more engaging workplace.

In addition to formal surveys, we use online tools and technology to poll and survey employees informally throughout the year. One example is VOTE, which consists of a group of employees who have volunteered their time to be a sounding board for ideas, provide timely feedback on key initiatives, and help inform decision-making and product development across the global enterprise. We track progress on action plans throughout the year and report to the Executive Leadership Team on a quarterly basis.

## Leading by example

Research shows direct correlation to the impact leaders have on individual and team engagement, as well as customer retention. To build a high-performing team, it is imperative for us to have leaders who know how to bring our values to life, build strong teams and energize and engage their teams to produce results. In recent years we have updated our company values and we knew it was important to update our view of what it means to be an effective and successful leader at Manulife. In 2021, we focused our attention on increasing the leadership muscle across the organization by developing a new leadership competency framework.

## Recognizing achievements

We utilize a global recognition platform called Podium, that enables employees at all levels to give and receive frequent, in-the-moment recognition. The program has six award levels, with corresponding points towards merchandise and gifts cards, to recognize varying levels of contribution. In 2021, we built upon our program by launching services milestones in Podium to celebrate anniversaries at 1-year, 5-year and every 5-year increments.

Podium complements Stars of Excellence, our premier employee recognition program. Every year, we honour our top achievers from around the world — employees whose contributions and dedicated efforts have kept us moving forward as we work to exceed the expectations of our customers, create a dynamic and inclusive workplace, and generate value for our shareholders. The 2019 and 2020 cohorts of Stars were celebrated virtually in 2021 with a highly curated digital experience. 72 individuals and 6 teams were honoured as Stars of Excellence.

In 2021, over 629,000 recognition messages were sent globally through Podium in line with our values, which equates to 17 messages per colleague. On June 18, 2021 we celebrated our second global Thank You Day, a paid day off to recognize all employees for their hard work in a difficult year.

Knowing the toll the pandemic was taking, and would continue to take on our teammates globally, we announced that for 2021 and 2022, each colleague would be granted five additional personal paid days to ensure our employees made time for well-being, rest, and relaxation. Combined with our existing Podium and Stars of Excellence programs, these efforts contributed to a notable increase in engagement related to recognition in our fall employee engagement survey.

## Employee engagement scores (5-point scale)



86<sup>th</sup> percentile against Gallup's financial and insurance company benchmark



80<sup>th</sup> percentile against Gallup's financial and insurance company benchmark



48<sup>th</sup> percentile in Gallup's financial and insurance company benchmark



# Employee Benefits and Wellness

One of our most important priorities at Manulife is supporting the health and well-being of each one of our 38,000 employees around the globe.

We strive to create a culture of well-being that supports the diverse nature of our workforce. Supporting our employees' health, safety, and well-being means:

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

## Employee benefits

RealChoice is our North American and Hong Kong benefits and wellness program, which covers a wide array of benefit plans with options that employees can tailor to their individual needs. The program provides health, dental, vision, short-term disability, long-term disability, and life and accident insurance coverage, as well as wellness options and employee and family assistance plans. Employees also participate in retirement savings plans.

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

## Supporting Employees with Cancer

In 2021, access to leading-edge cancer care and support was included for U.S. employees through AccessHope and made available in the 2022 benefits year. This includes genotype-based cancer care, support and expertise in partnership with leading cancer institutes to support patients in collaboration with their treating oncologists to diagnose and fine-tune cancer treatment plans for the best outcomes.

## Providing Employees with Extra Personal Days

In 2021, and again in 2022, all Manulife employees globally were given five additional personal days to use during that calendar year in appreciation of all the hard work they have done helping people make decisions easier and lives better. Manulife has also provided a "Thank You Day" off for employees in mid-June for the past two years.

## Paid Time Off for Vaccine Appointments

In 2021, we started providing up to four hours of paid time off for COVID-19 vaccination appointments during business hours, for a total of eight hours if the vaccination requires two separate doses.

## Market Leading Mental Health Support

Our benefits have continued to evolve and drive market change since 2017, when we introduced a \$10,000 mental health practitioner benefit for our Canadian employees and their dependents. We have further removed financial barriers for employees in the U.S. to access mental health support by covering out-of-pocket costs for behavioural health and substance addiction. We also expanded virtual mental health services through MindBeacon in Canada, and One Medical, Talkspace, and Sanvello Virtual Care in the U.S. In addition, online health care is accessible 24/7 through TELUS Health Virtual Care in Canada and UnitedHealthcare (UHC) and One Medical in the U.S. In Hong Kong, mental health benefits covered under the employee plan have been extended to dependents.

In 2021, we enhanced benefits for U.S. employees, reflecting an increased focus on DEI mental health benefits for underrepresented groups, including the LGBTQ+2 and BIPOC communities:

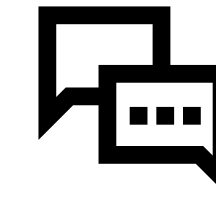
- **Included Health:** Health navigation, advocacy and support for LGBTQ+2 and BIPOC colleagues and their families. It is the first comprehensive care navigation platform for the LGBTQ+2 and BIPOC communities specializing in connecting individuals and their dependents with provider connections, benefits and coverage support, navigation for trans colleagues and more.
- **Hurdle:** Mental health care from a provider who can culturally align with individuals and better understand their individual needs.

## Family Friendly Benefits

We have recently enhanced several benefits related to support for families of all kinds and family planning to include:

- \$20,000 per year for adoption, fertility medication and surrogacy support in Canada and the U.S.
- 20 weeks of paid maternity leave and 12 weeks of paid parental and adoption leave in Canada and the U.S.

- Emergency childcare and eldercare subsidies in Canada and the U.S.
- Ability to expense childcare through a flexible wellness account via employee benefits, up to the available maximum in Canada and the U.S.
- In Hong Kong, our benefit plan covers gender affirmation procedures, which is a key step towards promoting our DEI agenda as it is considered pioneer in the local market
- The maternity and paternity leaves across Manulife in Asia are at or above statutory requirements (in certain locations such as Cambodia, Hong Kong and Indonesia, our provision is above the statutory and market practices)
- Given our focus on DEI in Asia’s benefit design we encourage the coverage of domestic partners as eligible dependents in medical and life benefits, where possible
- In many of our corporate offices, we have dedicated breastfeeding facilities



“We know what it means for so many of our colleagues to have a family and we are proud to provide this valuable support to help them achieve this important dream. We’re *committed* to making every day better for our customers and our colleagues, which is why we continually look for opportunities to deliver best-in-class programs that *support health* and *well-being*, and in ways that work for them.”

**Pam Kimmet**  
Chief Human Resources Officer

## Flexible work program

The remote work environment the pandemic presented taught us a lot about working together as a global team. In 2021, we reinvented how we work and collaborate through a new flexible work program. This new approach guides how we manage schedules and connect with each other to boost our effectiveness. This human-centred approach was developed with the following in mind:

- Having the flexibility to balance business demands and personal needs in a personalized way is important to our employees' overall well-being
- Being able to collaborate and build trusted relationships with colleagues enables everyone to do their best work
- Promoting a teamwork mentality that takes pride in being there for our customers when they are counting on us

All 38,000 employees globally will have the flexibility to balance their time within a hybrid model that will see them work remotely twice per week if they choose. We have also developed a set of guidelines for managing calendars that will help our employees make the most of each day. The guidelines include:

- All meetings should start at 15 minutes after the hour and run for no more than 45 minutes unless they are special extended meetings, such as Town Halls
- Any meeting lasting more than two hours should include a fifteen-minute stretch break
- Meetings within the same region (within Asia, North America or Europe) should only be held during core hours. This is generally 9 a.m. – 5 p.m. local time for most teams but can vary for some groups
- Employees are empowered to be flexible with their hours of work where possible when meetings run beyond core working hours
- Everyone is encouraged to block time during the workday each week to read, review, learn and think

## Financial well-being

With an understanding that well-being is impacted by our finances, financial well-being has been incorporated into our holistic view. Working at Manulife brings with it a unique advantage: access to industry-leading expertise and financial products to help employees optimize their own financial planning. From webinars and retirement planning, seminars to share purchasing plans, tax-free savings accounts and a range of other retirement programs, Manulife employees have access to quality advice, preferential rates and everything they need to save for their future from the day they join us.

A Financial Wellness Assessment tool gives participants a clear picture of their overall financial situation and generates a personalized action plan to take control and help improve their financial health. In addition, education sessions are run regularly on financial literacy. These interactive, practical workshops review ways to manage competing financial priorities to help employees improve their overall financial health. These sessions are hosted by a Manulife PlanRight Advisor for employees in Canada. In addition, PlanRight financial well-being tips are featured in our monthly wellness newsletter to help employees consume bite-sized financial knowledge.

## Healthy workspaces

In our office spaces, we continue to partner with our food service vendors to ensure our cafeterias provide healthy food options and have enhanced our amenity spaces supporting wellness at several locations including Boston, Halifax and Waterloo.

More directly related to the pandemic, we developed learning content to help employees adapt to new ways of working and manage challenges while staying vigilant, positive and strong in 2021. We released a Return to Office playbook, website, and e-learning to help employees navigate new health and safety protocols when we return to the office.



# Occupational Health and Safety

Manulife's Global Health and Safety Program is designed to protect employees from injury and occupational disease, promote physical and mental wellness, prevent violence and harassment in the workplace and to help ensure compliance with the occupational health and safety legislative requirements that apply to us.

## All employees have a responsibility for fostering a healthy and safe working environment:

- Senior management is responsible for enforcement of Manulife's [Global Health and Safety Policy](#) and for ensuring that Health and Safety Committees are established as required by law. All leaders are held accountable for the safety of employees under their supervision. This includes ensuring that equipment is safe and that employees work in compliance with established safe work practices and procedures
- Employees are expected to take ownership of their safety and are encouraged and empowered to report any concerns. Every employee must take responsibility for personal protection by complying with all Company operating procedures

pertaining to health and safety. As well, as contractors, sub-contractors and their workers will be expected to meet the Company's Health and Safety Program requirements

Our workplace health and safety policies and programs prioritize prevention, monitoring of our health and safety procedures and training. To develop a culture where employees value the health and safety of themselves and others, we provide employee education, including health and safety training, first aid training for health and safety committee members and preventing discrimination, harassment and violence in the workplace training.



Our Global Health and Safety Policy outlines our Internal Responsibility System (IRS). The IRS recognizes that everyone in the organization has specific responsibilities for Occupational Health and Safety integrated into each individual’s job. The IRS, which effectively reduces risk in the workplace, is designed to encourage employees, supervisors and senior management to raise and resolve health and safety issues as part of their daily business duties, to refer items to senior management if the department manager/supervisor is unable to correct the issue and, to use the Joint Health and Safety Committee, Health and Safety teams, and Employee Relations if the issue(s) remain unresolved.

Commitment to health and safety is an integral part of the operation of Manulife and involves the co-operation and support of every individual within the Company.

We are focused on the well-being of our building occupants, particularly in light of concerns around COVID-19. We continue to work with our partners, including third party landlords and property managers, to ensure building HVAC systems are aligned with ASHRAE guidance and indoor air quality remains excellent. We have partnered with industry leaders in cleaning to refine cleaning standards and are preparing to roll out these measures as we return to the office; individual location audits are now required. Several of our corporate buildings have achieved health and safety certifications and Manulife Investment Management achieved Fitwell Viral Response certification at the entity level in 2021.

