Manulife
Investment Management

Sustainability report

2025



Scope of this report

This report covers Manulife Investment Management (Manulife IM) activities. Manulife IM is the unified global organization that represents the institutional asset management arm of Manulife Financial Corporation (Manulife).

This report is designed to meet our clients' demands and expectations while also addressing the disclosure requirements of reporting frameworks that Manulife IM is either mandated to report against or to which Manulife IM is a signatory. It also seeks to voluntarily align with global climate and nature reporting standards. The report sets out:

- Our role as investors and our strategy and overarching approach to sustainability and the related material risks and opportunities, including environmental, social and governance (ESG) integration and stewardship, in the context of the assets we manage and operate on behalf of our clients
- Our sustainability strategy, sustainable investing practices, and client solutions that employ our diverse range of asset classes and products covering the spectrum of investment strategies
- Our stewardship approach and activities, which we believe can lead to better overall value creation for our clients while supporting capital markets' long-term health and efficiency through the responsible allocation, management, and oversight of capital
- How we incorporate climate, nature, and people-related risks and opportunities into investment oversight through appropriate governance, strategy, risk management, and metrics and targets

The information contained in this report was prioritized through stakeholder consultation, review of third-party standards, including stewardship codes and Principles for Responsible Investment (PRI), internal management review, and a materiality assessment.

Manulife IM functions as part of the broader Manulife group, not as a stand-alone entity, and, as such, parts of this report must necessarily refer to processes at a wider corporate level while other sections relate only to Manulife IM.

This document doesn't purport to reflect the Manulife group's overall sustainability initiatives or to comprehensively disclose its approach to sustainability-related risks and opportunities. It seeks to holistically cover Manulife IM's capabilities across asset classes and may be supplemented by Manulife's sustainability disclosures, including Manulife's sustainability report and Manulife IM's asset class reports for real estate, timberland and agriculture (natural capital), for a broader corporate perspective.

In this report, "Issuer" is used where the context is security- or issuance-based, while "investee company(ies)" is used when referring to operating companies, including in discussions that apply across all asset classes in public and private markets.

The disclosures in this report cover the activities of the investment management teams within Manulife IM. In this report, "We" refers to Manulife IM. The report does not cover the activities of non-affiliated asset managers who manage some client assets on our behalf, or the activities of Manulife CQS Investment Management, which is a wholly owned multi-sector alternative credit manager acquired by Manulife IM in 2024, or Comvest Credit Partners, a direct-lending private credit manager in which Manulife acquired a majority stake in 2025. From time to time, Manulife may be part of joint ventures and/or may acquire other entities, which may be, to varying degrees, partially integrated or integrating into the Manulife IM brand but are not fully under Manulife IM's scope or control. This report does not cover the activities of any such entities. All information in this report is as of December 31, 2025, with monetary values quoted in Canadian dollars, unless otherwise indicated. This report was published in June 2026. Although this report sometimes indicates that sustainability-related factors are included in all aspects of our investment management processes, we work diligently with our various clients to help ensure that any such sustainability considerations are only included when they meet clients' stated goals or objectives, based on financial materiality analyses and in accordance with our fiduciary duties. Some of our investment solutions are also inappropriate for sustainability considerations, such as some specific asset classes or indexing strategies for which the index does not consider sustainability. All discussion in this report relates to circumstances where sustainability considerations are appropriate and applied in practice. Generally, when we use the term 'material' it relates to financial materiality.

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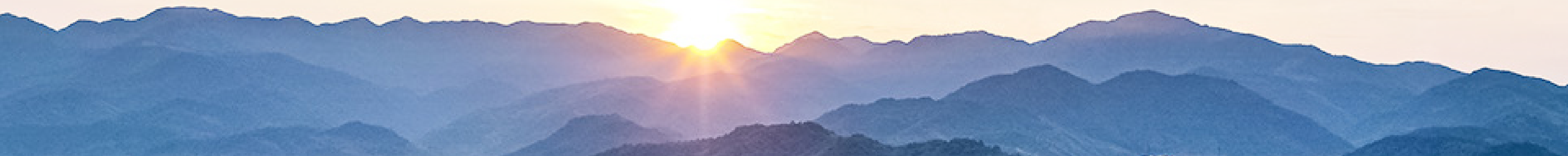
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Introduction

A message from Paul Lorentz

Who we are

Our asset management business



A *message* from Paul Lorentz

I'm pleased to share Manulife IM's 2025 sustainability report. This is our second year presenting an integrated view of our sustainable investing, stewardship, and climate-related financial disclosure work in one package. This format brings greater clarity and transparency, making it easier for investors and stakeholders to understand how we approach sustainability across our investment platform.

Our philosophy begins with a firm conviction: sustainable investing is a strong driver of long-term value creation. With this report, we aim to give investors a clear picture of how we evaluate the risks and opportunities that matter most for investment performance—and how we're shaping better financial futures for our clients.

At Manulife IM, the principles that shape how we invest reflect a long-standing belief in thoughtful stewardship and disciplined, forward-looking decision-making. We consider sustainability factors that may affect financial value throughout the investment lifecycle, enabling us to uncover opportunities, anticipate risks, and invest with purpose. In addition, as active managers, our deep understanding of the companies and assets we oversee gives us a stewardship advantage, helping us support meaningful performance improvements aligned with our clients' objectives.

In this year's report, we highlight our governance framework and approach across three main themes: climate, nature, and people. Through these themes, you'll see how our team analyzes and applies sustainability factors it believes are financially material and may impact future performance to deliver investment solutions for our clients based on their stated goals and objectives.

We also made significant progress this year that reflects both our ambition and our momentum:

- **Advancing our use of AI and technology—**Since 2016, Manulife has invested in and scaled AI capabilities, guided by our enterprise AI Principles. In 2025, we continued to integrate AI into our investment processes, including within sustainability integration for equity and fixed income.
- **Championing responsible technology innovation—**This year, we introduced a Sustainable Digital Economy strategy to guide how we encourage responsible technology innovation and implementation across asset classes. Built on research, engagement with stakeholders, integration into decision-making, and collaboration with industry leaders, this strategy helps us respond to emerging and evolving risks and opportunities.
- **Introducing our people statement—**In 2025, we adopted a people statement, outlining our high-level approach to human rights due diligence and addressing inequalities across the investment lifecycle. It joins our existing climate, nature, and water statements in reinforcing the importance of these topics across our investment processes and operational asset management.

We hope this year's report offers not just transparency, but confidence in the discipline behind our approach, the progress we're making, and the long-term value we strive to create. Thank you for your trust and partnership. We look forward to building on this momentum in the years ahead.



Paul Lorentz
President and CEO
Manulife Wealth & Asset Management



Who we are

About Manulife Investment Management

Manulife IM is a segment of Manulife Wealth & Asset Management and the global institutional asset management arm of our parent company, Manulife.

Manulife has a storied history dating back more than 135 years in Canada, over 125 years in Asia, and 160 years with our John Hancock brand in the United States. Leveraging our financial expertise and the extensive resources of our parent company to serve individuals, institutions, and retirement plan members worldwide, our mission is to make decisions easier and lives better by empowering investors for a better tomorrow.

With headquarters in Toronto and Boston, our robust capabilities in both public and private markets are bolstered by an investment presence in 20 countries and territories. Our resulting global expertise across private markets, asset allocation, fixed income, alternative credit, and equity investing allows us to capitalize on emerging trends and opportunities worldwide.

Committed to responsible stewardship and governance, we aim to be global leaders in creating long-term, sustainable value for our clients.

We're uniquely positioned to serve client investment needs

At Manulife IM, we seek to provide solutions for clients using a wide breadth of capabilities, and our commitment to sustainable investing is rooted in our belief that our clients' interests are best served by considering financially material sustainability-related factors across the full investment decision-making process. In addition, our role as stewards of real assets gives us a dual owner/operator perspective on sustainable business practices and concerns, as evidenced by being named one of the world's leading natural capital investment managers.[1] For additional information, please visit manulifeim.com.

1 IPE Real Assets Top 25 Natural Capital Managers 2026. Ranking is based on total natural capital assets under management (AUM), which include forestry/timberland and agriculture/farmland AUM. Firms were asked to provide AUM and the as of dates vary from December 31, 2024, to December 31, 2025.

$686B

total Manulife IM AUM

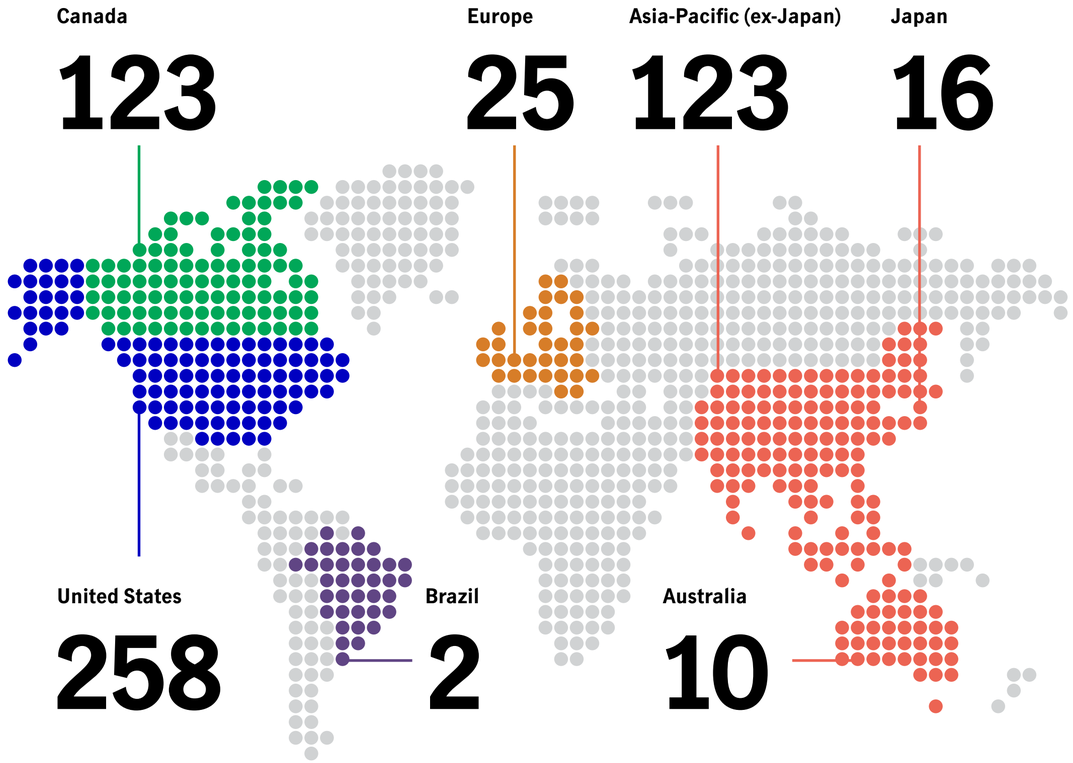
2,000+

institutional accounts

AUM includes assets internally managed by Manulife IM on behalf of external clients, the Manulife general account, and other affiliated businesses, but excludes assets under management and administration (AUMA). The methodologies used to compile the total AUM are subject to change and may not reflect regulatory AUM as reported on certain affiliates' Form ADV.

Our asset management business

557[2] investment professionals with offices in 20 geographies



Source: Manulife Investment Management, as of December 31, 2025. Manulife IM's team of global investment professionals includes expertise from several Manulife IM affiliates and joint ventures; not all entities represent all asset classes.

2 Of which 350+ portfolio managers, analysts and traders are advised on sustainability-related issues.

Employee recognition

98% of our employees

were recognized through Podium in 2025, with 17,776 awards given.

Source: Manulife Investment Management, as of December 31, 2025.

Employee engagement scores

4.35
2024

4.42
2025

which puts us in the 88th percentile of Gallup's financial and insurance company benchmark.

Source: Manulife Investment Management, as of December 31, 2025. Engagement scores are rated on a five-point scale.

Our inclusive culture aims to create an environment where colleagues feel empowered to contribute fully and provide high-quality service to our clients, business partners, and communities. We believe our culture and workforce bring a broad range of experiences, perspectives, and capabilities that strengthen our performance, our ability to meet our clients' needs, and support our competitive advantage.