### Cases of severe injuries

Year	# of cases
2021	0
2020	0
2019	0

A severe injury refers to a serious injury that places life in jeopardy, and involves an employee that is unconscious, experienced a significant loss of blood, an acute fracture or amputation of a limb, burns over major portions of the body, loss of sight or other significant losses that require immediate medical attention in a hospital setting. This also includes serious violent crime (resulting in an injury, death or a near miss), while at a company event or traveling on company business.

# Customer Experience

Delivering great customer experience starts with listening closely to our customers, learning from their signals and cues and responding quickly with action.

**Our Q4, FY21 rNPS result was +21 — a 9-point improvement from 2020**



We have introduced a number of new methodologies and practices that support continuous two-way dialogue with customers, generate rich insights and enable us to act. Robust listening posts and action management processes help us zero in on the customer experience, and ideally convert customers into Manulife advocates.

Through our Net Promoter System (NPS) system, enabled in all of our business globally, we collect real-time feedback from customers at all key moments of interaction. This transactional feedback is delivered directly to the teams that are empowered to take steps to fix or change the customer experience. We are continually maturing our NPS system, ensuring we have the best coverage across key touchpoints and the right people in place to act on real-time feedback. We remain committed to delivering on our ambitious target of +31 points by the end of 2022 and +37 points by 2025.

To accelerate rNPS we are focusing resources and teams on initiatives aimed at key rNPS drivers including driving adoption of digital channels, improving digital interface and navigation,

information and content presentment, digital authentication and enhancing communications. We recently organized a centralized Voice of the Customer analytics data hub and team. We brought together 26 million customer interactions including all North America NPS surveys and call centre transcripts, which are being thoroughly analyzed for insights to power our action management system (Inner and Outer Loops).

We have already made significant progress. Our Q4, FY21 rNPS result was +21 — a 9-point improvement from 2020. We have implemented quarterly surveys and reviews of relationship NPS (rNPS) scores, which are more holistic measures of our customers' advocacy towards Manulife.

These scores, in conjunction with the interaction-based NPS and our other listening-post data, are carefully reviewed and then used to inform our investments in improving the customer experience; for example, prompting us to modify a product or add a service.

## Human-centred design

When designing new products, services or customer experiences, we use a human-centric and agile approach, which incorporates customer feedback throughout the ideation, development and delivery processes. This way, any time a new product or service goes to market, it will have been tested, iterated, and validated by end users to ensure that it is the best possible response to their needs. We are in the process of scaling our agile and human-centric ways of working across our delivery organizations.

Through our NPS methodology, we have distilled what customers expect of a great experience into six elements.

### Customers expect us to:

- Take ownership of resolving their issues
- Be easy to do business with
- Engage with empathy, understanding and professionalism
- Be clear and transparent in all our communications
- Add value beyond their immediate need
- Enable our advisors to deliver high quality experiences

## Better banking experiences

Manulife Bank makes it easy for customers to manage their day-to-day finances through mobile, online and telephone banking. Our Customer Service Centre is open 365 days a year, making it easy for customers to reach us when it's convenient for them.

### In 2021, we took the following steps to enhance our approach:

- **We incorporated AI driven analysis of customer interactions.** We have greatly expanded our reach in monitoring customer experience by incorporating AI-driven analysis of customer interactions with us, even when they have not completed an NPS survey. As of December 31, 2021 this is enabled for all North American call centre calls and will be further expanded in 2022 and 2023 to include Asia calls, chat transcripts, web/mobile clickstream data, complaints and social media. The expansion to include all calls will increase the volume of feedback from 500K NPS surveys annually to over 11M calls annually — a 22-fold increase. This will enable more accurate insights to guide improvements to our services and products.

- **We enhanced the policy anniversary experience.** In Hong Kong, policy anniversary is another key interaction moment for customers. Our team in Hong Kong reimaged the anniversary statement through the lens of the customer. The new statement uses a straightforward design, with streamlined messaging that specifically calls out the most important customer actions. This redesign has led to a 13% reduction in inquiries to the call centre and has contributed to a 26-point lift in transactional NPS.

# Digital Transformation

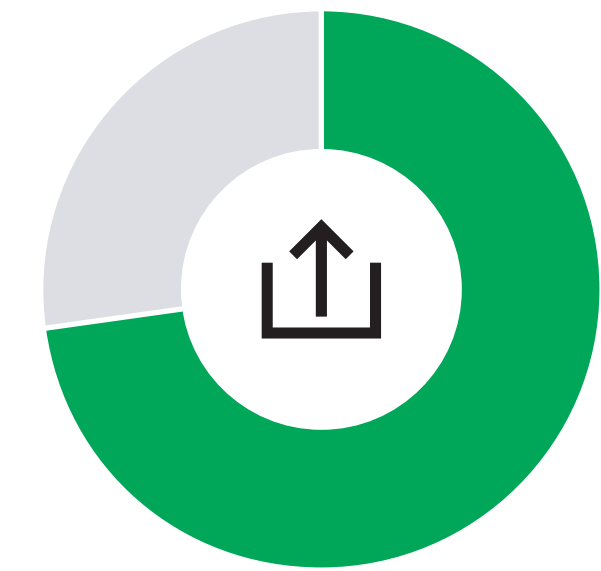
Over the past three years, we have made significant progress on our digital transformation, creating significant value for customers, shareholders and Manulife. Our customer and digital strategy provides a laser-focused, disciplined framework to guide how we prioritize and sequence our investment choices to provide maximum benefit through:

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

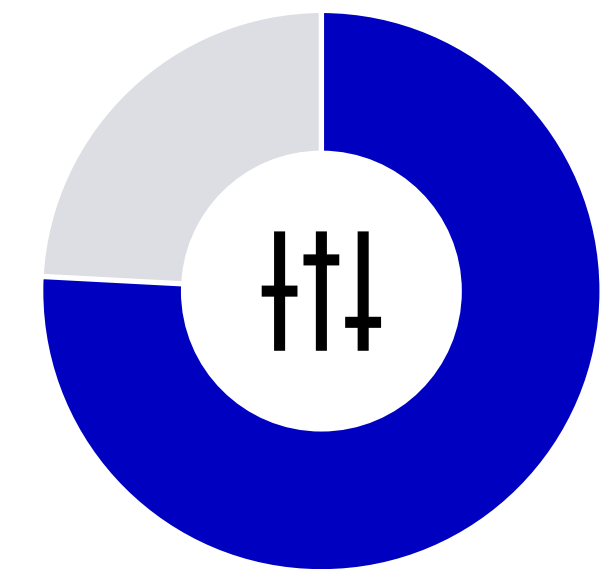
We have made tremendous progress and there is still substantial value to realize. 73% of new business at Manulife is now submitted digitally, with 76% auto-underwritten. This is quite an achievement when you consider it was a completely paper-based process just over two years ago.

## Improving productivity and quality

Agile at Manulife is embedded in each of our businesses and is our primary way of working. In fact, we have more than 5,000 agile practitioners across 500-plus squads globally, working cross-functionally, leveraging their domain and customer knowledge. Our Agile capabilities allow us to continuously iterate and prioritize the highest value work resulting in accelerated time to market and increased productivity and quality.



**73%** new business at Manulife is now submitted **digitally**



With **76%** auto-underwritten

## Putting data science to work for our customers

Our Advanced Analytics practice is an established, core competency at Manulife where we use data and Artificial Intelligence in collaboration with our businesses and functions to improve customer interactions, create operational improvements and reduce fraud. Our 160 highly skilled Data Scientists are critical enablers to our digital and customer transformation. They use the latest AI techniques, including Machine Learning, Deep Learning, and Reinforcement Learning to deliver incremental value over and above traditional statistical techniques. Since 2018, Advanced Analytics has enabled over \$450 million of value from AI and an additional \$300 million in 2021 alone.

## Digital-first banking experiences

Manulife Bank puts technology at the forefront of the customer experience by leveraging online application systems for mortgage brokers, independent 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 also offer online applications for chequing and savings accounts, making it easy for customers to apply from the comfort of their homes.

Manulife Bank's Interactive Voice Response system features natural language recognition and voice biometrics in both English and French, simplifying the customer experience by allowing them to validate their identity using only their voiceprint and navigate the IVR system with spoken requests. Our online banking app is supported by MAI, our AI chatbot that helps customers get quick answers to common questions. Customers using a ManulifeMONEY+™ Visa\* card can also add their card to their mobile wallet and make payments using their mobile device.

## Empowering our agents

[Manulife Singapore](#) offers the Digital Stars platform, which provides its agents with a personalized and verified website where customers can contact them. The platform has real-time chat functions and allows customers to select the agents they want to work with, based on information the agents display on their website. The Digital Stars platform acts as a distribution hub as well as a digital business platform, which allows our financial advisors to quickly and efficiently connect with clients and tend to their financial needs.

\* Trademark of Visa Int. used under license.

## Partnering for digital innovation

Manulife’s Global Innovation strategy has two main areas of focus:

1. Reimagine experiences where we aspire to build differentiated priority customer experiences for market leadership
2. New growth focused on identifying new revenue streams and extending customer relationships in the health and wellness ecosystem

In 2021, we executed on two startup engagement programs facilitated by partners — Manulife BOOST in partnership with BRINC in Asia and MassChallenge FinTech (MCFT) in North America that delivered a pipeline of 498 start-ups for our assessment, sourced in alignment with specific business challenges themes. A few start-ups had advanced to working with us on testing specific innovative technologies and products.

For example, we are testing a Proof of Concept using smart health kiosks to administer biometric tests, capturing more than 21 health indicators with a personalized health report including recommendations at the end of the customer’s kiosk journey. The aim of the Proof of Concept is to enhance the company’s digital health and wellness offering, increase access to health screening, and evaluate potential to streamline underwriting in Asia.

We also partner with other leaders in Advanced Analytics like the Waterloo Artificial Intelligence Institute to access innovators in Artificial Intelligence and co-develop solutions using the latest techniques.

### In 2021, we took the following steps to enhance our digital transformation approach across Manulife:

- **We developed a fully digital product onboarding platform in Asia.** We have enabled 80,000 of our agents through an end-to-end, fully digital onboarding platform from discovery and illustration to submission, underwriting and policy delivery, all supported by e-signature.

- **We introduced Manulife ID** – a single login ID and password. Now, our customers can access their Manulife and Manulife Bank products with ease. Manulife ID also supports multi-factor authentication, which brings a higher level of security to online and mobile banking. With the introduction of Manulife ID, we also launched a completely updated version of our online banking site, which offers a fresh look and easier navigation.

- **We’ve expedited the sales experience for U.S. Insurance customers.** Customers place a high value on an expedited and seamless sales experience. In U.S. Insurance, we’ve taken these insights and re-imagined the experience by eliminating the health exam and implementing auto-underwriting for qualifying policies, effectively reducing turn-around times by 80%.

# Customer Complaint Resolution

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

For example, we have a **five-step process** for our Canadian insurance products and services that invites customers to:

1. Let us know as most problems can be resolved quickly and easily by speaking with their advisor or with one of our Customer Service Professionals.
2. Ask to speak with a Customer Service Leader if the situation is not resolved to satisfaction after step 1

3. Ask for a review by our Customer Care team if the situation is not resolved to satisfaction after step 2
4. Contact our Ombuds Office for a final review if the situation remains unresolved after steps 1,2 and 3
5. Pursue external recourse if they remain dissatisfied. The manulife.ca website provides contact details for industry Ombuds Services such as the OmbudService for Life and Health Insurance (OLHI) and the Ombudsman for Banking Services and Investment (OBSI). The manulife.ca website also provides contact details for relevant federal and provincial regulatory agencies.

## Customer satisfaction and complaint resolution<sup>23</sup>

	2021	2020	2019	2018
Cases investigated by Manulife's Ombuds Office	289	307	292	319
Cases investigated <sup>24</sup> by an independent complaint resolution body or regulator	78	76	65	28
Cases investigated externally that resulted in a recommendation different from Manulife's position	0	0	0	0

<sup>23</sup> Canadian segment insurance products and services and Manulife Investment Management guaranteed products.

<sup>24</sup> Represents cases externally investigated by (1) the OmbudService for Life and Health Insurance; (2) Ombudsman for Banking Services and Investments; or (3) the Autorité des marchés financiers.



# Customer Well-being

Manulife is at the leading edge of behavioural insurance, a shared value approach to life insurance that encourages customers to take small steps every day towards living longer, healthier, better lives.

When customers live longer, healthier lives, it is good for them and for their life insurers, while society benefits as a whole — it is a primary example of bringing the principles of shared value to life.

Whereas traditional insurance policies are priced based on a limited snapshot of a customer's data (e.g., age, smoking status, gender, basic health indicators) at the point of purchase, this new type of insurance provides financial protection and rewards customers with premium savings and other benefits when they make healthy lifestyle choices.

The popularity of wearable devices enables a seamless digital experience used to encourage customer engagement and reward customers for participating in healthy activities, including exercise, nutrition, sleep, preventative screenings and mindfulness.

We offer five behavioural insurance products: Manulife *Vitality* and Manulife *Vitality* Group in Canada; John Hancock *Vitality* and John Hancock *Aspire* in the U.S.; and ManulifeMOVE, delivered through the MOVE app, in six markets across Asia (Cambodia, mainland China, Hong Kong, the Philippines, Singapore, and Vietnam).

## More on ManulifeMOVE

ManulifeMOVE integrates activity-tracking and insurance solutions to motivate healthy habits among our customers. The flagship program, delivered through the proprietary MOVE app, focuses on wellness. It provides access to an ecosystem of services that support our customers to take the next step in achieving better health. Designed to reward every move, the program helps our customers make healthier lifestyle choices in both the immediate and longer term. The benefits to our customers range from healthcare partnerships that offer useful health insights to regular challenges that incentivize health improvement through wellness, entertainment and lifestyle rewards. With a strategic vision to become the ultimate engagement tool for all, ManulifeMOVE was first released in the Hong Kong market in 2015, specifically for policyholders.

## Research and Data Driven

Our approach to behavioural insurance product development is data driven. A [2018 RAND Europe study](#) of over 400,000 people in the U.S., U.K. and South Africa — the world’s largest behaviour tech study based on verified data — concluded that those who wore an Apple Watch and participated in the Vitality Active Rewards benefit program averaged a 34 percent increase in sustained physical activity compared to participants without an Apple Watch. That is the equivalent of 4.8 extra days of activity per month. And a [2021 study](#) commissioned by Vitality quantifies the widening gap between lifespan (life expectancy) and healthspan (the number of years lived in good health) globally, reflecting a diminishing quality of life in later years. Alongside this research, Vitality and RAND Europe have developed a pioneering algorithm that will allow individuals, for the first time, to understand how their lifestyle choices impact both their length and quality of life, enabling them to take actions that will maximize the number of years that they spend in good health in the future.

## John Hancock Aspire™

First launched in 2019 in collaboration with Verily and Onduo, John Hancock Aspire™ is the first and only life insurance designed specifically for people living with diabetes. Approximately 20 million Americans are living with either type 1 or type 2 diabetes, and half either don’t have life insurance or do not have enough life insurance.

John Hancock Aspire™ is helping a historically underserved population *secure* their financial futures, with the benefits of a comprehensive diabetes management program.

## Pandemic Response

Throughout the COVID-19 pandemic, we have made several proactive modifications to the John Hancock Vitality program to best support our customers' overall well-being, including:

- Doubling down on support for stress relief, including COVID-19-specific meditation through our partnership with Headspace
- Offering at-home biometrics for those who weren't comfortable visiting their doctor in person
- Teaming up with the Tufts Friedman School of Nutrition to host a webinar on the importance of nutrition and diet for baseline health during the pandemic
- Rewarding life insurance customers participating in the John Hancock Vitality Program and Manulife *Vitality* Program (Group Benefits and Life) with 400 Vitality Points for COVID-19 vaccinations

Ensuring the program remains technology enabled and in an effort to offer access to the latest wearables on the market, John Hancock and Manulife Insurance expanded their Apple Watch program to offer the Apple Watch Series 7 to life insurance customers participating in the program.

### Over the course of 12 months, John Hancock Vitality customers improved their health:

- 80% reported similar or better health year over year
- 71% of members improved or maintained a healthy weight
- 34% with high cholesterol reported bringing their measure in range

## Over 100,000

John Hancock Vitality Insurance customers in the U.S.

## Over 1.3M

Manulife *Vitality* customers across Insurance and Group Benefits in Canada

## Over 1.2M

ManulifeMOVE customers across Asia

# Governance Policies and Practices

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

**Policies and Practices**

Risk Management

Ethics and Compliance Culture

Tax Transparency

Data Security and Privacy

Executive Compensation Practices

Responsible Marketing

Public Policy

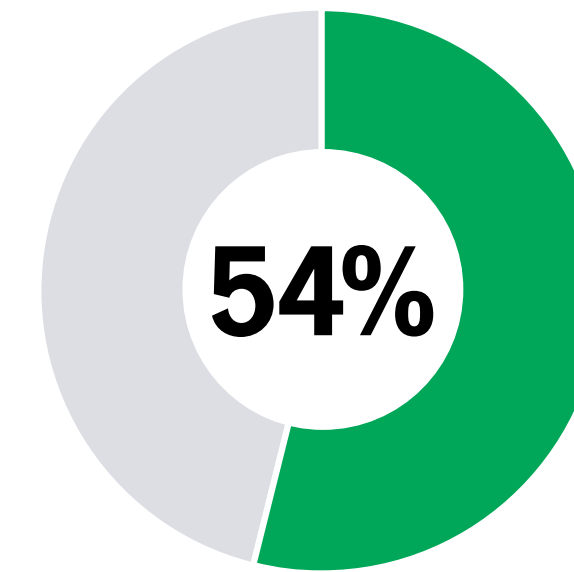
Our Board of Directors sets the tone at the top, promoting a strong culture of integrity and ethical behaviour throughout our entire organization.

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

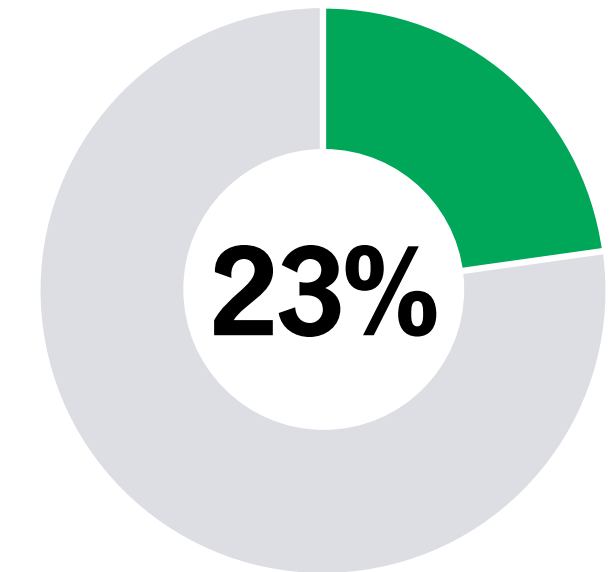
- Other than the CEO, all of our directors are independent, and all members of the Board’s standing committees are independent
- Directors reflect a mix of certain competencies, experience and personal qualities to ensure proper oversight and effective decision-making; the Board routinely reviews its size and makeup with the CGNC
- The Board has a long-standing diversity policy that considers characteristics that contribute to board diversity, including gender, age, race, ethnicity, culture, disability, sexual orientation and geographic representation, as well as any other characteristics that may be identified from time to time

- With respect to gender in particular, the board strives to maintain parity between men and women among the independent directors and has established a specific objective that at least 40% of the independent directors are women, recognizing that board composition may fluctuate from time to time during periods of transition
- Increased commitment that women will represent no less than 40% of the independent directors (subject to fluctuations during periods of transition)
- 7 of the independent directors (54%) are women
- 3 of the independent directors (23%) are members of a racially/ethnically diverse group
- While independent directors meet regularly with senior management, they also hold sessions at Board and committee meetings without management present to facilitate open and candid discussion
- The CGNC reviews the Board mandate annually; the Board’s mandate, committee charters, and position descriptions for the Board Chair, committee chairs, individual directors and the CEO are available on [manulife.com](http://manulife.com)

**Board Diversity**



7 of the independent directors (54%) are women



23% of the independent directors are racially/ethnically diverse

For additional information, refer to [Manulife’s 2022 Management Information Circular](#).

# Risk Management

Mitigating hazards and managing risk is critical to our day-to-day interactions with our customers and business operations. Our Risk Management strategy scales up to the executive level, with our Board of Directors and Risk Committee overseeing the management of our principal risks, and our programs, policies and procedures to manage those risks.

Responsible risk-taking is all about striking the right balance between taking risk where it is necessary and safeguarding our business and customers' best interests. It is a calculative process that requires many team members from many departments. Our approach to risk management is governed by our ERM framework, which sets out a structured process for risk management activities across the enterprise to support our long-term revenue, earnings and capital growth strategy.

## Effective risk management

There is significant internal communication surrounding risk management. The ERM framework is communicated through risk policies and standards, which enable consistent design and execution of strategies across the organization. Management is responsible for managing risk within the company's risk appetite — which defines the amount and types of risks we are willing to assume in pursuit of our objectives — and has established risk management strategies and monitoring practices.

## Responsible risk governance

Our Board of Directors is responsible for risk oversight. This oversight is effected primarily by the Risk Committee of the Board, while the Executive Risk Committee directs our risk management efforts. Both the Board's Risk Committee and Executive Risk Committee review quarterly risk reports summarizing our overall risk profile and exposures across our principal risks.

Reporting to the Board's Risk Committee and Manulife's CEO, our CRO leads the Global Risk Management function, which establishes and maintains our ERM framework and oversees the execution of individual risk management programs across the enterprise. Unlike other executives, our CRO's compensation is structured to avoid incentives based on the achievement of business results against pre-established financial, operating and strategic objectives.