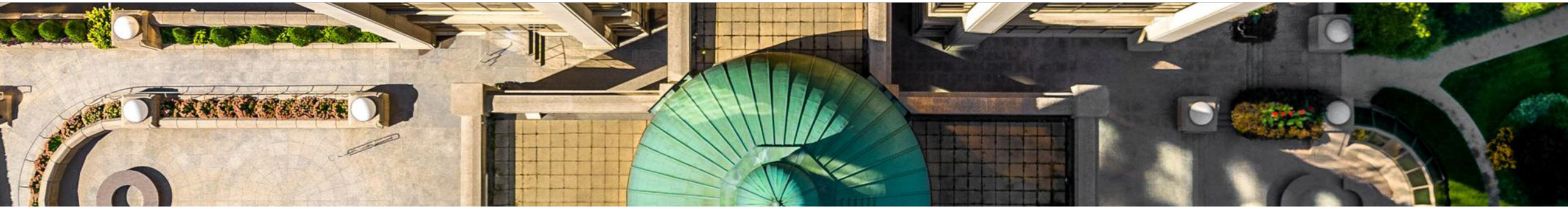
At Manulife IM, we have a diverse and engaged workforce across our global offices.

Workforce representation for Manulife Investment Management

	Woman (%)	Man (%)	Another gender (%)	Did not disclose (%)
By region				
All	**50.3**	**49.1**	**0.1**	**0.5**
Asia	58.6	41.3	0	0.1
Canada	52.8	46.3	0.2	0.6
Europe	42.7	56.1	0	1.2
United States	39.4	59.9	0.1	0.6
Other	29.2	65.6	0	5.2
By organizational level				
VP and above	34.1	65.3	0	1
AVP, director, manager	40.8	58.6	<0.1	0.6

Source: Manulife Investment Management, as of December 31, 2025. Includes regular employees, active and on paid leave. Other includes: Australia, Brazil, Chile, and New Zealand. Did not disclose includes: no responses and employees who did not disclose their gender.

See Manulife's sustainability report for information on our inclusion strategy at our parent company level.



AUM by asset class

AUM in CAD

Infrastructure[3]
$29,267M

Multi-asset solutions[4]
$170,557M

Real estate[3]
$25,448M

Listed equity
$187,905M

Private equity[3]
$21,266M

Timberland[3]
$15,848M

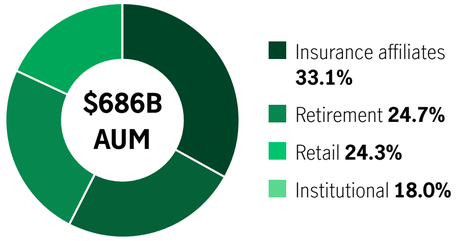
Fixed income
$224,294M

Private credit[3]
$5,362M

Agriculture[3,5]
$5,811M

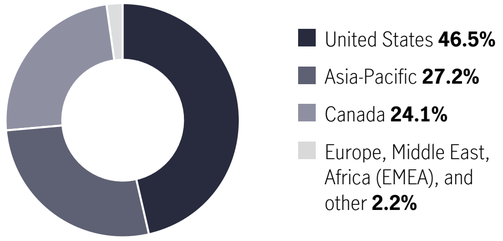
AUM by distribution channel

AUM in CAD



Totals may not sum to 100% due to rounding.

AUM by client domicile (by market)



Asia-Pacific, EMEA, and other categories include emerging-market countries. Totals may not sum to 100% due to rounding.

Source: Manulife Financial Corporation, as of December 31, 2025. Excludes subadvised AUM. The methodologies used to compile the total AUM are subject to change and may not reflect regulatory AUM as reported on certain affiliates' Form ADV.

3 AUM for private market asset classes: All AUM is calculated on a fair value basis unless otherwise noted. Data includes assets managed by Manulife Investment Management and our affiliates on behalf of Manulife's Canadian and U.S. general accounts, as well as certain third-party investors.
4 Multi-asset solutions: AUM includes $5.6 billion in other strategies. **5** Agriculture: Aggregate fund-level market value.

Governance

Sustainability governance structure

Sustainability team

Sustainability research, data, and tools

Sustainability policies, statements, and frameworks



Sustainability governance structure

Manulife **Manulife Investment Management**

Corporate governance and nominating committee	Board risk committee	Management resources and compensation committee	Audit committee

Executive sustainability council

General counsel—chair	Chief marketing officer	Chief people officer	Chief executive officer	President and CEO, Global Wealth & Asset Management*	Chief sustainability officer, Manulife	Chief financial officer	Chief operating officer	Chief investment officer	Chief risk officer

Sustainability center of expertise (meets monthly)

- Comprises sustainability professionals and functional specialists across public markets, private markets, the general account, and the Manulife organization
- Provides a forum for information sharing and consultation on sustainability-related initiatives, performance, and reporting

Legal, compliance, and government relations sustainability council (meets monthly)

- Comprises legal, compliance, and government relations members across business units and regions
- Provides legal, compliance, and regulatory affairs consultation
- Provides a forum for discussion and reviewing sustainability matters, identifying and working to mitigate risks alongside the business, and information sharing and consultation on legal, compliance, and government relations issues related to Manulife sustainability matters

* Includes Manulife IM, which is a segment of Manulife Wealth & Asset Management and the global institutional asset management arm of our parent company, Manulife.

Manulife IM sustainability committees

Public markets sustainability committee[6]

Chief investment officer, public markets—chair	Chief sustainability officer, Manulife IM	Chief investment officer, multi-asset solutions, and global equities	Global head, portfolio specialists

- Oversees ESG integration, investment stewardship, and associated reporting across public markets
- Chaired by the global chief investment officer of public markets
- Includes input from regional asset class leads
- Includes input from functional specialists, including sustainability, strategy, risk, distribution, legal, compliance, and marketing

Private markets sustainability committee[6]

Global head, private markets —chair	Chief sustainability officer, Manulife IM	Chief operating officer	Global head private equity	Global head of private credit	Global head, timberland	Global head, agriculture	Global head, real estate	Global head, infrastructure

- Oversees ESG integration, investment stewardship, and associated reporting across private markets
- Chaired by the global head of private markets
- Includes input from functional specialists, including sustainability, strategy, risk, distribution, legal, compliance, and marketing

Our committees meet at least quarterly and are convened to enable regular decision-making oversight

6 This reflects the composition of this committee as of March 30, 2026.

We've created a governance structure that enhances decision-making and oversight by leveraging the expertise of a range of functional experts and leaders from across the Manulife organization.

Manulife's Board oversight of sustainability-related matters extends to Manulife IM, where we focus on a committee structure that supports our investment teams' sustainability-related activities and stewardship practices. This structure brings together leaders from all asset classes and representatives from key functional areas, such as operations, sustainability, legal, compliance, and risk, whose contributions are crucial to supporting our sustainable investing activities and helping to ensure effective implementation. This range of expertise supports the pursuit of our clients' investment goals.

Manulife

Our sustainability governance structure is integrated with the larger sustainability governance at Manulife. The corporate governance and nominating committee (CGNC) of the Manulife board is charged with overseeing the company's ESG framework and strategy and reviewing subsidiary governance. As part of this work, the CGNC oversees Manulife's executive sustainability council (ESC), which brings together representatives from multiple businesses and functional areas across Manulife to review and approve sustainability matters relevant to Manulife's business model and strategic business objectives. Part of the work of the ESC is to drive the development of the firm's overall climate strategy, risk management activities on climate-related matters, performance tracking, and disclosures. The president and CEO of Manulife Wealth & Asset Management, alongside other senior leaders, sits on the ESC and helps ensure that key sustainability and stewardship information flows between Manulife IM and the Manulife board.

For more information, please see Manulife's sustainability governance webpage.

Sustainability committees

We understand that sustainability and stewardship can look very different across asset classes, which is why we created two sustainability committees (SCs) within Manulife IM, one for public markets and the other for private markets. This split structure helps ensure that we leverage specific asset class expertise in the oversight of our ESG integration, sustainability-themed products, and stewardship activities. These committees, which meet at least quarterly, are chaired by the global chief investment officer (CIO) of public markets and the global head of private markets, respectively, with membership drawn from Manulife IM's asset class investment heads and including Manulife IM's chief sustainability officer (CSO).

The work of the SCs is ultimately intended to ensure implementation of Manulife IM's sustainable investing and sustainability risk statement and execute on Manulife IM's belief that our approach to sustainable investing helps us deliver attractive risk-adjusted returns to our clients over the long term.

To this end, the SCs, among other activities:

- Set direction for Manulife IM's sustainability strategy
- Provide oversight of sustainable investment frameworks and strategies
- Conduct ongoing risk assessments
- Steer our sustainability and stewardship initiatives
- Review sustainability reporting
- Review and approve Manulife IM's sustainability and stewardship policies, statements, and frameworks[7]

Artificial intelligence governance that empowers firm innovation

Manulife has actively invested in, and scaled, AI capabilities since 2016, with work across teams guided by a series of AI Principles that guide how we design, develop, and deploy AI solutions. Within Manulife IM, we seek to enable cross-functional collaboration between technology experts and our business functions to explore AI use-cases and eventually implement new capabilities. In public equity and fixed income, for example, we convene regular "AI Office Hours" where our technology specialists meet with our investment professionals to make iterative improvements to our AI research capabilities and develop new use-cases for utilization of AI in the investment function. This type of collaboration has also allowed us to develop an AI research assistant to evaluate data, including sustainability data, for issuers across more than 100 AI-driven prompts.

7 See sustainability policies, statements, and frameworks for more information and the sustainability section of Manulife IM's institutional website.

Sustainability team

Our chief sustainability officer and sustainability team

We aim to integrate financially material sustainability considerations across our products and beyond tactical public or private markets allocations because we believe that our global scale and cross-asset expertise help us deliver comprehensive sustainable investing solutions across a broad spectrum of client portfolios.

Manulife IM's CSO works regularly with our asset class leaders to coordinate sustainable investment support across investment activities when developing and servicing our client portfolios. Sitting on the two respective SCs to connect sustainability strategy and oversight across asset classes, our CSO communicates directly with other leaders across Manulife businesses. At our parent company level, for example, our CSO works closely with Manulife's chief sustainability officer—a connection that ensures our governance structure is well aligned with the broader sustainability community and leadership across Manulife.

Reporting to our CSO, our sustainability team supports investment teams with the implementation of our sustainable investing approach across asset classes. With reference to the three lines of defense risk management model,[8] this team reinforces our first-line defense, with a focus on enabling investment teams and supporting the implementation of our sustainability and stewardship strategy.

Resources and incentives

We've built a wide-ranging support structure that enables investment professionals to incorporate sustainability and stewardship into their investment processes as they strive to successfully deliver clients' goals in accordance with our fiduciary duty to those clients. This structure includes a centralized team of sustainability professionals, alongside the provision of tools, training, and data to enhance decision-making.

Centralized support from sustainability professionals

To better serve our clients, our group of 31 sustainability professionals enables and strengthens ESG integration and stewardship activities across our investment teams.

This team is staffed by professionals with broad and diverse multidisciplinary skill sets that make them well suited to addressing the dynamic and complex requirements of sustainable investing and asset stewardship at a global firm. Some of these professionals have decades of investment experience, while others have worked at sustainability data providers, possess legal backgrounds, or bring scientific credentials to their roles. Taken holistically, our team has the skill and experience to support complex investment research, robust client reporting, product development, financial modeling, proxy voting decision-making, issuer and regulatory engagement, and collaboration with peers through industry initiatives.

In addition, as part of recent organizational changes and in alignment with our broader sustainability strategy, we designated three members of the sustainability team to lead strategy and activities under each of our three sustainability strategy themes: climate, nature, and people.



8 As further explained in the risk management subsection. **9** Includes four dedicated analysts provided through our partner, Acuity. **10** Includes one staff member in a dual reporting role.