### Financial strength ratings

Rating agency	Rating*
A.M. Best Company	A+
DBRS Morningstar	AA
Fitch Ratings Inc.	AA-
Moody's Investors Service Inc. S&P Global Ratings	A1
S&P Global Ratings	AA-

\*As at Dec. 31, 2021 – Financial strength ratings apply to the main life operating companies of Manulife Financial Corporation, including The Manufacturers Life Insurance Company, John Hancock Life Insurance Company (U.S.A.), John Hancock Life and Health Insurance Company and John Hancock Life Insurance Company of New York. DBRS does not rate the U.S. insurance subsidiaries separately.

### In 2021, we took the following steps to enhance our ESG-related risk management approach:

- Improved integration of climate change into ERM. During 2021, climate change was introduced as a strategic topic for Global Risk Management and leadership acknowledged the need to increase awareness and expertise within the function to better support the management of climate-related risks across the organization. A working group was established to accelerate the effort in upskilling our staff, assess and adopt relevant industry practices and emerging regulatory expectations and enhance our existing ERM framework by embedding climate risk considerations into risk management activities across the enterprise.

Additionally, we enhanced underwriting practices by integrating climate risk as a key factor into how we classify foreign countries and included climate risk as part of how we establish risk parameters for our Geographic Concentration of Risk Policy.

This was a company-wide initiative with increased climate-related impacts through a series of presentations and learning sessions by risk committees and internal SMEs.

We have also identified four priority areas for strategy and operations to focus on:

- **Product risk** — How do climate risks impact our product features, guarantees, reinsurance support, underwriting, pricing/repricing and scenario analysis?
- **Operational risk** — How do climate risks impact risk taxonomy, key controls and scenario analysis?
- **Market risk** — How can climate risk be considered in economic capital modeling/ ORSA analysis with longer-term horizons?
- **Risk policies and standards** — How can our existing framework, expressed through risk policies and standards, include potential impacts from climate change-related risk drivers?



# Ethics and Compliance Culture

Manulife prides itself on honesty, integrity and an uncompromising dedication to the highest standards of business conduct. We have a reputation within the industry that speaks to our moral compass and professionalism when it comes to our ethics and compliance culture.

Our Code of Business Conduct and Ethics (the “Code”) affirms the company’s commitment to ethical conduct and its practice of complying with all applicable laws and avoiding potential or actual conflicts of interest. The Board of Directors, with the support of the Audit Committee, oversees compliance with the Code and reviews and approves the Code on an annual basis.

Our employees and all members of Manulife’s Board of Directors receive training and must certify their compliance with the Code annually, be well-versed in its provisions and conduct themselves according to both the letter and the spirit of those provisions. Employees are also required to comply with all relevant laws and regulations, as well as internal policies, standards and guidelines, which include

those outlined in the [Policy Overview chart on Manulife.com](#). In addition to providing compulsory and supplemental training that includes annual mandatory training on the Code, we run specialized employee communication campaigns to reinforce our well-established culture of compliance. These campaigns cover topics such as fraud, cyber security, risk awareness, data privacy and security.

We foster an environment where employees at any level may report any compliance concerns to their managers, their segment Chief Compliance Officer, a member of the Law department, the Global Functions Compliance team or a member of the Human Resources department.

Unethical, unprofessional, illegal, fraudulent or other questionable behaviour, including any concern with respect to auditing and accounting matters, may also be reported through a confidential, toll-free Ethics Hotline or online at [manulifeethics.com](#). The hotline is maintained by a well-known third-party service provider and allows for anonymous reporting if the person so chooses.

If employees feel that their questions or concerns have not been appropriately addressed, they can direct their complaint to Manulife’s Global Compliance Chief or Manulife’s General Counsel.

The company absolutely prohibits retaliation of any kind for good faith reports of illegal or unethical behaviour.

## In 2021, we took the following steps to enhance our approach:

- **Strengthened our policies and commitments.** We regularly review select policies and commitments to ensure that the standards and expectations set reflect the importance of topics such as human rights in our business. This includes our Human Rights Statement and updates to our Vendor Code of Conduct.



# Tax Transparency

## Our tax strategy is based on the following principles:

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

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

Manulife has established formal committees to review and approve significant transactions and structures. Such committees are accountable to the ELT and/or Manulife's Board of Directors as is deemed appropriate. Manulife's Global

Tax department participates in these committees and Global Tax's approval is required for transactions and structures with significant tax implications.

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

Since many of the countries, such as the United States, have tax rates lower than those of Canada, the company's effective tax rate will typically be lower than the Canadian statutory rate of 26.5%. Additionally, the variability of that rate from year to year is dependent on the level of our profitability on a country-by-country basis.

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

In 2021, Manulife incurred \$1.9 billion of taxes paid or payable to all levels of governments globally of which \$794 million of taxes paid or payable in income taxes and capital taxes and \$1.1 billion in other taxes.

## In 2021, we took the following steps to enhance our approach:

- Revised and formalized our Tax Risk Management standard and Global Tax Strategy.

### Additional information

- [Global Tax Strategy](#)
- [Corporate Governance](#)
- [Statement of Corporate Governance Practices](#)
- [Management Information Circular](#)
- [Board Diversity Policy](#)
- [Annual Report – Income Taxes](#)
- [Statistical Information Package](#)
- [Code of Business Conduct and Ethics](#)
- [Vendor Code of Conduct](#)

# Data Security and Privacy

Information risk is a top enterprise risk management concern, similar to financial or credit risk. We seek to *protect* our data and that of our customers.

As a result, this is a key area of focus at meetings of the Board's Risk Committee, including engagement at least quarterly with the Chief Information Risk Officer on information risk strategies, goals and ad hoc topics, including industry trends.

Over 3 million customers put a lot of trust into Manulife to keep their money, information and data safe, and maintaining that trust is paramount. In addition to our customers, it is critical to keep our colleagues' information safe as well. By having proficient cyber threat intelligence capabilities, Manulife can detect trends in threat activity and turn trend analysis into strategic and tactical actions to shield our business against potential losses.

## Information and cyber security governance

Managing information and cyber risks is a coordinated effort across the business.

**Enterprise-wide information risk management program.** Overseen by our Chief information Risk Officer, the program establishes the company’s information and cyber-security framework, including governance, policies, standards, and appropriate controls to protect information and computer systems.

These policies are modelled after the ISO 27001 standard, and use the National Institute of Standards and Technology (NIST) security framework and other industry standards as key references. Dedicated staff develop and maintain our information risk policies and standards. They follow a robust review and update process to ensure the policies and standards remain current and respond to the latest technological changes. The process considers and incorporates the needs and expectations of our customers and other external stakeholders. The documents are held in an online database with an alerting system to manage review timeframes.

Our cyber security risk framework describes the following items:

- Manulife’s cyber security risk management practices
- The governance structure in place to ensure cyber security risks are well-managed within the organization
- The processes for identifying, measuring, monitoring, responding, and reporting cyber security risks
- The alignment of our cyber security risk management practices with industry standards and regulatory expectations

**Threat intelligence and vulnerability management.** Manulife is constantly making investments and improvements to our company’s cybersecurity toolkit, and we stay informed on the latest potential threats. By having proficient cyber threat intelligence capabilities, we can detect trends and turn analysis into strategic and tactical actions to shield our business against potential losses. Automated vulnerability scanning of Manulife’s networks and endpoints, industry-leading vulnerability scanning technology, application security vulnerability assessments, and infrastructure analysis by in-house and external testers are in place to protect our computing infrastructure. These measures help create a secure, digital experience for our colleagues and customers. In addition to protection, detection and response mechanisms, the Company maintains cyber risk insurance.

**Cyber incident exercises.** These exercises are conducted at the executive level, which help ensure we are ready in the event of an incident and encourage consistent, repeatable processes that are well-understood prior to any incident.



Over 99% of eligible employees *completed* privacy and information security *training* in 2021.

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### Information risk management

Manulife colleagues participate in mandatory annual security and privacy training to ensure our workforce is knowledgeable about their responsibilities to protect company and customer information. They can access related policies, standards and procedures at any time through a centralized website. Over 99% of eligible employees completed privacy and information security training in 2021. Global communication campaigns about protecting information are conducted quarterly, highlighting information protection topics and delivering simple, action-oriented messages. Simulated phishing email messages educate employees on how to recognize and address suspicious emails. We conducted 336,129 simulations in 2021 with Manulife employees and contractors. Risk management behaviours are formally included in the employee annual performance review process. Employees can easily escalate any concerns about information security through a variety of means, including with simple and accessible tools.

### Cyber security month

Throughout October, Cyber Security Month, the company published a series of articles that increased company-wide cyber awareness, covering topics such as phishing and social media safety, and held a global forum for all employees on cybersecurity.

### Safeguarding our customers' data

As a provider of financial products and services, we collect and use customers' personal information through the normal course of our business. Our customers trust that we will safeguard the privacy of the information in our care, and we take our responsibility to do so very seriously.

We have a global framework for managing the Company's privacy risk, which is overseen by our Global Chief Privacy Officer, who is accountable to the Global Compliance Chief. The framework is anchored by our Global Privacy Risk Management Policy and designed to:

- Help ensure compliance with legal and regulatory requirements governing the protection of personal information in all the jurisdictions in which Manulife operates, while also promoting consistency in personal information handling practices throughout the Company.
- Maintain and foster customer and employee trust.
- Minimize the occurrence and impact of privacy-related incidents.



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**Our framework establishes standards for:**

- Ensuring applicable privacy legislation and regulations are understood and requirements reflected in applicable business processes, controls and disclosures.
- Identifying and managing privacy related risks, including those that may be introduced by new or changed initiatives.
- Collecting and handling personal information, including limiting collection and ensuring it is carried out in fair and legal ways.
- Handling requests from individuals, including privacy-related complaints, concerns and consent withdrawals.
- Privacy incident management, including root cause analysis and corrective actions.
- Sharing personal information with third parties. We include privacy and security clauses in contracts with third parties that handle personal information on our behalf, requiring them to comply with our internal framework.
- Safeguarding personal information.
- Monitoring compliance with the framework
- Employee training

Manulife’s Statement of Corporate Privacy Principles sets out the principles that guide our approach to handling personal information. In many countries in which we do business, our corporate privacy policies are supplemented by more detailed policies that reflect the requirements of those countries and are posted on our corporate website. These policies include, where applicable: clear terms regarding the collection, use, disclosure and retention of personal information; third party handling of personal information; openness about policy changes; and contact information for raising concerns about our privacy practices.

Our internal Global Privacy Risk Management Policy applies to all personal information under Manulife’s control, including when it’s transferred to third parties to be processed on our behalf. We track privacy-related complaints, including whether they are substantiated.

As part of our enterprise-wide information protection program, privacy and information risk management teams work collaboratively to integrate the programs that are focused on protecting information within the Manulife environment. Protocols are in place to ensure privacy concerns are quickly identified, investigated and addressed. We also engage with external organizations to help ensure our program reflects current best practices for information protection.

Every business segment and corporate function appoints employees who are responsible for monitoring privacy compliance and helping to ensure personal information is protected. These employees stay abreast of global trends in information protection, privacy legislation and emerging technology to help ensure our programs stay up to date. Privacy risks and related controls are assessed regularly, through a process overseen by the Global Chief Privacy Officer. On a quarterly basis, we report on privacy to senior management and Board of Directors.

Instructions for employees about handling personal information are also included in the Code of Business Conduct and Ethics, Global Privacy Risk Management Policy, and Information Security Policy.

Our audit services group is responsible for independently reviewing the effectiveness of our privacy framework through its risk-based audit and review process.

**Details given to customers about how we handle their personal information include:**

- The nature of information captured, why it is captured and how it is captured
- How the collected information is used
- Any options they may have for deciding how their personal information is collected, used, retained and processed
- How long the information is kept on corporate files
- Safeguards in place to protect the information
- Involvement of service providers
- How to contact us if they have questions or concerns

# Executive Compensation Practices

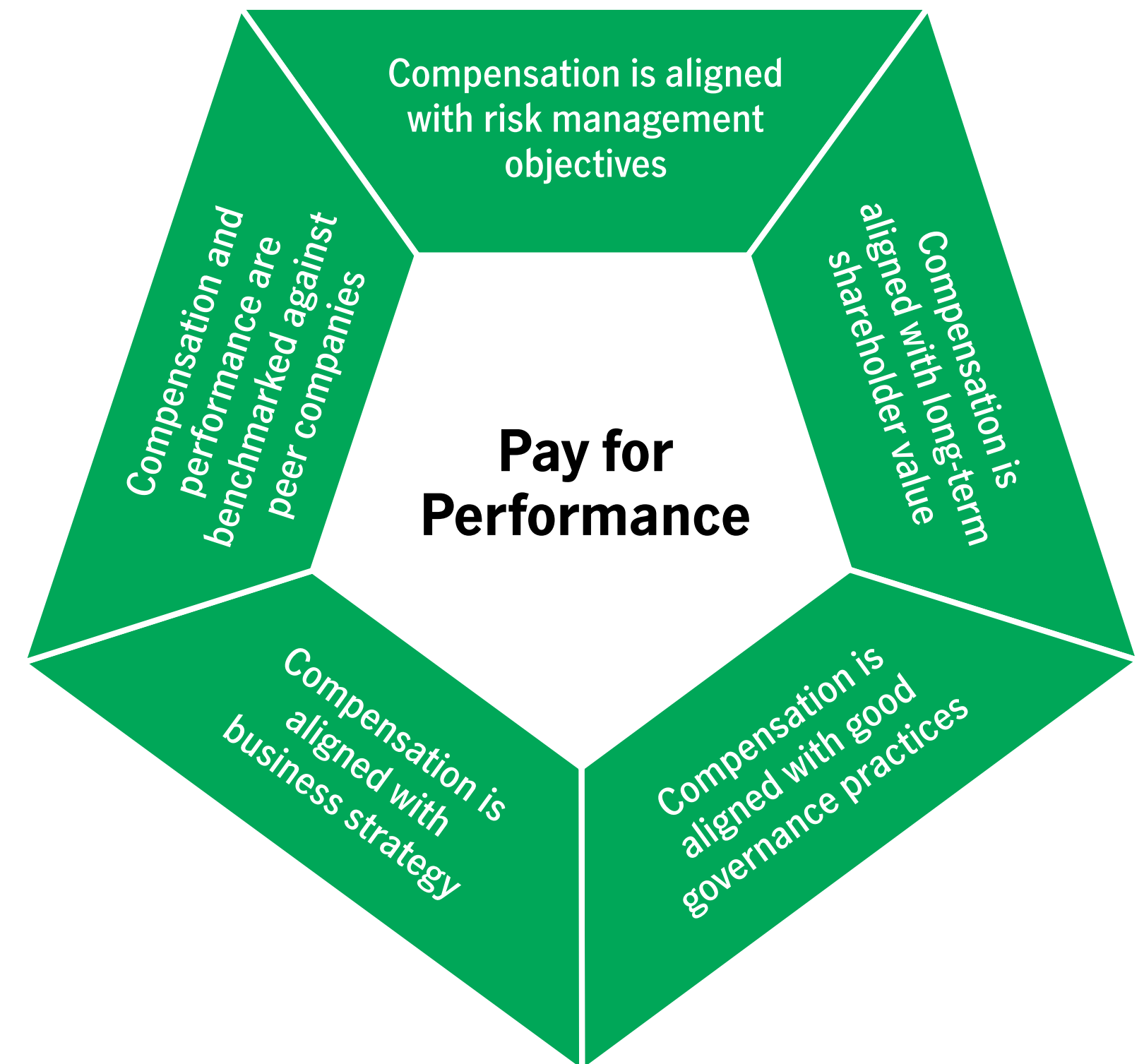
We expect executives to make decisions that are in the long-term interest of the company. Executive compensation is designed to contribute to our long-term sustainable growth by rewarding executives for strong performance in executing our business strategy.

Pay for performance is at the core of our approach to executive compensation. Compensation is tied to the achievement of our short, medium and long-term goals, so that most of what our executives earn is variable and not guaranteed. In practice, this has meant that executives earn more when performance is strong and earn less when performance is not strong. The Board also has the discretion to adjust incentive payouts to reflect business performance.

Members of the executive team currently have performance goals linked to DEI, employee engagement and leadership accountability. Beginning in 2021, goals linked to Manulife’s Climate Action Plan were also included.

### Additional information

Detailed information on our executive compensation approach is available in our [2022 Management Information Circular](#).



# Responsible Marketing

The goal of our marketing strategy is to meet the needs of our customers while supporting the needs of future generations. As a Fortune 500 enterprise, we are conscious of our influence on the world — and the great responsibility that comes along with that.

Manulife has many practices and processes in place that align with the fair treatment of customers. These include strong protection of private information, plain language communication with customers, responsive customer service and complaint handling processes. We ensure our products are clearly explained and honestly marketed so our customers can make informed decisions and choose products and services that are most beneficial to them.

Manulife actively participates in industry dialogue with regulators and industry associations to provide feedback on potential regulations and learn more about regulatory expectations.

We use advertising and marketing as a way to engage with consumers on topics that matter to them. Advertising and marketing help us to tell people about our latest solutions, products and services. We are

committed to reflecting DEI throughout our advertising and marketing, ensuring that our materials fully represent our consumers, employees and communities and are equally accessible to all.

We are committed to building trust through responsible practices and through transparent communication — both directly to consumers and indirectly through other key stakeholders and thought-leaders.

## Responsible marketing of ESG investments

Manulife Investment Management has a compliance program that employs a variety of internal assessment and testing techniques to ensure adherence to its policies, procedures and corresponding requirements. Our team of Compliance professionals also provide advice and guidance to enhance our ESG-related processes, to ensure adherence to the different regulatory environments in which we operate. We also leverage the expertise of third party ESG consultants to review our ESG policies and processes to provide an additional objective lens

to our internal assessments and provide guidance on best market practices. As this landscape is fluid and continues to develop, we review and seek to adapt our testing activities accordingly.

In 2021, Compliance reviewed ESG-related marketing materials in Manulife Investment Management and other disclosures, monitoring against portfolio guidelines and mandates and reviewing the investment decision-making process for selected asset classes to ensure alignment with disclosures. We also tested our Proxy Voting Policy against our practices and records to assess the reasonable design and compliance of our proxy voting program. As a result, we added additional controls for broader proposal reviews by analysts, amended the meeting procedures of our internal Proxy Voting Working Group to ensure more efficient and timely decision making, and conducted training for analysts on reviewing and documenting proxy voting matters.

# Public Policy

Policy dialogue and participation improves our ability to understand and address critical issues, and to make strategic decisions that benefit our stakeholders. Public policy discussions can also be directly relevant to the evolving legislative and regulatory requirements under which Manulife and our financial services products are governed.

## Direct engagement

Certain employees engage with government or regulatory officials as part of their roles, and we are committed to high ethical standards in these relationships. We maintain policies, such as the Code of Business Conduct and Ethics, to keep the confidence of our customers, investors and other stakeholders with respect to this engagement. For example, our policies stipulate that any lobbying efforts on issues affecting our business must be done in compliance with all local lobbying regulations, including Canada's Corruption of Foreign Public Officials Act and Lobbying Act, and with all local reporting requirements.

We recognize that we must take special care to use our corporate positions responsibly when dealing with government agencies and representatives. Unless it is a routine regulatory or government interaction (e.g., regular exam, regulatory filing, or response to a request for information), any contact with a government official must be approved by the business segment's Chief Legal Officer and the Global Head, Regulatory and Public Affairs. Employees must not engage in lobbying activities on behalf of the company unless specific authorization is obtained.

## Political contributions

Our company's general policy is that we will not make any political contributions. In the U.S., federal law prohibits corporations from contributing to candidates; however, it does allow corporations to establish Political Action Committees (PACs), funded by voluntary contributions from eligible employees. The John Hancock Political Action Committee (JHPAC) is organized by employees of John Hancock and its subsidiaries. It is a voluntary association of individuals formed in order to make

their collective voice heard in the political process. Because corporations are permitted to pay the administrative costs of a PAC, every dollar contributed to JHPAC is distributed to candidates for elected office. An overview of the JHPAC is available on the Federal Election Committee website. John Hancock does not operate or contribute to any "Super PACs" and does not operate any PACs at the state level.

## Industry memberships

Certain organizations may have interactions with government officials on matters of interest to our industry and may promote public policy objectives important to us, our stakeholders or the broader community. Our membership in, or financial support of, these organizations does not imply that Manulife supports every position taken by these organizations or those of their other members. Where positions differ from ours, we voice concerns as appropriate by engaging with these organizations through boards, committees or publicly, as necessary.