30+
dedicated sustainability professionals[9,10]

350+
portfolio managers, analysts, and traders are advised on sustainability

- Analysis of sustainability risks and opportunities
- Development of tools to aid sustainable investing and stewardship
- Frequent communication on sustainable investing information
- Regional experts located across low-, middle-, and high-income countries
- Guidance on exercising rights
- Engagement and collaboration with investees and other stakeholders[11]
- Training and education

11 When we describe stakeholders in our investment and stewardship activities, we consider it a broad term to encompass a range of partners with whom we engage as we ultimately strive to achieve client goals. Stakeholders can vary by asset class, activity, and region, among other factors. In public markets collaborative engagements, for example, we engage with a range of partners, including asset owners, peer asset managers, companies, and nonprofits, and would consider all of these partners stakeholders. In our timberland business, in contrast, we may partner with Indigenous community bodies, conservation departments, corporations, and local communities.

The sustainability team collaborates across the investment, product, and asset class lifecycles to provide support that includes:

- **Analysis of sustainability risks and opportunities—**Work with investment professionals to assist them in understanding and leveraging sustainability data and research, including differences across asset classes, markets, and sectors, in their investment analysis
- **Development of tools to aid sustainable investment—**Identify tools that help investment teams assess sustainability risks and opportunities and develop new tools where we see an opportunity to add value
- **Frequent communication on sustainable investing information—**Put in place recurring and ad hoc meetings with investment professionals to discuss sustainability research and data, review stewardship plans and activities, disseminate sustainable investing-related updates, and communicate updates to sustainable investing business plans
- **Engagement with investees and other stakeholders—**Support engagement with investees and other stakeholders by identifying material sustainability issues to inform the agenda for further conversation on their potential, which may have an effect on the risk/reward profile of a given investment; this support may extend to participation in collaborative initiatives intended to address systemic risks
- **Training and education—**Conduct training sessions for investment personnel on sustainability themes; this training can be part of ongoing professional development or ad hoc sessions at the request of investment teams to enhance their knowledge on a particular sustainability topic
- **Guidance on exercising rights—**Review the exercise of certain rights associated with ownership and/or management of an asset class by advising investment colleagues on the intersection of sustainability-related factors and the exercise of their rights; support can range from research that assists in proxy equity voting decisions to the identification of sustainability-related factors that may help us exert influence through a credit event in our fixed-income holdings
- **Product development—**Support the development of thematic and impact-related investment products and strategies, including sustainability reporting

Decades of experience in Asia emerging markets[12]—on-the-ground investment professionals with in-depth knowledge

Through a global footprint of investment professionals, we can apply a broad range of local and market expertise to our range of products. For example, our emerging-market equity team focuses on identifying high-quality companies in emerging markets, while our emerging-market debt team focuses on strategic allocations to hard currency and sovereign and corporate debt. We also have investment professionals embedded in multiple emerging markets such as Chinese Mainland, Indonesia, Vietnam, Malaysia, the Philippines, and India. We're able to leverage their local knowledge to support our investment decision-making.

Our data vendors are still expanding coverage for these markets as regulators are also increasing disclosure expectations, and our local teams remain invaluable when filling information gaps. For this reason, we also believe it's important to consider local expectations and practices and to compare investment opportunities on a like-for-like basis; therefore, for public assets portfolio reviews, we'll use corporate governance data that considers practices in a given issuer's home market. Similarly, our proprietary sovereign debt model only compares an issuer's sustainability characteristics with those of sovereign issuers within the same economic development tier.

12 Represents the time we have been in continuous operation in these markets, although our firm history in Asia markets can be traced back as far as 1897 in Chinese Mainland, which we exited in 1946 before reentering in 1996.

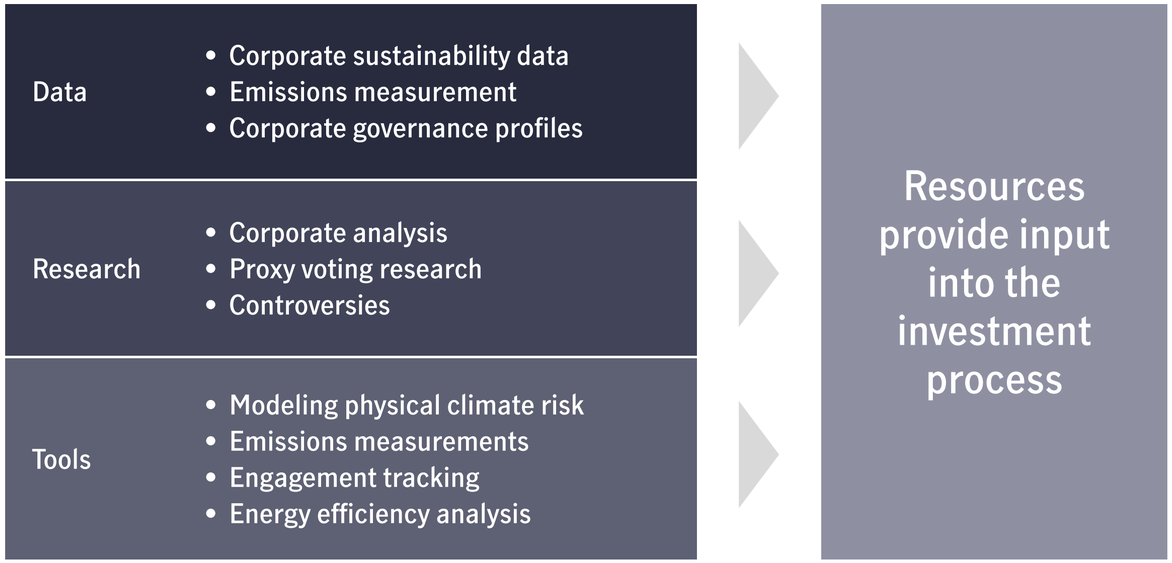
Accountability for sustainability and stewardship in compensation structures

We believe that incentivizing our employees to align with the goals of our clients helps us to achieve clients' investment objectives. For this reason, the contribution of investment professionals toward sustainable investing and stewardship within their relevant portfolios is a consideration used in the annual discretionary bonus decision-making process across most asset classes.[13] Where financially material and in line with our fiduciary duties to clients, teams are expected to contribute to the firm's advancement in sustainable investing overall and adhere to research processes that integrate sustainability considerations. In addition, certain senior leaders have goals related to sustainability; for example, some of our asset class investment leaders have clear goals intended to consistently improve our sustainability integration practices, which are linked to their compensation.

Members of our sustainability team are evaluated on a range of annual performance goals related to the success of our sustainability program. These assessment criteria may vary depending on the asset class they support and can include consideration of their contributions to sustainability research, stewardship support, achievement of third-party certification standards, and other evidence of progress toward our sustainability goals.

Sustainability research, data, and tools

We have access to internal and external data, research, and tools that we can use to assess the potential impact of material sustainability-related factors on the valuation and risk/return profile of client portfolio investments. External sustainability data is sourced from a multitude of vendors, ranging from third-party global research specialists to ratings and sector/thematic data providers. We use these resources to support integration, engagement, collaboration, and proxy voting. We also support client needs by harnessing data to implement investment screens that consider sustainability characteristics.



Illustrations of our process (and information sources) may change over time. This data could include scoring and rating data compiled to help investment teams compare companies. Some data used to compile third-party sustainability scores, and ratings may be subjective. Other data may be objective in principle but are not verified and may contain estimated data. Third-party scores may also consider or weigh sustainability-related criteria differently, meaning that companies can receive widely different scores from different third-party providers.

13 Does not include securitized fixed-income and multi-asset solutions.

Sustainability policies, statements, and frameworks

Learn more about our sustainable investing policies and statements

Our policies, statements, and frameworks—available in the sustainability section of our institutional website—and governance practices guide our sustainable investment activities.

Our fiduciary duty to our clients is the governing principle for these documents, which direct action across our investment activities, from integration to investment stewardship. These documents generally consider that practices and expectations may differ across markets, asset classes, and sectors, among other factors.



Global policies, statements, and frameworks

- Sustainable investing and sustainability risk statement
- Climate statement
- Nature statement
- People statement
- Carbon principles
- Cluster munitions policy
- Global issuer engagement policy
- Global proxy voting policy and procedures
- Global proxy voting guidelines
- Executive compensation statement
- Responsible contracting policy
- Timberland and agriculture policy on deforestation
- Water statement
- Client-directed exclusions framework

Asset class-specific sustainability frameworks

- Real estate sustainability framework
- Timberland and agriculture sustainable investing framework
- Infrastructure sustainable investing framework
- Private equity and credit (PE&C) sustainable investing framework

Manulife IM's people statement

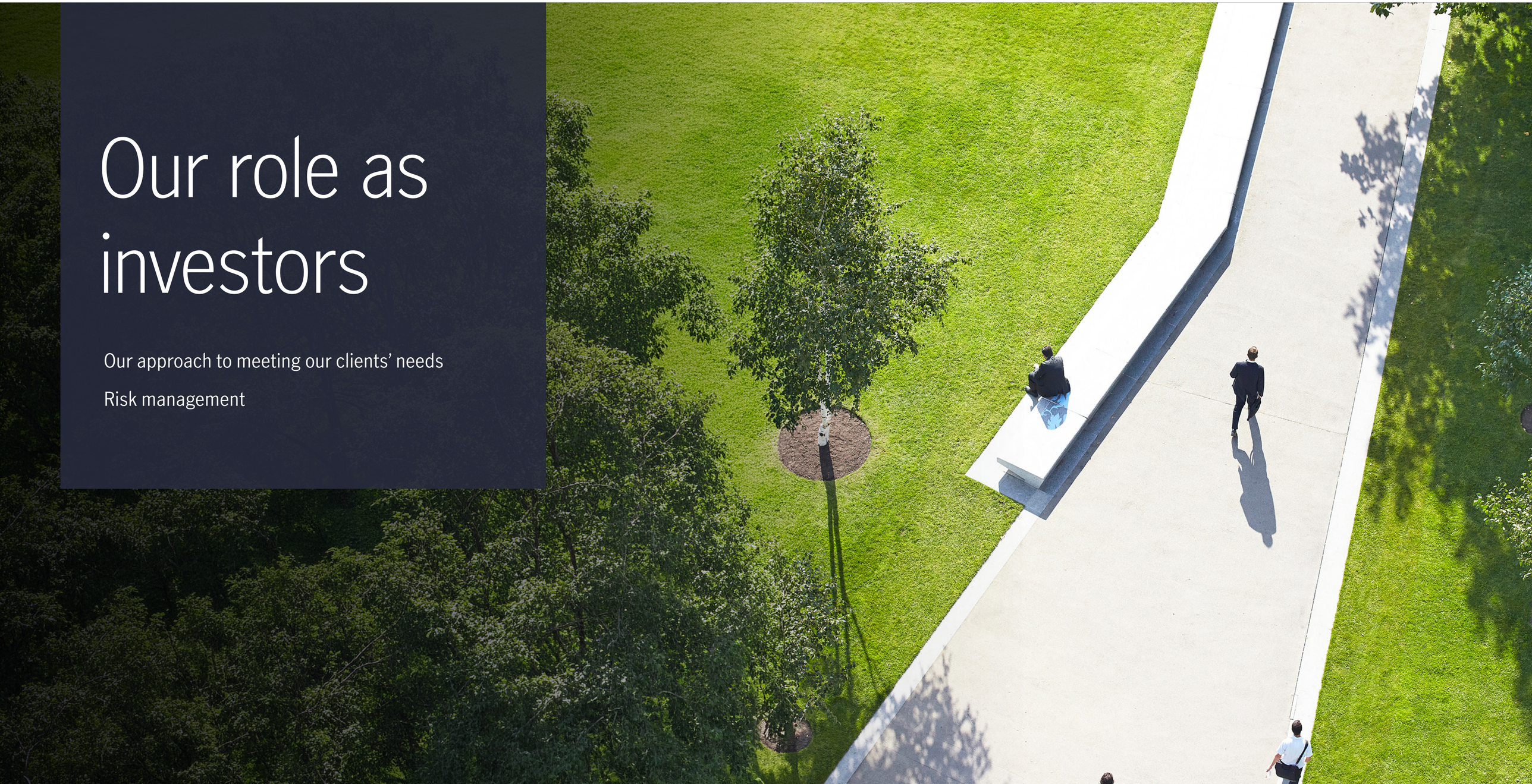
In 2025, Manulife IM published a people statement to articulate our high-level approach to human rights due diligence and addressing inequalities across the investment lifecycle. Our activities and offerings may look different across asset classes since opportunities may change depending on the sector we are invested in and the degree of our operational control over the investment. As we articulate in our people statement, however, our stewardship strategies are anchored in a set of core activities aimed at delivering competitive long-term investment results for our clients, including:

- **Conducting research:** We research and monitor emerging risks, opportunities, and global developments while identifying leading practices that inform our property management and stewardship strategies.
- **Capacity building:** We are building capacity and awareness across our investment and real assets teams while developing proprietary tools, guidelines, and training to inform acquisition, investment, and proxy voting decisions.
- **Stewardship and engagement with our supply chain:** We update and develop operational standards for our directly operated real assets while engaging business partners on practices that affect their employees and the communities where they operate.
- **Stewardship and engagement with our portfolio investee/portfolio companies:** We monitor and engage portfolio companies on controversies, key people-related performance metrics, and emerging expectations—including the just transition and responsible technology—to assess practices, remediation pathways, and future plans.