The following is a list of key organizations or trade associations to which Manulife belongs or has an affiliation that may engage in lobbying governments and to which we currently pay membership fees:

- American Council of Life Insurers
- Business Council of Canada
- Canadian Bankers Association
- Canadian Chamber of Commerce
- Canadian Life and Health Insurance Association
- Global Business Alliance
- Investment Company Institute
- Institute of International Finance
- The Business Council (U.S.)
- Toronto Finance International



# Detailed Performance Data Tables

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### Debt financing for business

Amount of debt financing authorized in 2021

C\$ thousands	\$0 – \$24,999	\$25,000 – \$99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 and greater	Grand total
British Columbia	99	2,135	5,667	8,308	23,148	96,862	618,479	754,698
Alberta	34	515	1,189	4,475	5,826	32,226	846,228	890,493
Saskatchewan	–	258	444	1,727	–	1,368	–	3,797
Manitoba	–	273	614	896	2,040	2,903	–	6,726
Ontario	164	3,091	9,149	19,978	35,991	73,437	1,465,714	1,607,524
Quebec	114	3,352	8,385	12,728	13,729	44,950	533,327	616,585
New Brunswick	–	193	338	–	–	–	51,067	51,598
Nova Scotia	48	127	314	2,217	3,306	3,200	109,848	119,060
Prince Edward Island	–	50	–	–	–	4,396	21,000	25,446
Newfoundland	–	–	–	670	519	3,898	5,000	10,087
Yukon	–	–	–	–	–	–	–	–
Nunawut	–	–	–	–	–	–	–	–
Northwest Territories	–	–	–	–	–	–	–	–
<b>Total Canada</b>	<b>459</b>	<b>9,994</b>	<b>26,100</b>	<b>50,999</b>	<b>84,559</b>	<b>263,240</b>	<b>3,650,663</b>	<b>4,086,014</b>
<b>Total U.S.</b>	–	–	–	–	–	15,858	3,418,799	3,434,656
<b>Total Europe</b>	–	–	–	–	–	–	–	–
<b>Total Asia</b>	–	–	–	–	–	–	–	–
<b>Total</b>	<b>459</b>	<b>9,994</b>	<b>26,100</b>	<b>50,999</b>	<b>84,559</b>	<b>279,098</b>	<b>7,069,462</b>	<b>7,520,671</b>

Indicators	2021	2020	2019	Footnotes
<b>Governance</b>				
<b>Board membership</b>				
Data as of February 28, 2022, February 28, 2021 and May 7, 2020.				
Total board members (#)	15	14	13	
Independent board members (#)	14	13	12	
Women board members (#)	7	6	6	
Racially/ethnically diverse members (#)	3	1	–	
Average tenure of board directors (years)	7.75	8.4	8.3	
<b>Economic performance and impact</b>				
Assets Under Management and Administration (AUMA) (trillions)	<b>\$1.4</b>	\$1.3	\$1.2	
Dividends paid (billions)	<b>\$2.5</b>	\$2.3	\$2.1	Includes common and preferred share dividends and other equity distributions.
Goods and services purchased from suppliers (billions)	<b>\$2.4</b>	\$2.6	\$3.3	
Total income and capital taxes paid (billions)	<b>\$0.8</b>	\$1.6	\$1.1	Variation in taxes year over year is primarily due to changes in profitability on a country-by-country basis. Changes in local tax laws in the countries and regions in which we operate are also a factor.
Taxes paid in Canada (thousands)	<b>\$303,142</b>	\$350,022	\$662,385	
Federal	<b>\$212,563</b>	\$280,174	\$432,645	
Provincial and territorial	<b>\$90,579</b>	\$66,032	\$229,740	
Taxes paid in U.S. (thousands)	<b>\$261,984</b>	\$994,694	\$168,099	
Taxes paid in Asia (thousands)	<b>\$228,909</b>	\$248,156	\$222,125	
Hong Kong	<b>\$46,615</b>	\$74,071	–	
Japan	<b>\$63,615</b>	\$73,908	–	
Rest of Asia	<b>\$118,678</b>	\$100,177	–	
Other Taxes (thousands)	<b>\$1,144,043</b>	\$992,648	\$1,078,259	Other taxes include property taxes, business taxes, payroll taxes, premium taxes, investment income taxes, and commodity taxes.
<b>Public policy</b>				
Amount spent on political donations (US\$)	<b>0</b>	0	0	
<b>Customers</b>				
Total Manulife customers (millions)	<b>33</b>	30	30	
Claims and other benefits paid to customers (billions)	<b>\$32</b>	\$32	\$30	
Debt financing authorized (billions)	<b>\$8</b>	\$8	\$8	
<b>Customer experience</b>				
Global customer rNet Promoter Score (NPS)	<b>21</b>	12	8	
<b>Complaint resolution</b>				
Cases investigated by Manulife's Ombuds Office (#)	<b>289</b>	307	292	Canadian Segment insurance product and services and Manulife Investment Management Guaranteed products
Cases investigated by an independent complaint resolution body or regulator (#)	<b>78</b>	76	65	Represents cases investigated by OmbudService for Life and Health Insurance, Ombudsman for Banking Services and Investments, or Autorité des marchés financiers.
Cases investigated that resulted in a recommendation different from Manulife's position (#)	<b>0</b>	0	0	

Indicators	2021	2020	2019	Footnotes
<b>Customers (continued)</b>				
<b>Data Security and Privacy</b>				
Number of substantiated privacy complaints from a regulatory body	0	0	0	
Percentage of eligible employees who completed privacy and information security training	99.4%	99.6%	99.6%	
Number of phishing simulation tests conducted globally with Manulife employees and contractors	336,129	337,138	280,975	
<b>Manulife Sustainable/ESG Investing</b>				
<b>Total Company Sustainable Investments (General Account and MIM-managed third party private investments)</b>	<b>\$67.4</b>			Sustainable investments include Green Investments (General Account and MIM managed third-party private investments) and Social investments (General Account private investments), as determined by Manulife's sustainable Bond Framework and the International Capital Market Association's Green and Social Bond Principles (2017). Data excludes investments in public equity securities, with the exception of green bonds. Data prior to FY21 excludes MIM managed third party investments.
<b>Total Green Investments (billions)</b>	<b>\$64.5</b>	\$39.8	\$27.6	Private debt and equity investments, public securities excluded with the exception of several green bond investments. 2019 Figure: Manulife's reporting on green investments by category was refined in 2020 and breakdowns by category are comparable for prior years.
Green buildings	\$26.2	\$16.9	\$10.2	Direct equity investments and commercial mortgages, backed by green building certifications Leadership in Energy and Environmental Design (LEED), Buildings Owners and Managers Association (BOMA Best), and Energy Star. Residential mortgages are not relevant to Manulife at this time and are excluded.
Sustainably managed timberland	\$15.8	\$4.0	\$3.4	Private assets operated by Manulife subsidiary MIM Timberland and Agriculture and private placements certified to Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) standards.
Renewable energy	\$10.7	\$9.8	\$14.0	Private debt and equity financing of energy from renewable sources (solar, wind, geothermal, waste biomass, hydroenergy) and energy storage in batteries (for MIM Private third-party investments only).
Sustainably managed agriculture	\$4.1	\$1.3	\$0	Private assets operated by Manulife subsidiary MIM Timberland and Agriculture and certified to the Leading Harvest Standard.
Energy efficiency	\$3.4	\$3.9	–	Private debt financing of energy efficiency upgrades at U.S. government sites.
Clean transportation	\$3.0	\$2.7	–	Private debt financing of electrified transport and mass public transit.
Sustainable water management	\$0.7	\$0.6	–	Private debt financing of water recycling and purification businesses.
Green Bond Investments	\$0.6	\$0.7	–	Public and private green bond investments in renewable energy, energy efficiency, clean transport, and sustainably-managed forests.
<b>Total Social Investments (billions)</b>	<b>\$2.9</b>	–	–	
Access to affordable healthcare	\$2.4	–	–	Free or substantially subsidized, and/or non-profit facilities that provide accessible and affordable healthcare regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line or households with income below 80% of the area median income (AMI). Investments correspond to (i) GA private investments related to the construction of healthcare facilities in Canada, U.S., and the U.K and (ii) GA private investments in non-profit Canadian hospitals and non-profit long-term-care facilities.
Access to affordable education	\$0.3	–	–	Free or substantially subsidized, and/or non-profit institutions that provide accessible and affordable education regardless of ability to pay to underserved populations, such as minorities, vulnerable youth, people living below the poverty line or households with income below 80% of the area median income (AMI). Investments correspond to GA private investments in non-profit school boards (K12 Education) in Canada and the U.S.
Access to affordable housing	\$0.2	–	–	Housing at or below 80 percent of average market rent or that meet national / regional affordable housing definitions. Investments correspond to GA private equity investments in affordable multi-family real estate within the US in accordance with local/regional standards (pro-rate amount taken for affordable portion).
<b>Total outstanding Green Bond issuance (billions)</b>	<b>\$2.0</b>	\$1	\$1	Data as at March 31, 2022
<b>AUM in dedicated client products (billions)</b>	<b>\$21.9</b>	–	–	Data as at December 31, 2021. Data includes public and private market products.
AUM in dedicated ESG products	\$20.1	–	–	Dedicated ESG products includes (1) broad ESG funds and (2) specific thematic strategies offered to Manulife clients. Excludes open-architecture, non-proprietary dedicated ESG products owned by Manulife clients, given limited discretion over these products.
AUM in dedicated screening products	\$1.8	–	–	Dedicated screening includes (1) negative and (2) positive or best-in-class (and norms-based) screening strategies. Negative screening involves exclusion of specific industry sectors or companies to avoid risk or better align with values. Positive screening targets companies or industries with better ESG performance.
<b>AUM with ESG integration (billions)</b>	<b>\$429.8</b>	–	–	ESG integration is defined by Manulife Investment Management as consideration and analysis of ESG factors as part of investment decision-making to help enhance risk-adjusted returns.
Manulife Investment Management Private Markets	\$74.7	–	–	
Manulife Investment Management Public Markets	\$355.1	–	–	Assessed based on Manulife Investment Management's proprietary integration progression levels, which measure progress in ESG integration at the investment team level. Data includes public equity and public fixed-income strategies.

## Performance Data

Indicators	2021	2020	2019	Footnotes
<b>Environment</b>				
<b>Energy use</b>				
Total energy use (ekWh)	<b>1,381,304,361</b>	854,970,743	935,028,240	Manulife regularly reviews and enhances our protocols for accounting for energy use and GHG emissions across the business. Manulife has re-baselined FY19 data onwards due to divestiture of wholly owned subsidiary NAL Resources in January 2021, which previously represented the majority of our energy use and emissions. We have further refined our list of properties where operational control exists for Real Estate.
Corporate	<b>4,083,391</b>	2,575,440	1,037,598	
Real Estate	<b>650,198,066</b>	695,444,355	734,401,500	
Green power (%)	<b>7%</b>	7%	5%	
Manulife Investment Management Timberland and Agriculture	<b>727,022,904</b>	156,950,948	199,589,142	
<b>Energy intensity</b>				
Real Estate (ekWh/sq. ft)	<b>14.0</b>	15.3	16.9	
Manulife Investment Management Timberland and Agriculture (ekWh/net acre)	<b>155.5</b>	–	–	
<b>Greenhouse gas emissions</b>				
Manulife regularly reviews and enhances our protocols for accounting for energy use and GHG emissions across the business on an ongoing basis. In FY21, Manulife rebaselined FY19 and FY20 data due to (a) divestiture of wholly owned subsidiary NAL Resources in January 2021, which previously represented the majority of our energy use and emissions (b) refinements our list of properties where operational control exists for Real Estate and Corporate properties.				
<b>Total Scope 1 emissions (tCO2e)</b>	<b>162,749</b>	150,672	102,739	
Corporate	<b>167</b>	–	–	
Real Estate	<b>35,475</b>	37,285	38,054	
Manulife Investment Management Timberland and Agriculture	<b>127,107</b>	113,387	64,685	
Timberland	<b>80,035</b>	76,753	–	
Agriculture	<b>47,072</b>	36,634	–	
<b>Total Scope 2 emissions (tCO2e), location-based</b>	<b>124,076</b>	128,155	193,776	
Corporate	<b>1,376</b>	1,557	702	
Real Estate	<b>104,778</b>	116,421	151,945	
Manulife Investment Management Timberland and Agriculture	<b>17,922</b>	10,177	41,128	
Timberland	–	–	–	
Agriculture	<b>17,922</b>	10,177	–	
<b>Total Scope 2 emissions (tCO2e), market-based</b>	<b>109,442</b>	113,249	183,611	
Corporate	<b>1,376</b>	1,557	702	
Real Estate	<b>90,144</b>	101,515	141,781	
Manulife Investment Management Timberland and Agriculture	<b>17,922</b>	10,177	41,128	
Timberland	–	–	–	
Agriculture	<b>17,922</b>	10,177	41,128	
<b>Scope 3 emissions (tCO2e)</b>				
Manulife Investment Management Timber and Agriculture	<b>391,014</b>	359,186	424,658	Manulife continues to evolve our Scope 3 emissions accounting methodologies and may have additional sources of Scope 3 emissions.
Tenant leased properties	<b>195,684</b>	199,569	239,093	Emissions are attributed to Timberland and Agriculture properties leased to third-parties. Excludes properties leased to Manulife and Real Estate properties leased to third-parties, as processes for data collection and management remain under development.
Contractor fuel use	<b>195,330</b>	159,617	185,565	Emissions are attributed to contractor equipment used on Manulife Timberland and Agriculture properties.
Corporate	<b>10,171</b>	16,240	39,442	
Purchased goods and services	<b>6,626</b>	8,445	10,765	
Paper	<b>5,705</b>	5,696	7,309	
Data centres	<b>921</b>	2,749	3,456	
Waste	<b>1,560</b>	1,751	3,018	Excludes waste and recycling managed directly by tenants and waste from Timber and Agriculture operations.
Business travel	<b>1,985</b>	6,044	25,660	

Indicators	2021	2020	2019	Footnotes
<b>Environment (continued)</b>				
<b>Greenhouse gas emissions (continued)</b>				
<b>Emissions intensity (Scope 1 &amp; 2)</b>				
Real Estate (kgCO <sub>2</sub> e/sq. ft)	3.1	3.4	4.4	
Manulife Investment Management Timberland and Agriculture				
Timberland (MtCO <sub>2</sub> e/net acre)	0.019	–	–	
Agriculture (MtCO <sub>2</sub> e/net acre)	0.17	–	–	
<b>Removals from owned forests and farms (MtCO<sub>2</sub>e)</b>	<b>-1.51</b>	-1.38	–	Annual CO <sub>2</sub> removals include annual increase in carbon stock within standing forest inventory (biogenic growth), plus carbon store in wood products harvested during that year. Due to year-on-year variation introduced by forest inventory estimation methodologies as well as harvesting schedules, we report a five-year average of carbon removals. CO <sub>2</sub> removals may fluctuate over time due to planting and harvesting cycles and the use of a 5-year average moves. As demand for harvested wood products has strengthened relative to supply over the past half-decade in response to housing shortages and pandemic-related needs, harvesting has increased to take advantage of stronger wood markets.
<b>Portfolio carbon footprint</b>				
Estimated portfolio emissions (MT CO <sub>2</sub> e)	–	38.3	–	For the purpose of reporting, Manulife utilized a Trucost methodology for compilation of publicly available data and therefore, incorporates scope 1, 2, and Scope 3 - upstream emissions (where significant to the sector). Emissions are reported per the Partnership for Carbon Accounting Financials (PCAF), utilizing the Global GHG Accounting and Reporting Standard for the Financial Industry. Data is as of Dec 31, 2020. Due to the nature of publicly available emissions disclosure across industries, data lags by one fiscal year. In FY20, Trucost moved to Enterprise Value apportioning for all instruments in line with PCAF - prior year data utilized Market Capitalization, limiting data comparability.
Power generation & utilities	–	22.5	–	Manulife is undergoing a Science-based Target setting process, prioritizing target-setting in sectors with high decarbonization potential, including power generation & utilities. Going forward, Manulife intends to disclose intensity metrics in line with SBTi target requirements.
Energy, including oil & gas	–	5.7	–	Includes companies mainly involved in the production, transport or processing of raw materials whose principal end goal is energy generation, that is coal, oil, gas, uranium, and biofuels.
Materials	–	3.4	–	
Industrials	–	2.0	–	
Consumer goods	–	2.2	–	Includes companies mainly involved in consumer staples and discretionary goods.
Healthcare	–	0.2	–	
Financials	–	1.6	–	
IT	–	0.5	–	
Communication services	–	0.2	–	
Real estate	–	0.1	–	
Estimated weighted average carbon intensity (WACI) (tCO <sub>2</sub> e/mCAD)	–	677	–	Indicates the carbon intensity of money invested, providing a measure of responsibility for emissions and contribution to climate change. Due to market forces and changes in market capitalisation, year-on-year performance comparison may be challenging.
Listed equity	–	255	216	
Fixed income	–	740	673	
Total disclosed portfolio coverage (%)	–	73.1%	–	While we have quantified emissions from 86% of our portfolio holdings, holdings where emissions are wholly estimated through average and/or proxies are excluded from this disclosure (currently, ~27% of our listed equity and bonds portfolio). Manulife is undergoing a Science-based Target setting process and actively enhancing our internal methodologies for data compilation and analysis, including refining decision-useful intensity metrics for portfolio management. We look forward to improvements to our reporting to support further demonstration of our progress against Climate Action Plan commitments.
<b>Waste</b>				
Waste recycled (tonnes)	4,036	5,757	7,839	Based on waste diversion reports and waste audits, covering 67% of Corporate and Real Estate properties. Excludes waste and recycling managed directly by tenants and waste from Timber and Agriculture operations.
Diversion rate (%)	47%	50%	51%	

Indicators	2021	2020	2019	Footnotes
<b>Environment (continued)</b>				
<b>Paper use</b>				
Paper consumption (tonnes)	<b>2,224</b>	2,242	2,898	
Use of paper with recycled fibre content (%)	<b>7%</b>	10%	13%	
<b>Water use</b>				
Real estate water consumption (million m3)	<b>2.36</b>	2.14	2.50	Based on utility bills for Real Estate properties where Manulife has full operational control. Excludes Timber and Agriculture.
Real estate water use intensity (m3/sq. ft)	<b>0.05</b>	0.04	0.05	
Length of watercourses depending on our Timber and Agriculture practices for maintaining water quality (miles)	<b>20,000</b>	–	–	
<b>Biodiversity</b>				
Acres of forest and farmland managed by Manulife Investment Management Timberland and Agriculture (millions)	<b>6.32</b>	5.81	5.88	
Acres of land protected by Manulife Investment Management Timberland and Agriculture Sensitive Lands Program (millions)	<b>0.479</b>	0.472	0.471	
Percentage of forest with a conservation designation (%)	<b>25%</b>	–	–	
Percentage of farms that have regenerative practices (%)	<b>61%</b>	–	–	
Percentage of area of total farms that have regenerative practices (%)	<b>46%</b>	–	–	
Trees planted by Manulife Investment Management Timberland and Agriculture since 1985 (billions)	<b>1.25</b>	1.19	1.16	
<b>Green buildings</b>				
Real Estate certified under a sustainable building certification program (million sq. ft)	<b>55</b>	48	48	
Real Estate certified under a sustainable building certification program (%)	<b>81.9%</b>	81%	81%	
<b>Colleagues</b>				
<b>Global Manulife employees (#)</b>				
Regular	<b>38,137</b>	39,322	–	Includes regular, temporary, and contractor employees, and those on paid leave.
Temporary	<b>36,404</b>	37,198	–	
Contractor	<b>220</b>	269	–	
	<b>1,513</b>	1,855	–	
<b>Age of Employees</b>				
<30	<b>23%</b>	–	–	
30-50	<b>62%</b>	–	–	
>50	<b>16%</b>	–	–	
<b>Employee costs</b>				
Total employee costs (millions)	<b>\$4,675</b>	\$4,401	–	At GAAP rates. Includes global permanent staff. Figures include salaries, overtime, bonuses, employee benefits, options and share units.

Indicators	2021	2020	2019	Footnotes
<b>Colleagues (continued)</b>				
<b>Retention, tenure and advancement</b>				
<b>Turnover</b>				
Voluntary turnover rate (%)	12%	7%	11%	Includes active regular employees and employees on paid leave. Excludes exits due to retirement and involuntary departures.
Involuntary turnover rate (%)	5%	–	–	
Total turnover rate (voluntary and involuntary) (%)	17%	–	–	
Men	20%	–	–	
Women	15%	–	–	
<30	22%	–	–	
30-50	16%	–	–	
>50	15%	–	–	
<b>Tenure</b>				
Average employee tenure (years)	7	7	7	Includes active regular employees and employees on paid leave.
<b>Advancement</b>				
Open positions filled by internal candidates (%)	39%	26%	26%	
Open positions filled by internal candidates (#)	2,533	–	–	
<b>Employee engagement</b>				
Employee engagement score (on a five point scale)	4.34	4.27	4.04	
Employees participating in engagement survey	95%	95%	91%	
<b>Employee training</b>				
Investment in training (\$/employee)	\$847	–	–	
Investment in training (total spend)	\$31,759,058	–	–	
Time spent in training (# hours/employee)	19.8	9.33	–	
<b>Workforce diversity</b>				
Data as of December 31, 2021. Includes active regular employees and employees on paid leave.				
<b>Gender breakdown</b>				
Man (%)	44%	45%	45%	
Woman (%)	56%	55%	55%	
Other (%)	0.1%	0%	–	
I do not wish to disclose (%)	0.2%	0%	–	
<b>Asia</b>				
Includes Cambodia, mainland China, Hong Kong, India, Indonesia, Japan, Macau, Malaysia, Myanmar, Philippines, Singapore, Taiwan and Vietnam.				
Man (%)	42%	43%	42%	
Woman (%)	58%	57%	58%	
Other (%)	0.05%	–	–	
I do not wish to disclose (%)	0.06%	–	–	
Women insurance agents (%)	71%	68%	–	
Women insurance agent top performers (%)	68%	70%	–	
<b>Canada</b>				
Man (%)	42%	43%	43%	
Woman (%)	58%	57%	57%	
Other (%)	0.1%	–	–	
I do not wish to disclose (%)	0.2%	–	–	

Indicators	2021	2020	2019	Footnotes
<b>Colleagues (continued)</b>				
<b>Workforce diversity (continued)</b>				
<b>United States</b>				
Man (%)	55%	56%	56%	
Woman (%)	45%	44%	44%	
Other (%)	0%	–	–	
I do not wish to disclose (%)	0.4%	–	–	
<b>Other regions</b>				
Man (%)	61%	63%	65%	Includes Australia, Caribbean, Europe, New Zealand and South America.
Woman (%)	34%	35%	35%	
Other (%)	0%	–	–	
I do not wish to disclose (%)	4%	2%	–	
<b>Diverse Sexual Orientations (% of total employees)</b>				
Canada	2%	–	–	
U.S.	2%	–	–	
<b>Disability (% of total employees)</b>				
Canada	1%	–	–	
U.S.	3%	–	–	
<b>Visible minorities and Indigenous peoples (North America in aggregate) (%)</b>				
Canada	19%	–	–	
Black	2%	–	–	
Indigenous People	0.6%	–	–	
Asian	9%	–	–	Includes East Asian; Non-White West Asian, North African or Middle Eastern; South Asian and Southeast Asian
U.S.	21%	–	–	
Black or African American	5%	–	–	
American Indian or Alaska Native	0.2%	–	–	
Hispanic or Latino	4%	–	–	
Asian	11%	–	–	
<b>Diversity in leadership</b>				
<b>Vice President and above (%)</b>				
Man (%)	68%	73%	77%	
Woman (%)	31%	27%	23%	
Other (%)	0%	–	–	
I do not wish to disclose (%)	1%	–	–	
<b>Visible minorities and Indigenous peoples (North America in aggregate) (%)</b>				
Canada	12%	–	–	
Black	1%	–	–	
Indigenous Peoples	0%	–	–	
Non-white Latin American	0%	–	–	
Asian	7%	–	–	Includes East Asian; Non-White West Asian, North African or Middle Eastern; South Asian and Southeast Asian