Our role as investors

Our approach to meeting our clients' needs

Risk management



As an asset manager, we aim to deliver strong risk-adjusted investment returns for our clients over time, operating within a flexible framework that's defined by each client's portfolio mandates and investment objectives.

Naturally, our success is judged by how well we meet our clients' needs and objectives, including how effectively we identify and manage investment risks and opportunities. Accordingly, we seek to address material risks and opportunities that we believe may arise from systemic global challenges such as climate change, nature loss, and inequality.

As part of that effort, we integrate what we consider to be financially material sustainability factors into our investment processes and strategies across asset classes and geographies worldwide.[14] Our approach to doing so focuses on three broad core themes—climate, nature, and people—that are directly informed by and linked to financial materiality assessments we've conducted.

For more information, please see the sustainability strategy section of this report.

Our culture, values, and beliefs

As an active global asset manager with a corporate culture steeped in thoughtful collaboration combined with in-depth, objective analysis and research, we believe we've developed a firm understanding of how various sustainability-related factors and principles can help inform our investment activities and decisions.

At a high level, we believe sustainability is an important material driver of financial value creation for our clients, while active stewardship practices can help us build strong relationships with all our stakeholders, from clients and employees to tenants, borrowers, and investment partners.

Our core beliefs support our culture of sustainability[14]

Sustainability-related factors can affect financial value

We integrate what we consider to be financially material sustainability-related risks and opportunities into our investment decision-making processes throughout the investment lifecycle.

Active managers have a built-in stewardship advantage

We draw on our deep knowledge and relationships with our investees to encourage performance improvements aimed at achieving our clients' objectives and enhancing the long-term value of their portfolios. Where we operate assets, we pursue what we see as the best sustainability processes and standards on behalf of our clients, our firm, and our employees.

Clients benefit from a range of sustainable investing options to meet their unique requirements

Today's clients have increasingly sophisticated investment needs, goals, and expectations, including their approach to sustainability factors. Preferences may range from sustainability integration to exceptional impact investments. Therefore, offering a broad array of products and services enables us to better serve our clients.

14 We seek to incorporate financially material sustainability considerations throughout the stages of our investment and asset ownership lifecycles, taking into account the characteristics of the asset class and investment process in question, as well as industry and geography, among other factors. Each investment team operates in different markets and with different nuances in its approach to investing. Accordingly, each team integrates financially material sustainability-related factors into its investment process in a manner that best aligns with its investment approach. Exceptions include strategies where a sustainability integrated investment approach is impractical, impossible, or not aligned with client objectives—for example, for certain strategies where sustainable comparable alternatives are unavailable, passive products, funds that invest in derivative instruments, products managed in accordance with specific client objectives which expressly limit or prohibit integration of such sustainability-related factors, and delegation to third-party asset managers. Refer to Manulife IM's sustainable investing and sustainability risk statement for more detail.

Our approach to meeting our clients' needs

We take a highly consultative approach to meeting our clients' sustainability-related needs and objectives. We seek to support their portfolio goals and expectations by leveraging our sustainability and investment expertise across a broad range of geographies and asset classes, as well as by offering a variety of multi-asset solutions. We continuously work to enhance our product offerings and the quality of our reporting in line with applicable industry standards, best practices, and client demand.

The spectrum of our sustainable investing offerings

ESG integration

Consideration and analysis of financially material sustainability risks and factors as part of investment decision-making

Negative screening[15]

Industry sectors or companies excluded or divested to avoid risk or to better align with client values

Positive screening[15]

Investments that target companies or industries with better sustainability performance

Thematic investments

Investments that specifically target sustainability themes (e.g., clean energy, green property, climate mitigation)

Impact investments

Investments that intentionally and additionally seek to generate positive, measurable social and/or environmental impact as a core component of their investment thesis alongside a financial return, which emphasizes the optimization of social and/or environmental benefits and may result in a financial trade-off

For illustrative purposes only. A sustainability risk is any sustainability-related event that, if it occurs, could or will have a material negative impact on the value of investments we make for our clients. Sustainability-related factors include environmental, social, and employee matters; respect for human rights; and anti-corruption and anti-bribery matters. Please see Manulife IM's sustainable investing and sustainability risk statement for more detail.

15 Applicable to public markets strategies only.

A broad, robust suite of sustainable investing solutions

We make decisions easier and lives better by empowering investors for a better tomorrow. Our clients rely on us to develop and offer a broad range of investment strategies designed to help meet their particular portfolio needs and objectives. To that end, our spectrum of investment offerings features a robust suite of sustainable investing strategies across asset classes.

Examples of our sustainable investing strategies[16]

- **Client-directed exclusions—**This optional investment exclusions framework offers clients the ability to screen out investments with exposure to certain sustainability risks, including thermal coal mining, thermal coal power generation, and tropical deforestation.
- **Global Climate Equity and Climate Bond Strategies—**These strategies aim to align their portfolios with the overarching goal of reducing greenhouse gas (GHG) emissions and achieving real-world decarbonization while investing in companies that we believe may outperform through climate-related actions.
- **Global Environmental Transition Strategy—**This global thematic equity strategy offered in Asia seeks to achieve long-term capital growth by investing in companies that we believe positively contribute to the energy transition through low-carbon solutions and/or products and services that enable energy efficiency, promote electrification, or improve resource use.
- **Hancock Timberland and Farmland Strategy—**We offer fully integrated (property and investment management), sustainable global timberland and agriculture investment solutions comprising diversified sources of return and cash-yield strategies.
- **Manulife Co-Investment Partners Strategy—**This private equity strategy focuses on investing within detailed sustainability criteria with the goal of promoting environmental and social thematic priorities, including people empowerment, a responsible digital economy, climate stability, and sustainable societies. The strategy will invest alongside certain private equity sponsors in equity co-investments.
- **Manulife Forest Climate Strategy—**This innovative impact strategy provides investors with the opportunity to promote climate change mitigation through sustainably managed forests, where carbon sequestration is prioritized over timber production. The strategy seeks to invest in a globally diversified portfolio of sustainably managed timberland assets with strong carbon sequestration potential and high conservation value while pursuing attractive risk-adjusted returns for investors.
- **Manulife Infrastructure Strategy—**This private equity infrastructure equity strategy focuses on core/core-plus, mid-market U.S. infrastructure assets and provides exposure to multiple sectors, including renewables, digital infrastructure, utilities and energy, and transportation, with sustainability considerations factored into investment decisions.
- **Manulife Permanent Cropland Plus Strategy—**Our vertically integrated, sustainable agricultural investment strategies include a variety of commodity types and global geographies, with each strategy implementing regenerative farming practices and providing opportunities to invest in midstream operating companies beyond the farm gate.
- **Manulife Sustainable Forestry Strategy—**A globally diversified portfolio of sustainably managed forestry assets to create value from the growing demand for forest products and rising need for nature-based solutions that help mitigate climate change and protect biodiversity.
- **Sustainable Asia Bond Strategy—**This fixed-income strategy aims to invest predominantly in Asian bond issuers that we believe demonstrate strong sustainability attributes and/or adhere to enabling sustainable practices. We also offer an investment-grade version of the strategy that was one of the first sustainability-themed investment products offered to Mandatory Provident Fund participants in Hong Kong.
- **Sustainable Asia Equity Strategy—**Available to clients in Europe and Asia, this Asian equities strategy integrates sustainability in part through portfolio tilts toward companies that exhibit environmentally and socially responsible characteristics.

For more information on our approach to sustainability within each asset class, please see the Sustainable investing in action section of this report.

16 Not all strategies are available to all investors in all jurisdictions. For more information about specific products, please refer to their offering documents.

Soliciting regular feedback from clients

We make every effort to understand the needs and objectives of our clients through direct and regular interactions. At a minimum, we endeavor to speak with clients on an annual basis. We use these discussions to elicit clients' feedback on their overall investment goals and needs and to review their particular sustainability objectives. In addition, we use clients' specific requests and questionnaire responses to better inform our client reporting and help ensure that we're continuously learning and evolving, being transparent, and tracking, identifying, and prioritizing emerging trends.

To help clients better understand the outcomes of our active engagements with issuers and our operational sustainable investing initiatives, we've continued to add new sustainable investing case studies to our institutional website. The situations presented in the case studies reflect the wide array of sustainability issues with which our professionals across the business regularly engage on behalf of our clients and stakeholders.[17]

In addition, we frequently publish white papers and other thought leadership articles to share our latest research, viewpoints, and expertise on sustainable investing topics and trends. For example, in 2025, our publications explored climate adaptation, physical climate risk, human rights due diligence, and water risk.

In 2025, we also conducted outreach to clients at several industry events and responded to client and consultant requests to deliver bespoke training on sustainable investing trends. These conversations with clients and consultants covered climate risk, natural capital management, and the digital economy, among other topics.

17 Please refer to the appendix for an overview of case studies.

Considering clients' investment time horizons

While Manulife IM investment time spans can vary by client mandate, asset class, investment strategy, and materiality of sustainability-related factors, we generally consider longer-term time horizons across the assets we manage. Some examples of each factor and the associated timelines are:

Clients—Investment timelines are mandate-specific, but we have clients such as endowments, foundations, family offices, and pensions with investment horizons that are intended to last in perpetuity.

Asset classes—Private assets are managed along timelines that can extend for significant periods. Our private infrastructure strategies consider an operational time frame of up to 50 years, with returns generally expected to mature 7 to 10 years after investment.[18]

Material sustainability-related factors—Risks and opportunities posed by climate change not only have an effect across asset classes, but also across the short-, medium-, and long-term time horizons. We strive to consider both the risks and opportunities associated with transition and physical risks and the associated timelines as we manage client assets.

18 The investment term of private strategies will vary from strategy to strategy depending on a number of factors, including asset class and product structure. Offering documentation should be reviewed for full details.

Clients are expressing views on sustainable investing

Some of our clients continue to elevate their expectations regarding sustainable investing and stewardship practices. Regular due diligence questionnaires (DDQs) and requests for proposals (RFPs) are an important means through which our clients articulate their priorities. In addition, we're often asked about our investment stewardship and engagement strategies and activities, sustainability integration practices, and sustainability metrics. We may consider client questions in RFPs and DDQs as we iterate our sustainable investing and stewardship practices.

Client reporting

Our clients routinely request customized reporting to supplement the information found in our public and regulatory-mandated reports. For example, on request from a client, we may provide more detailed sustainability data at the fund level or about the engagement and/or proxy voting activities we undertake in relation to holdings in that client's portfolio. We also submit sustainability data to certain industry benchmarks, including GRESB, the ESG Data Convergence Initiative (EDCI), and Finance for Biodiversity.

Public reporting

In addition to this report, we make the following materials available to our clients and other stakeholders:

- **Asset class-specific sustainability reports**—We publish annual reports for our agriculture, timberland (natural capital), and real estate asset classes. We also offer specific infrastructure reports for clients.
- **Nature-related financial disclosures**—Our timberland and agriculture nature disclosures are informed by the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).
- **Manulife sustainability report**—Our parent company, Manulife, publishes its own separate annual sustainability report that describes its sustainability strategy, performance, and results.
- **PRI assessment**—As a signatory to the Principles for Responsible Investment (PRI), we submit and publish reports in line with the PRI's reporting requirements.