Indicators	2021	2020	2019	Footnotes
<b>Colleagues (continued)</b>				
<b>Diversity in leadership (continued)</b>				
<b>Vice President and above (%) (continued)</b>				
Visible minorities and Indigenous peoples (North America in aggregate) (%) (continued)				
U.S.	<b>9%</b>	–	–	
Black or African American	<b>1%</b>	–	–	
American Indian or Alaska Native	<b>0%</b>	–	–	
Hispanic or Latino	<b>2%</b>	–	–	
Asian	<b>6%</b>	–	–	
<b>Assistant Vice President (%)</b>				
Man (%)	<b>62%</b>	–	–	
Woman (%)	<b>38%</b>	–	–	
Other (%)	<b>0%</b>	–	–	
I do not wish to disclose (%)	<b>1%</b>	–	–	
Visible minorities and Indigenous peoples (North America in aggregate) (%)	<b>16%</b>	–	–	
Canada	<b>18%</b>	–	–	
Black	<b>1%</b>	–	–	
Indigenous Peoples	<b>1%</b>	–	–	
Non-white Latin American	<b>0%</b>	–	–	
Asian	<b>10%</b>	–	–	Includes East Asian; Non-White West Asian, North African or Middle Eastern; South Asian and Southeast Asian
U.S.	<b>14%</b>	–	–	
Black or African American	<b>1%</b>	–	–	
American Indian or Alaska Native	<b>0%</b>	–	–	
Hispanic or Latino	<b>2%</b>	–	–	
Asian	<b>10%</b>	–	–	
<b>Manager, Director, and Assistant Vice President (%)</b>				
Man (%)	<b>57%</b>	57%	57%	
Woman (%)	<b>43%</b>	43%	43%	
Other (%)	<b>0.1%</b>	–	–	
I do not wish to disclose (%)	<b>0.3%</b>	–	–	
Visible minorities and Indigenous peoples (North America in aggregate)(%)	<b>19%</b>	17%	–	
Canada	<b>18%</b>	–	–	
Black	<b>1.4%</b>	–	–	
Indigenous Peoples	<b>0.5%</b>	–	–	
Non-white Latin American	<b>0.4%</b>	–	–	
Asian	<b>10.9%</b>	–	–	Includes East Asian; Non-White West Asian, North African or Middle Eastern; South Asian and Southeast Asian
U.S.	<b>19.5%</b>	–	–	
Black or African American	<b>2.9%</b>	–	–	
American Indian or Alaska Native	<b>0.2%</b>	–	–	
Hispanic or Latino	<b>3.1%</b>	–	–	
Asian	<b>12.5%</b>	–	–	

Indicators	2021	2020	2019	Footnotes
<b>Colleagues (continued)</b>				
<b>Diversity in hiring</b>				As of December 31, 2021.
BIPOC new grad hiring rate	<b>50%</b>	–	–	
Canada	<b>59%</b>	38%	–	
U.S.	<b>40%</b>	34%	–	
<b>Pay received by women as a percentage of men</b>	<b>99%</b>	99%	98%	
Vice-President and Senior Officer	<b>95%</b>	–	–	
Assistant Vice-President	<b>99%</b>	–	–	
Management & Professional	<b>99%</b>	–	–	
Individual Contributor	<b>100%</b>	–	–	
<b>Absentee rate (North America) (%)</b>	<b>1%</b>	1%	1%	Absentee rates for North America cover 45% of employee population. Absences include sick days, family care time, critically ill child leave and Canada family caregiver leave used; and exclude holidays, earned personal days, extra personal days and vacation days.
<b>Severe Injuries (#)</b>	<b>0</b>	0	0	A critical injury refers to a serious injury that places life in jeopardy, and involves an employee that is unconscious, experienced a significant loss of blood, an acute fracture or amputation of a limb, burns over major portions of the body, loss of sight or other significant losses that require immediate medical attention in a hospital setting. This also includes serious violent crime (resulting in an injury, death or a near miss) while at a company event or traveling on company business.
<b>Freedom of association</b>				
Percentage of employees represented by an independent trade union or covered by collective bargaining agreements	<b>2%</b>	–	–	
<b>Community Investments</b>				
Cash contributions (millions)	<b>\$21.7</b>	\$21.0	\$22.7	Comprises all voluntary cash contributions made by Manulife to charitable organizations/projects
Employee donations (millions)	<b>\$3.7</b>	\$4.2	\$4.4	Includes payroll giving and direct contributions by Manulife employees.
Management costs	<b>\$1.9</b>	–	–	2021 is the first time we are reporting community investment management costs.
<b>Volunteering</b>				Ongoing challenges and restrictions due to the COVID-19 pandemic contributed to a decrease in hours volunteered in 2021. This can be attributed primarily to a decrease in in-person volunteer activities and agent volunteer initiatives.
Volunteer hours (#)	<b>17,704</b>	31,795	65,978	
Employee volunteer hours	<b>17,704</b>	22,567	–	
Volunteerism during work hours	<b>8,510</b>	9,854	–	
Volunteerism outside of work hours	<b>9,194</b>	12,713	–	

## Geographic breakdown of employees, by employment type

Includes active regular/temporary employees, contractors, and employees on paid leave. As at December 31, 2021.

Country/Territory	2021			
	Total	Regular	Temporary	Contractor
Australia	89	86	2	1
Barbados	18	18	-	-
Belgium	30	30	-	-
Bermuda	13	13	-	-
Brazil	9	9	-	-
Cambodia	678	659	-	19
Canada	11,977	11,263	2	712
Chile	32	32	-	-
China	3,130	2,861	11	258
Germany	1	1	-	-
Hong Kong	2,516	2,351	45	120
India	5	1	-	4
Indonesia	1,234	1,212	18	4
Ireland	9	9	-	-
Japan	1,482	1,286	109	87
Macao	31	28	3	-
Malaysia	509	485	11	13
Mexico	-	-	-	-
Myanmar	103	100	-	3
New Zealand	101	93	-	8
Philippines	8,961	8,895	-	66
Singapore	828	762	3	63
Switzerland	3	3	-	-
Taiwan	66	61	5	-
Thailand	1	-	-	1
United Kingdom	70	69	-	1
United States of America	5,199	5,050	-	149
Vietnam	1,042	1,027	11	4
<b>Total</b>	<b>38,137</b>	<b>36,404</b>	<b>220</b>	<b>1513</b>

# Abbreviations and Acronyms

<b>A4S</b>	Accounting4Sustainability	<b>ERGs</b>	Employee Resource Groups	<b>KPI</b>	Key Performance Indicator	<b>PWDs</b>	Persons With Disabilities
<b>AA</b>	Advanced Analytics	<b>ERM</b>	Enterprise Risk Management	<b>LDI</b>	Liability-driven investing	<b>RFP</b>	Requests for Proposals
<b>AI</b>	Artificial Intelligence	<b>ESG</b>	Environmental, Social and Governance	<b>LiDAR</b>	Light detection and ranging	<b>rNPS</b>	Relationship Net Promoter Score
<b>AIFs</b>	Alternative Investment Funds	<b>ESC</b>	Executive Sustainability Council	<b>LMS</b>	Learning Management System	<b>ROI</b>	Return on Investment
<b>BAA</b>	Boston Athletic Association	<b>ETFs</b>	Exchange-traded funds	<b>LTE</b>	Learning technology ecosystem	<b>SASB</b>	Sustainability Accounting Standards Board
<b>BEPS</b>	Base Erosion and Profit Shifting initiative	<b>FCT</b>	Financial Condition Testing	<b>LXP</b>	Learning Experience Platform	<b>SBTi</b>	Science Based Targets initiative
<b>BIPOC</b>	Black, Indigenous and People of Colour	<b>FLAG</b>	Forest, Land and Agriculture	<b>MCFT</b>	MassChallenge FinTech	<b>SDGs</b>	United Nations Sustainable Development Goals
<b>CCWG</b>	General Account Climate Change Working Group	<b>FSC®</b>	Forest Stewardship Council®	<b>MCO</b>	Movement Control Order	<b>SFI®</b>	Sustainable Forestry Initiative®
<b>CDF</b>	Community Development Financial Institution	<b>GHG</b>	Greenhouse gas	<b>MLK</b>	Dr. Martin Luther King Jr.	<b>SMA</b>	Separately managed accounts
<b>CEC</b>	Climate Engagement Canada	<b>GICs</b>	Guaranteed interest certificates	<b>NCS</b>	Natural climate solutions	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>CEO</b>	Chief Executive Officer	<b>GPs</b>	General partners	<b>NIST</b>	National Institute of Standard and Technology	<b>TLI</b>	The Life Initiative
<b>CGNC</b>	Corporate Governance and Nominating Committee	<b>GRESB</b>	Global Real Estate Sustainability Benchmark	<b>NGOs</b>	Non-governmental organizations	<b>TNFD</b>	Task Force on Nature-related Financial Disclosures
<b>CISL</b>	Cambridge Institute for Sustainability Leadership	<b>GRI</b>	Global Reporting Initiative	<b>NPS</b>	Net Promoter Score	<b>TSVCM</b>	Taskforce for Scaling Voluntary Carbon Markets
<b>CIFAR</b>	Canadian Institute for Advanced Research	<b>HBCUs</b>	Historically Black Colleges and Universities	<b>NWOW</b>	New Ways of Working	<b>UHC</b>	UnitedHealthcare
<b>CoE</b>	Centre of Expertise	<b>HCD</b>	Human-Centred Design	<b>OBSI</b>	Ombudsman for Banking Services and Investment	<b>UNEP</b>	United Nations Environmental Program
<b>CSAMF</b>	Corazon Sanchez Atayde Memorial Foundation	<b>I-CRT</b>	Intelligence-led Cyber Resilience Testing	<b>OCIO</b>	Outsourced chief investment officer	<b>VOTE</b>	Voice of the Employee
<b>CSO</b>	Chief Sustainability Officer	<b>IRAs</b>	Individual Retirement Accounts	<b>OLHI</b>	OmbudService for Life and Health Insurance	<b>WEF</b>	World Economic Forum
<b>DEI</b>	Diversity, Equity, and Inclusion	<b>IRS</b>	Internal Responsibility System	<b>OSFI</b>	Office of the Superintendent of Financial Institutions	<b>WLU</b>	Wilfrid Laurier University
		<b>JHPAC</b>	John Hancock Political Action Committee	<b>PACs</b>	Political Action Committees		
		<b>JHSC</b>	Joint Health and Safety Committee	<b>PRI</b>	Principles for Responsible Investing		

Introduction

ESG at Manulife

Environmental

Social

Governance

Performance Data



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