Risk management

Systemic risks in financial markets are generally non-diversifiable and, therefore, may have a negative impact on investment returns across client portfolios. As long-term investors, we've established a multi-layered risk management structure to help mitigate the investment risks that may arise from systemic risk exposures in our portfolios. In addition, we participate in various initiatives to help protect the integrity of well-functioning financial markets in the face of these risks.

In the sustainability strategy section of this report, we discuss our approach to climate change, nature loss, and inequality risks that, in our view, will likely present systemic threats to financial, environmental, and societal stability—and, therefore, to our businesses and our clients' financial objectives—over the coming decades.

We believe that understanding and awareness of systemic risks across the capital markets remain fragmented and incomplete, leading to potential mispricing of investment assets, and that many companies may be inadequately prepared to respond to these risks (and to related opportunities). We may take a variety of steps toward managing material sustainability-related risks and opportunities across our businesses and investments, including through stewardship, investment research, and investment decisions.

Systemic risk evaluation as part of our overall risk management framework

Building on our history as a trusted fiduciary, long-term investor, and engaged corporate citizen, we actively solicit input from external and internal stakeholders as we seek to evolve our capital allocation and sustainability practices.

Our culture of collaboration and innovation enables us to effectively leverage the range of capabilities across our platform to enhance our approach to sustainability by combining local knowledge with a broader global perspective. Because we operate across numerous asset classes and global markets, our investment teams are empowered to account for market and systemic risks in their respective investment processes and strategies, which are then monitored at an organizational level.

Manulife IM employs a risk management approach that consists of what we call the three lines of defense, each of which has its own separate management structure and reporting authority to help ensure independence.

While risks—particularly systemic risks—can never be entirely eliminated from investment portfolios and business operations, we believe our intersecting risk management processes help us to effectively manage and mitigate these risks in our clients' portfolios and for the assets we operate.[19]

We rely on both quantitative and qualitative risk management inputs

Across our investment capabilities, portfolio managers are ultimately responsible for managing risks in the portfolios they manage. In connection with a variety of systemic risks commonly defined in terms of sustainability-related factors, we participate in collaborative efforts, which helps us to amplify our influence across global capital markets and potentially minimize the impact of systemic risks.[20] Our public markets investment teams are supported by an investment risk group, a sustainability team, and models that collectively monitor and manage market risks. Across all asset classes, our sustainability professionals help portfolio managers stay on top of the systemic risks that arise from global issues such as climate change.



For illustrative purposes only.

19 Please refer to the sustainability strategy section of this report for more information. **20** Even though we may collaborate with other stakeholders in engagement and collaboration activities, we, or in some cases our clients, retain the ultimate and unilateral discretion to make investment decisions and also address those issues independently. See more in the engagement and collaboration subsections. **21** Including climate risks, nature risks, and people risks.

Sustainability strategy

A message from Brian Kernohan

Climate

Nature

People



A *message* from Brian Kernohan

We aim to create long-term value for clients through sustainable investing by strengthening how we assess risk, allocate capital, and identify durable opportunities over time. As we strive to unlock this value, we execute an operationally grounded, investment-focused strategy embedded in core portfolio management processes. By integrating financially material sustainability factors into research and decision-making, we support informed investment judgment, enhance risk management, and build more resilient client portfolios, which we believe are positioned to perform across market cycles.

As chief sustainability officer, I prioritize our bottom-line impact by integrating sustainability-related data and insights directly into decision-making and financial performance, enhancing the operational efficiency of our owned and operated assets, and ensuring our sustainability program is anchored in protecting and building long-term returns. Importantly, it also means translating strategy into action through clear governance, the right team structure, and disciplined processes that drive consistent execution across the platform.

Manulife IM's global, multidisciplinary sustainability team is committed to creating long-term value for clients and strengthening the firm's competitive advantage as a global leader in sustainable investing. With deep expertise across asset classes, ESG integration, and stewardship, our structure enables consistent client service across regions, while leveraging local market knowledge and on-the-ground expertise to deliver more effective outcomes. Our global presence with local support enables us to tailor resources to the needs of our clients, investment teams, and distribution partners, while expanding access to key capabilities across the platform.

Achieving a disciplined focus on the issues most relevant to long-term value creation requires more than a well-defined strategy. It also demands rigor, sustained commitment, and the ability to adapt as markets evolve and opportunities shift. We navigate this dynamic investment context through our governance and operating model, including clear decision rights, accountability, and repeatable processes embedded in investment teams. In practice, this includes:

- **Focusing our strategy on three themes**—climate, nature, and people—grounded in our materiality assessment and designed to identify issues that are, or may become, financially material to client portfolios and our business.
- **Incorporating major global megatrends** into our thinking as they reshape markets, our industry, society, and investment processes. Considering AI as an example, we continue building on AI capabilities we've scaled since 2016, guided by Manulife's AI principles, and supporting deeper integration of AI into our sustainability processes across asset classes to enhance sustainability research and advance decision-making.
- **Managing issuer-specific and systemic risks** by advancing our approach to "people", as explained in our newly introduced people statement, through strengthening human rights due diligence (HRDD) in investment processes, and supporting more inclusive economic outcomes—including through our role as a founding partner and Steering Committee member of the Taskforce on Inequality and Social-related Financial Disclosures (TISFD).

We look forward to continuing our work with you as we refine and execute our strategy to deliver long-term value for our clients. We hope this report conveys our commitment and approach, and we welcome your questions and feedback.



Brian Kernohan
Chief Sustainability Officer
Manulife Investment Management

We believe many investment opportunities and significant risks emerge from three of the world's biggest sustainability challenges—climate change, nature loss, and rising inequality—and we align our sustainability offerings and processes to address these themes across the assets we manage.

Some systemic risks are so material that they threaten the continued smooth and sustainable operation of the economy, our society, and even the planet. Climate-related risks pose a systemic threat to financial, societal, and environmental stability, while business leaders consistently identify nature loss as one of the top risks to the global economy. As awareness of income inequality and discrimination grows, it increasingly represents an actionable frontier for sustainability-focused investors.

Materiality underpins our approach to sustainability and stewardship

Climate, nature, and people are core themes that link directly to our materiality assessment, which identifies and communicates sustainability factors that may be financially material to our clients' investments and to our ability to operate on their behalf. Our goal as an asset manager is to identify and mitigate these risks to the extent we're able, adapt to the risks that can't be fully mitigated, and realize as many of the opportunities as we can.

The three themes are also linked to the global megatrends of decarbonization, demographics, digitization, and deglobalization. As long-term investors, we strategically consider and integrate these trends into our investment decision-making process because they're expected to significantly shape the future, both for our clients and for society.

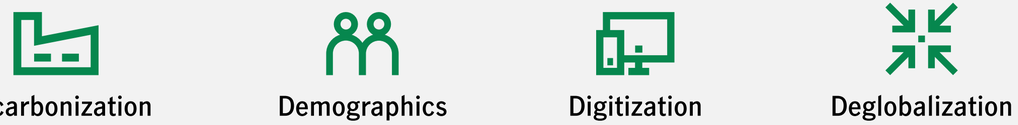
Our three core themes

Climate—Intrinsically connected to decarbonization and the energy transition by prioritizing future resilience and mitigation: Climate change represents a systemic threat with the potential to cause immediate and possibly irreversible damage impacting the global economy, financial markets, and society as a whole. It is a driving force behind shifting global demographics and the ongoing loss of biodiversity.

Nature—Closely linked to decarbonization, demographic shifts, and deglobalization: Protecting healthy ecosystems is immensely valuable to the vitality of communities and economies, as nature loss is one of the top risks to the global economy. Nature-related risks are increasingly disrupting businesses as water stress affects global supply chains, ecosystem degradation undermines key commodities and assets, biodiversity loss reduces agricultural productivity, and unmanaged environmental impacts expose companies across sectors to higher legal, credit, and valuation risks.

People—Employees, workers across the supply chain, and community members are fundamental value and risk drivers in our sustainable investment strategy. By respecting and promoting their rights throughout the value chain, we not only help prevent the deepening of inequalities that current global megatrends may cause (and that pose systemic risks to societies, economies, and the financial markets that depend on them), but also strengthen human and social capital, support resilient business models, and contribute to inclusive economic growth that underpins long-term investment performance.

Current global megatrends



Source: Manulife Investment Management, 2025. For illustrative purposes only.

Digitization in action: Our sustainable digital economy strategy in private equity and credit

We believe that investors and companies that proactively address evolving issues in technology and foster strong governance, practices, and culture around responsible technology innovation and implementation (RTII) will achieve more resilient business models, enhanced downside protection and risk management, and will deliver better investment returns and business outcomes over time.

With that vision, we have been working on a sustainable digital economy strategy to inform our asset management and stewardship activities and respond to associated emerging risks and opportunities.

Our strategy comprises four building blocks:

1. **Research and Thought Leadership:** We look for evidence connecting RTII and financial performance
2. **Engagement:** We engage with portfolio companies, sponsors, standard setters, asset owners, and industry associations to identify existing practices and emerging expectations
3. **Integration:** We use what we learn to develop guidance and associated tools to help stakeholders integrate consideration of responsible technology-related risks and opportunities into the investment lifecycle
4. **Collaboration:** We actively collaborate with other thought leaders and industry associations to share findings and strengthen and iterate our approach in response to a rapidly changing field



Climate

This section builds on our previous Task Force on Climate-related Financial Disclosures (TCFD) reports[22] to align our responses with the International Sustainability Standards Board's (ISSB's) IFRS S2 Climate-related Disclosures standard, which leverages the TCFD framework. Here, we outline our approach to climate-related risks and opportunities and how we strive to demonstrate innovation and outpace the expectations of our clients. Sustainable investing is an evolving field, so we'll continue this journey with our clients as we navigate the changing regulatory and global environment, particularly around climate disclosures.[23]

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

This includes how we manage our operations, how we make investment decisions, and how we develop and offer financial products and services, always with a view to our clients' and investors' best interests and objectives.

For information on Manulife's corporate climate strategy, see Manulife's climate action plan and climate action implementation plan.

Governance

In addition to the high-level governance of climate risk described in the governance section, we have established internal working groups to monitor emissions (e.g., a Scope 1 and Scope 2 working group and a financed emissions working group) and real asset decarbonization initiatives (e.g., decarbonization working groups in real estate, agriculture, and timberland).

For additional information on Manulife's climate strategy governance, please see the sustainability governance and climate-related risks and opportunities sections of Manulife's sustainability report.

22 We support the adoption of industry-wide standards for disclosure, including the framework outlined by the TCFD and the ISSB recommendations (IFRS S1/S2) which fully incorporate and build upon the TCFD recommendations. We have sought to voluntarily align with TCFD principles, where possible. **23** Manulife IM functions as part of the broader Manulife group, not a stand-alone entity. That said, this section does not purport to reflect Manulife's overall climate initiatives or to comprehensively disclose its approach to climate risks and opportunities. It seeks to holistically cover Manulife IM's capabilities across asset classes and may be supplemented by climate disclosures, which are published as part of Manulife's sustainability report, as well as Manulife's climate action plan and climate action implementation plan, for a broader perspective. As an entity authorized and regulated by the Financial Conduct Authority in the United Kingdom, Manulife Investment Management (Europe) Limited fulfills the relevant reporting requirements through its entity TCFD report.

Strategy

At Manulife IM, we believe that unmitigated climate-related risks may pose imminent or chronic material risks to investments. These risks present a systemic challenge to financial, environmental, and societal stability—and therefore to our businesses, assets, and clients' financial objectives—over the coming decades. The World Economic Forum (WEF) has consistently identified failure to mitigate climate change and climate change-linked natural disasters and extreme weather events among the top potentially damaging global risks over the next 10 years.[24] As noted in the WEF 2026 Global Risks Report, 2024 marked the first calendar year in which global temperatures exceeded 1.5 degrees above pre-industrial levels, and climate change now operates as a powerful risk multiplier, intensifying and interacting with economic, technological, and geopolitical pressures.

Our climate change statement[25] outlines our belief that asset managers must consider the effects of climate change at each step of the investment life cycle, from initial diligence to exit. These effects will manifest as both risks and opportunities for almost all companies in all industries and must be properly assessed to safeguard clients' financial security.

We aim to identify climate risks and opportunities over various time frames and, where material, reflect their financial impact in our investment analysis. In alignment with our parent company, Manulife's risk assessments, we consider time horizons for climate-related issues, as follows: short-term refers to 1 to 5 years, medium-term refers to 5 to 15 years, and long-term refers to 15+ years.[26]

While we recognize that the economic impact of climate change will vary across companies, assets, sectors, industries, and geographies,[27] we generally believe that the companies we invest in must consider responding to the challenges of climate change. This involves adopting new technologies, responding to changing policies, shifting consumer preferences, and preparing for both acute and chronic physical consequences. These conditions and imperatives create risks and opportunities that have financial impacts that investee companies need to act on today.

The response to climate change across capital markets remains varied, leading to the potential mispricing of assets and the possibility that many companies are inadequately prepared to respond to the risks and opportunities that a low-carbon transition could present. We build our sustainable investing capabilities to help clients guard against climate risks while also seeking to invest in companies and assets with appropriate risk-adjusted return profiles that we believe can contribute to sustainable climate solutions. We continue to develop strategies that support sustainability goals, including strategies oriented toward investors who wish to achieve structurally lower carbon emissions and want to align with companies that are making strong progress on climate change goals.

Risk and impact management

Manulife IM is committed to advancing a risk and opportunity management framework that articulates how we identify and manage the climate-related risks and opportunities to which our client portfolios are exposed. These considerations are integrated into the investment processes of our investment teams as we seek to deliver long-term resilience and risk-adjusted investment outcomes for clients.

Manulife IM defines climate-related risks as the potential negative impact of climate change, which may be experienced directly (e.g., through financial loss) or indirectly (e.g., through reputational harm), resulting from the physical impacts of climate change (physical risks) or the transition to a low-carbon economy (transition risks). Climate-related opportunities refer to the potential positive effects arising from climate change for a given entity (e.g., mitigation and adaptation efforts). These definitions align with the ISSB's S2 Climate-related Disclosures standard, which builds on the recommendations of the TCFD framework.

24 See World Economic Forum's Global Risks Report 2023, Global Risks Report 2024, Global Risks Report 2025, and Global Risks Report 2026. **25** In parallel with Manulife IM's climate statement, Manulife's environmental risk policy sets out an enterprise-wide framework for the management of environmental risks within our operating business activities and owned assets. **26** The TCFD classifies climate-related risks relevant to investors over these time frames as physical (associated with acute or chronic changes in weather patterns) and transition-related (effects resulting from the transition to a low-carbon economy, including policy, legal, technological, and market changes to address mitigation and adaptation requirements). The TCFD framework also emphasizes that efforts to mitigate and adapt to climate change produce opportunities for companies, industries, and investors. We recognize that these risks and opportunities vary by sector and geography. **27** Please see the Sustainable investing in action section for details on each asset class perspective.

Examples of climate risks and opportunities we may consider

Driver	Event	Principal risk or opportunity	Anticipated time frame of impact
Physical risks	Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events such as extreme heat, coastal flooding, and tropical cyclones.	Acute risk	Short and medium term
	Chronic physical risks refer to longer-term shifts in climate patterns, such as sustained higher temperatures and changing weather patterns, which may cause rises in sea levels or chronic heat waves.	Chronic risk	Medium and long term
Transition risks	Climate policy may seek to limit activities that have an adverse climate change impact and promote activities that enable adaptation to climate change. Policy risk will vary by geography, industry, and company, as climate policy is more likely to target high-emitting industries such as power generation, utilities, and transportation. Examples of policy risk include the possible implementation of a carbon tax and shifting energy use toward lower emissions sources.	Policy/legal risks	Short term
	Technological improvements or innovations that support the transition to a lower-carbon economy can significantly impact organizations. The development and use of emerging technologies such as renewable energy, battery storage, energy efficiency, and carbon capture can disrupt business models and shift market dynamics. The combination of targeted policy support and the maturation of climate technology has contributed to driving down the unit cost of these solutions, increasing their potential to disrupt previously stable industries.	Technology risk	Short and medium term
	Market risks can result from shifts in supply and demand for certain commodities, products, and services, as consumer behavior changes in response to growing awareness of climate-related risks and opportunities. Examples include reduced demand for goods and services, decreased revenues due to changes in product demand and revenue mix, and increased production costs due to changing input prices.	Market risk	Medium and long term
	Climate-related regulation in various jurisdictions has placed increased scrutiny on claims made by private sector companies and financial institutions related to their climate initiatives. Regulators are screening for greenwashing (false or misleading claims related to a company's sustainability or climate initiatives), which can have both financial and reputational risks for companies.	Reputational risk	Short and medium term
Opportunity	Individuals are growing more conscious of the relationship between their consumption and its impact on GHG emissions. This may result in a shift to consumer preference for goods and services with lower emissions profiles and entities that serve that need may also generate reputational goodwill.	Market and reputational opportunity	Short and medium term
	The demand for durable, high-integrity carbon credits is growing which leads to opportunities for nature-based solutions that can provide access to such credits (e.g., timberland assets).	Market opportunity	Short and medium term
	Energy efficiency in buildings lowers operational costs and appeals to tenants looking to reduce their carbon footprint. There are opportunities, therefore, in reducing energy consumption across a real-estate portfolio (i.e. real estate assets).	Operational opportunity	Short and medium term



Our processes for identifying climate risks are supported by our policies and engagement practices. Manulife IM's climate statement outlines our position on identifying, managing, and integrating climate risks and opportunities in our investment processes.

Our fundamental investment process goes beyond financial statement analysis and involves ongoing monitoring of the strategies, capital structure, and management of sustainability risks and opportunities of a given company or entity. For public markets asset classes, we have an internal tool, our Sustainability Data Manager (SDM), which provides climate data for holdings within each investment strategy. SDM provides teams with information on absolute emissions, financed emissions, carbon footprinting, green revenues, climate value-at-risk (CVaR), and emissions intensity, which helps them evaluate climate risks and opportunities within the portfolios they manage. Within our private markets direct equity, we monitor energy efficiency in real estate assets and fertilizer use in agriculture, among other metrics. These have the ability to reduce emissions alongside operational cost reduction.

There's no single dataset that perfectly captures the risks from climate change effects. We apply decision-useful insights and tools designed to analyze carbon emissions, conduct scenario analysis, examine fossil fuel reserves, and formulate conclusions about physical and transition risks, along with other topics across the climate-related risk spectrum.

Tools to measure climate impact by asset class—Across our investment portfolio, we leverage a range of tools to support the assessment of climate risk and opportunity:

✓ **Implemented** ◦ **Partial** — **Not available**

Private Markets	Real Estate	Agriculture	Timberland	Infrastructure	PE&C	Details
Climate maturity assessment	✓	✓	✓	✓		An internal asset-class assessment based on ISSB S2 framework to evaluate progress on climate indicators across governance, strategy, risk management, and metrics for our private markets' real asset classes.
GHG emissions footprint analysis	✓ +	✓ +	✓ +	✓ +	✓	Portfolio and asset-level emissions to provide managers with decision-useful information for transition risk and decarbonization progress. Where available, we compare against a baseline, benchmark against peers, and prioritize actions. We rely on external methodologies to guide our emissions measurement, including the GHG Protocol, Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories 2019 Refinement (timberland and agriculture), and Partnership for Carbon Accounting Financials (PCAF) (infrastructure and private equity and credit).. "+" refers to portfolio emissions, which include third-party assurance.
Physical climate risk scenarios	✓	✓	✓	✓	✓	Physical climate risk is considered through portfolio- and asset-level assessments during the acquisition process and annually, as needed. Physical risk assessments support analysis, measurement, and management of risks from natural hazards and climate change. They provide granular, address-level data and future climate scenarios to evaluate risks such as floods, wildfires, and extreme temperatures, enabling portfolio, financial impact, and regulatory reporting. The following scenarios are considered: • Shared Socio-economic Pathway (SSP)1/Representative Concentration Pathway (RCP)2.6 (Best case scenario) • SSP2/RCP4.5 (Middle of the road) • SSP3/RCP7.0 (A rocky road) • SSP5/RCP8.5 (Worst case scenario)
Transition scenario analysis (by sector/ business unit)	✓	✓	✓	✓		A transition roadmap outlining scenarios, risks, and opportunities for each asset class (or sector) to transition its operations and business model to align with a low-carbon economy toward net zero emissions. Manulife IM has been performing transition scenario exercises since 2021, with a variety of scenarios used when running portfolio analysis or asset-class-specific workshops: • Paris-aligned 1.5°C, Network of Central Banks and Supervisors for Greening the Financial System (NGFS) • Delayed Transition scenario (~1.7°C), • NGFS Current Policies scenario (~3.0°C) • High-Carbon scenario (2021)
Asset-level decarbonization plans	✓	◦		◦		Climate transition plans that outline cost-effective strategies to decarbonize assets, providing a roadmap for mid- and long-term carbon reduction targets, aligning capital to budget plans, and informing asset-level strategies. In some asset classes, we leverage existing frameworks or certifications, for example, in agriculture this is supported by Leading Harvest.
Asset-level physical climate resilience plans	✓				—	Asset-level physical climate resilience plans outline resilience and adaptation recommendations to mitigate hazards identified in physical climate risk scenarios. These plans define cost-effective strategies to enhance the physical resilience of assets, providing a structured approach for short-, mid-, and long-term adaptation measures.

Public Markets	Listed Equity	Fixed Income	Details
Climate risk analysis	✓	✓	Within public markets, climate risk assessment entails aligning climate risk data to multiple scenarios within daily risk reports, focusing on investee companies with the highest and material climate risk exposure at the portfolio level. Metrics include CVaR, emissions intensity, implied temperature rise, issuer transition plans, and findings from collaborative engagements. Portfolio and asset-level emissions provide managers with decision-useful information for transition risk and, where available, allow comparisons against a baseline and benchmarking against peers. Climate risk analysis is delivered to our investment team through our ESG research tool and PowerBI platform.

Our decarbonization approach described in this report relies on currently available climate science and on assumptions and estimations based on publicly available information and internal data. We caution that there are inherent limitations and uncertainties in available climate data and scenarios, and in quantification methodologies, which may impact our underlying assumptions and estimations.

We believe scenario analysis is a particularly meaningful tool for understanding the impact of climate change. In those asset classes in which we've developed scenario analysis, most portfolios show that climate transition risk—the general cost associated with moving from a current business-as-usual scenario in the direction of reduced emissions and toward a carbon-neutral future—represents portfolio risk. Within the firm, investment teams that use scenario analysis may apply a range of scenarios for the global average temperature rise, including 1.5°C, 2°C, 3°C, and scenarios above 4°C, which may be complemented by the inclusion of carbon pricing and assessment in their analysis.

We continue to evolve our models and tools to assess the potential impact on our business of the Intergovernmental Panel on Climate Change scenarios. In addition, we made progress in assessing climate risk and resilience in our real estate portfolio by enhancing our internal assessment process and through a scenario portfolio review. In our infrastructure portfolio, we have conducted a portfolio-wide review to assess transition risks and opportunities for four main investment sectors. The assessment analyzed transition risks under two climate-related scenarios (Current Policies and Delayed Transition) to develop sector-level information to support future company-specific transition risk assessments.

One of the third-party climate assessment tools that we use applies a multi-year time horizon to assess risks and opportunities based on direct emissions, covering both physical and transition risks and opportunities. Policy risk is calculated based on various factors, including the global carbon budget, sector, and industry, to estimate the abatement cost based on a company's emissions profile. Several teams at Manulife IM also apply other scenarios and carbon pricing estimates to their models, including the development of worst-case cost scenario assumptions. We also use a proprietary model that allows investment teams to assess their climate exposure across their portfolios.

In addition, our expertise is built through engagement, data availability, and our stewardship efforts to better understand the full spectrum of risks and opportunities related to the assets we manage and operate. We may seek to engage with companies/entities/investors throughout the investment lifecycle to enhance the long-term value of our clients' investments. We may also participate in collaborative engagement activities with other investors, depending on the approach that's deemed to be in the best interests of our clients, the issuer's relevant circumstances, and our engagement objectives. Manulife IM has participated in a wide range of climate change-focused associations and organizations that contribute to more robust climate disclosure reporting.[28] For more information on our engagement activities, please see the Stewardship in action section.

Our collaborative approach between asset classes enables mutual learning and the sharing of evolving leading practices around climate-related factors material to our business. Our global presence enables us to track climate regulations, consumer sentiment related to technology innovation and climate action, and the decarbonization efforts of individual companies. We believe our global view is an important differentiator that sets us apart from many of our peers.

Partnering with clients on their climate-related goals

Manulife IM aims to deliver long-term resilience and sustainable investment outcomes for clients by partnering with them on their own climate-related goals. We also aim to engage with our investee companies to accomplish these outcomes. To this end, we use a variety of initiatives, including:

- Providing training for investment staff on topics such as climate science, analysis, and available tools
- Engaging with companies in relation to their climate disclosure, business strategies, governance, and emissions reduction plans/progress
- Developing strategies and policies such as the client-directed exclusions framework that supports our clients' sustainability goals
- Reporting and engaging with our clients on climate risks and opportunities
- Identifying energy and operational efficiency opportunities associated with emissions reduction in our real estate, timberland, and farmland assets
- Advancing emissions reductions for the real assets we manage on behalf of Manulife's general account

28 See the engagement subsection and the global collaboration list in the appendix for more information.

Determining the materiality of sustainability-related factors requires a certain level of judgment from the investment teams based on their evaluation of multiple factors, including unique aspects related to the asset, company, or industry of operations. We generally consider that it's unlikely that any asset or company will be unaffected by climate change; however, some industries may have a higher risk of exposure than others, and the assessment identifies those industries.

Where we identify climate-related risks and opportunities as financially material, we seek to integrate them into our investment process and manage them as part of our business strategy and planning. As we have investment teams operating in various markets, this results in different applications of sustainability analysis. Accordingly, investment teams integrate material sustainability-related factors into their investment processes in a manner that best aligns with their investment approach. Each team bears responsibility for the evaluation of financially material sustainability-related factors throughout due diligence, decision-making processes, and ongoing stewardship.[29]

In our integration process, we focus on seeking attractive risk-adjusted returns and resilience over the long term. We factor in differences across asset classes, industries, geographies, and operating models, and as climate science evolves, so too does our approach.

We may take a variety of actions toward managing climate-related risks and opportunities across our businesses and investments to appropriately price climate risk. Broadly summarized, our available actions relate to asset allocation and selection, investment analysis and research, proxy voting, mitigating direct GHG emissions, deploying robust sustainability management practices for operated assets, and participating in collaborative industry climate initiatives. In general, our preferred position is to engage with companies to encourage effective implementation of climate risk mitigation and adaptation strategies, reserving the right to divest from any investment.

For more information on the integration of financially material sustainability-related factors, including climate risks, throughout the investment lifecycle for each asset class, see the Sustainable investing in action section of this report.

Metrics and targets

We use a variety of metrics to track and manage climate alignment and, depending on the investment strategy, these may include absolute emissions, corporate carbon footprinting, portfolio warming potential, sovereign climate risks, and strategy-level emissions. Reliance on third-party data is significant in some portfolios and, as such, the quality and reliability of disclosures are expected to evolve alongside changing regulatory and policy environments.

Where appropriate and relevant to clients' investment objectives, we manage and monitor our alignment and that of our investee companies and assets with the Paris Agreement's goal of limiting the global average temperature rise to well below 2°C compared with pre-industrial levels. We also use these metrics to manage and monitor the potential financial effects associated with climate change on our business. By understanding the benefits and limitations of the tools we use, we're better able to analyze the risks and opportunities available. Some of the tools and metrics we use include:

- **Direct data collection—**Since 2021, we've collected data directly from assets and portfolio companies in our private markets direct equity portfolios (real estate, timberland, agriculture, infrastructure, and PE&C) to gain a better understanding of their performance and benchmarks over time. In infrastructure, we collect emissions data, the number of companies with targets or transition plans, and then calculate avoided emissions. We also track asset-level decarbonization in our real estate equity, timberland, and agriculture portfolios.
- **Carbon footprinting and absolute emissions—**We calculate annual GHG and carbon inventories for invested timberland, farmland, infrastructure, PE&C, and real estate portfolios. For some public markets portfolios, we may also use exposure to fossil fuel reserves or emissions disclosure to assess exposure to a potential increase in carbon pricing or transition risk, or weighted average carbon intensity (WACI) data in metric tons of carbon dioxide equivalent per $1 million of sales, to assess the relative efficiency of emissions.

29 Across our investment capabilities, portfolio managers are ultimately responsible for managing risks in their portfolios. Our public markets teams are aided by an investment risk group, sustainability team, and models that together help monitor market risk.

- **Implied portfolio warming potential—**We use implied temperature rise metrics to assess our listed equity and fixed-income portfolio alignment with the Paris Agreement. This warming potential methodology captures all emissions of issuers (Scope 1, Scope 2, and Scope 3) as well as revenues from low-carbon technology to provide an aggregate forward-looking perspective versus the carbon budget at 2°C warming to compute an implied temperature in the year 2100.
- **Sovereign ESG model—**Our proprietary sovereign ESG model allows us to track climate-related risks—including the momentum of these risks—for around 200 countries and territories. It also seeks to identify those countries that are taking adaptation measures against physical risk.
- **Strategy-level emissions monitoring—**We measure emissions at a strategy level to better understand and incorporate risks related to business disruptions, stranded or impaired assets, and regulatory risk, among other physical and transition risks that stem from climate change. In our real estate portfolio, we've begun using the Carbon Risk Real Estate Monitor (CRREM) to understand and manage asset carbon risk against Paris-aligned science-based decarbonization pathways.
- **Private markets real assets investments—**We integrate physical climate risk assessments into the investment due diligence. These assessments provide the likelihood of acute and systemic physical hazards across various scenarios and time frames.

As these metrics change over time, we expect to incorporate more forward-looking metrics, location-specific data, and increasing material Scope 3 emissions data.

This incorporation of forward-looking metrics is an area we expect to build on going forward; specifically, we expect to continue reviewing the high-emitting sector pathways needed to meet the goals of the Paris Agreement and net zero ambitions. Sector-level emissions intensity metrics at a unit level, rather than a revenue level, will likely be one area of further development.

Assessing climate resilience across real assets

Issue: At Manulife IM, we believe that unmitigated climate-related risks may pose imminent or chronic material risks to investments. To address these risks and capture emerging opportunities, we integrate climate considerations into investment analysis across our real assets portfolio, which includes real estate, agriculture, timberland, and infrastructure. As a steward of these real assets, we focus on targeted climate risks and opportunities where we can exercise the greatest degree of influence—namely, the assets we directly own and operate. Given the diversity of these sectors in terms of regulatory requirements, investor expectations, and readiness, we require a consistent yet adaptable approach to climate evaluation that supports decision-making and aligns with broader disclosure standards.

Action: In 2025, we introduced a Climate Maturity Assessment grounded in the disclosure principles of the TCFD and the International Financial Reporting Standards (IFRS). Using these disclosure frameworks, this assessment supports an evaluation of governance, strategy, risk management, and metrics tied to climate risks and opportunities across the real asset businesses we manage. We identified a set of indicators as material and decision-useful, which we will refine over time to align with evolving disclosure frameworks and investor expectations. The indicators assess progress on matters including GHG accounting, asset-level planning, utilization of scenario analysis, metrics and data, and quantification of risks. We also developed asset-class-specific guidance for each indicator, taking into consideration the unique characteristics of each asset type. The maturity assessment provides a consistent methodology for evaluating the integration of climate considerations across our real asset classes, while remaining flexible to consider the unique traits of each asset class.

Outcome: We leveraged this assessment to benchmark the climate maturity practices of our real asset classes. This identifies the strongest practices related to integrating climate considerations, highlights areas to enhance our processes, and determines a reasonable time frame for making such enhancements. The tool can be used to mitigate climate-related risks, maximize climate-related opportunities, and align with regulatory requirements to the benefit of our investor clients.

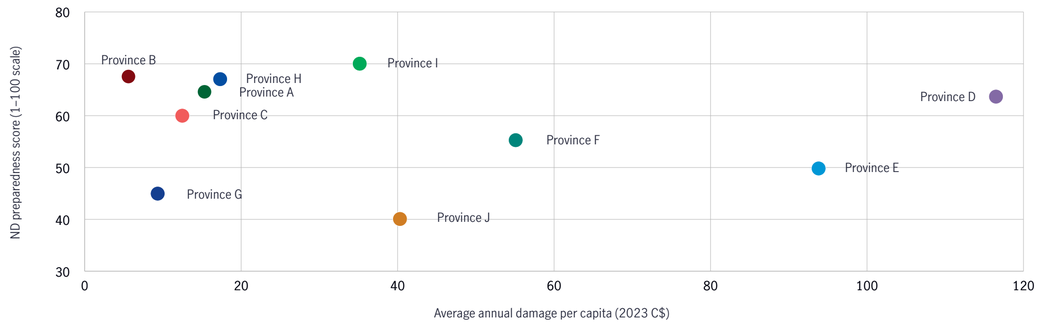
Climate adaptation

Manulife IM treats adaptation as a central pillar alongside mitigation. By embedding location-specific physical-risk assessments into our investment analysis and stewardship activities, we aim to enhance resilience and effectively manage climate-related financial risks.

Assessing physical climate risk in Canada's provinces and municipalities

We worked closely with partners at Concordia University and the Emerging Risks Information Center (ERIC) to study the state of readiness for natural disasters across the Canadian provinces and municipalities. To address persistent data gaps and inconsistencies in disaster reporting, we developed a proprietary natural disaster preparedness index that scores jurisdictions relative to their regional risk profiles, using both quantitative and qualitative indicators. By combining this relative index-based approach with the average annual disaster damage per capita from 2000 to 2020 for each sub-sovereign issuer, we created a scatter plot that highlights provinces with an elevated risk profile paired with medium or low preparedness scores.

Read more about our collaboration with Concordia University and ERIC to assess physical climate risk across Canada's provinces and municipalities.



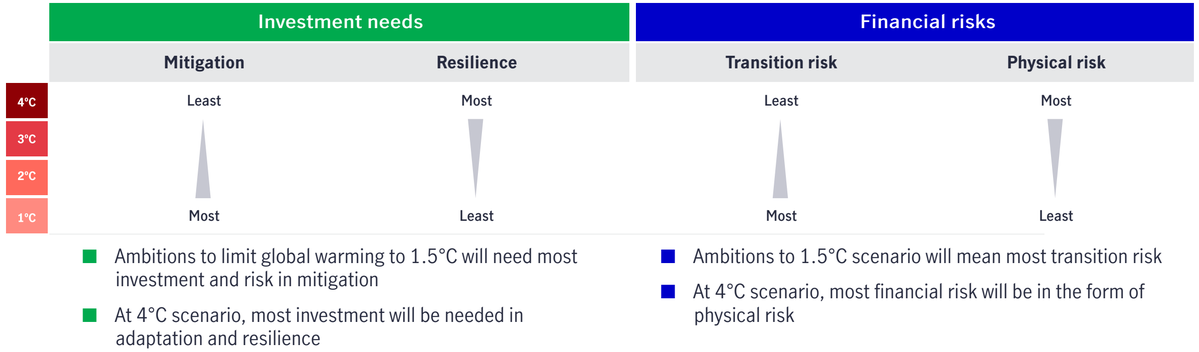
Source: Canadian Disaster Database (CDD), Statistics Canada; reflects reported damages and population estimates for each province based on July 2024 provincial population estimates. ND refers to natural disaster.

Understanding adaptation's impact on climate-related financial risks

Manulife IM views climate adaptation as an essential complement to mitigation—not a concession. Rising and increasingly visible economic losses from physical climate impacts remain both underappreciated and underfinanced across markets, underscoring the need for a more balanced approach.

Robust climate strategies incorporate resilience and adaptation planning, particularly for scenarios where global warming exceeds the levels implied by current mitigation pathways, as existing policy trajectories do not fully address physical climate risks. Effective solutions begin with high-quality physical risk assessment and identification of resilience opportunities. These measures can help to protect cash flows and support new sources of revenue, and unlock scalable financing through instruments such as green bonds, blended finance structures, and improved taxonomies and reporting frameworks. Strengthened stewardship, along with collaboration across industry groups and governments on risk mapping and adaptation planning, will also be critical to delivering resilient outcomes.

Read more about the challenges and solutions associated with adaptation.



Source: Manulife Investment Management, 2025. For illustrative purposes only.



Nature

This section builds on the Taskforce on Nature-related Financial Disclosures (TNFD) framework recommendations and its four core elements. Sustainable investing is an evolving field, so we'll continue this journey with our clients as we navigate the changing regulatory and global environment, particularly around nature disclosures. Here, we outline our approach to nature-related risks and opportunities, as well as where we strive to demonstrate innovation and exceed the expectations of our clients.

We believe businesses and assets that effectively manage natural resources and environmental impact from operations can offer investors a better risk/reward profile over the long term as nature-related risks and opportunities begin to manifest both physically and financially. In contrast, businesses and assets that fail to account for their relationship with nature could face increased exposure to material risks.

We recognize that the health of the global economy in which we invest depends on the health of the global environment, and it is our fiduciary duty to consider material risks and aspects of performance in our investment process.

Governance

Manulife IM has established robust governance structures to oversee sustainability risks and opportunities, including those related to nature and biodiversity. In addition to our governance of nature risk through the structure described above in the governance section, we convened a nature working group to develop nature-related subject matter expertise specific to each asset class.[30] The group functions as a clearinghouse for information, leading practices, and strategic planning across the sustainability team, and in 2025 it developed approaches to operationalize Manulife IM's nature statement at an asset-class level.

30 This group was initially focused on private asset classes in 2024 and has since expanded to include public asset classes in 2025.

Strategy

We believe prudent investment decision-making must consider an investment's relationship to nature. As we set out in our updated nature statement, damage to the natural world can heighten assets' exposure to certain risks, while effective stewardship of nature may enhance investment outcomes. We also recognize that the health of the global economy in which we invest depends on the health of the global environment, and it is our fiduciary duty to consider material risks and aspects of performance in our investment process.

We also believe businesses and assets that effectively manage natural resources and environmental impact from operations can offer investors a better risk/reward profile over the long term as nature-related risks and opportunities begin to manifest both physically and financially. In contrast, businesses and assets that fail to account for their relationship with nature could face increased exposure to material risks.

We consider these risks and opportunities in our investment sustainability integration, due diligence, and asset management to help ensure we assess material factors that may contribute to protecting and enhancing the value of our clients' investments. Ultimately, our approach is calibrated (through use of asset-class-specific guidance) to the degree of control we have over the assets, and the materiality of issues given other factors, such as geography, sector, and ecosystems. Illustrative actions may include engaging with management teams, implementing biodiversity or water management plans, collaborating with conservation nonprofits, discussing matters with other interested parties, or exercising proxy votes.

For more information, please read our nature statement, updated in 2025, which can be found on our institutional website, as well as our firm-wide water statement.

Bringing investors together to discuss investing in natural capital

We continue to value collaboration with stakeholders to discuss the many facets of considering nature in investments. In 2024, we collaborated with the Cambridge Judge Business School in the United Kingdom to bring together parties from the financial industry to discuss investing in natural capital. Continuing this industry dialogue through to 2025, Manulife IM partnered with the International Corporate Governance Network (ICGN) to co-host a session to discuss the evolving role of corporate governance in addressing nature-related risks and opportunities.

The session brought together corporate leadership, asset owners, and sustainability experts and centered on the TNFD framework. The panel explored how boards and management can integrate nature considerations into strategic decision-making, enhance transparency, and support sustainable outcomes.

Key topics included lessons from climate disclosure practices, the importance of board and management expertise, human rights and community engagement, and the need for transparent, organization-specific approaches to nature governance. The event concluded with a networking reception, fostering dialogue and collaboration among participants committed to advancing nature-positive corporate practices.

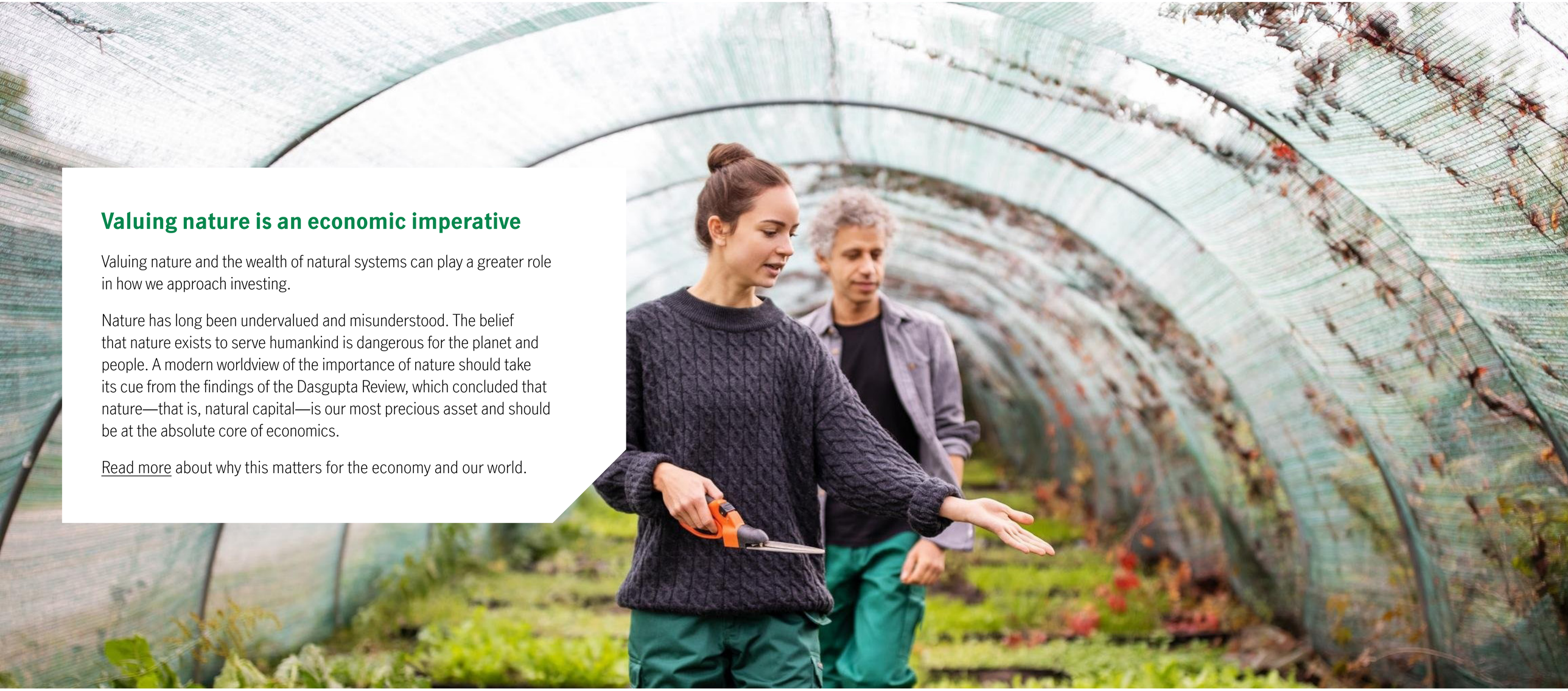
Risk and impact management

We take a multi-pronged approach to managing nature-related risks and impacts.

- **Investment research and due diligence—**We believe that companies that better manage natural resources and environmental impact from operations can offer investors a better risk/reward profile over the long term as nature-related risks begin to manifest both physically and financially. We consider nature-related risks and opportunities associated with our investments at the due diligence stage. Across asset classes, we leverage our proprietary sustainability research templates, materiality assessment frameworks, and sustainability standards to identify and quantify sustainability risks, including nature.
- **Active ownership, engagement, and management—**Nature considerations are a key part of our stewardship approach, including through issuer engagement, proxy voting, and real asset stewardship. We engage with issuers and investee companies with high impacts and dependencies on nature as potential opportunities for engagement, with a recent focus on deforestation and water. In real assets, we pursue certifications and adherence to third-party standards and frameworks for sustainably managed forests, farmland, real estate, and infrastructure, and we provide tools and resources for our third-party property managers to enhance sustainability practices.
- **Impact measurement and reporting—**Setting targets around nature is challenging because it requires good baseline data and the ability to measure aspects of nature (such as biodiversity) that have historically been difficult to measure. Measuring contributions to, or effects on, nature is challenging, and there are a wide variety of tools being developed in concert with the TNFD that are expected to help address this challenge. We recently made substantial investments in our ability to accurately assess nature-related risks and opportunities across our investment platform. These include partnering on the launch of a platform for nature-related spatial data and rolling out the use of the Integrated Biodiversity Assessment Tool, among others.
- **Collaboration and commitment—**We collaborate with other investors, standard setters, and policymakers to encourage leading practices in natural capital and biodiversity reporting and management. We participate in collaborative initiatives addressing nature loss, and some examples include the Finance for Biodiversity Pledge and Foundation, PRI Spring, Nature Action 100+, TNFD, Leading Harvest, and the World Business Council for Sustainable Development (WBCSD). Please see the global collaborations list in the appendix for more information.
- **Allocating capital—**We aim to help our clients achieve their objectives by delivering biodiversity-focused investment solutions. In our real assets business, we have a dedicated sustainable forest strategy and focus on investing in sustainable agriculture. We also have a client-directed exclusionary framework available for interested clients, which includes an option for screening issuers we consider as having high exposure to tropical deforestation risk.

An overview of nature-related risks and how businesses may be affected

Type of risk	How risk materializes	Impact on companies
Physical risk Ecosystem services at risk due to: • Pollution • Invasive species • Climate change • Overexploitation of natural resources • Land and sea use change	Leads to the decline of: • Air quality • Water security and quality • Land productivity • Soil health • Pollinator health • Habitat intactness	• Decreased food and raw material production • Supply chain disruption • Raw material price volatility • Reduced land value and stranded assets • Capital destruction • Loss of revenues
Transition risk Resulting from societal response to nature loss	• New policy and regulation • Technological obsolescence • Adaptation of business operations • Shift in consumer and investor preferences toward nature-positive products/ business models	• New purchaser requirements • Limits on investment activities • Additional reporting requirements • Investment in new technologies or products • Higher operating costs and/or loss of revenues • Stranded assets • Shifts in capital allocation
Liability and reputational risk	• Litigation • Payouts and fines • Insurance costs • Reputational damage	• Negative consumer or investor sentiment • Loss of market share/revenues • Ratings downgrade and/or share price losses • Loss of licenses to operate or develop



Valuing nature is an economic imperative

Valuing nature and the wealth of natural systems can play a greater role in how we approach investing.

Nature has long been undervalued and misunderstood. The belief that nature exists to serve humankind is dangerous for the planet and people. A modern worldview of the importance of nature should take its cue from the findings of the Dasgupta Review, which concluded that nature—that is, natural capital—is our most precious asset and should be at the absolute core of economics.

Read more about why this matters for the economy and our world.

Metrics and targets

As signatories to the Finance for Biodiversity Pledge[31], we pledged—and in 2024 fulfilled—the four commitments below and, as a fifth commitment, continue to report on biodiversity-related risks and opportunities for our investments.

Collaborate and share knowledge on assessment methodologies, metrics, targets, and financing approaches—In 2022, we launched our nature-positive ecosystem, a practical guide to major initiatives focused on protecting and restoring nature.

Assess the impact of our investments on biodiversity and identify drivers of its loss—We've built a system of natural capital accounts across our U.S. timberland operations to capture, quantify, and potentially monetize the relationship between our operations and nature. This will help us understand how our timberland investments interact with biodiversity, land, and water.

Engage with companies and incorporate criteria for biodiversity into our sustainability policies—Incorporating biodiversity into our sustainability policies is directly relevant to our real assets investments. We have policies on biodiversity and deforestation, and we incorporate multiple biodiversity-related considerations into both investment due diligence and property management. In public equity and fixed income, we continue to engage through collaborations and individually with portfolio companies exposed to deforestation and water risk.

Set and disclose targets to increase positive and reduce negative effects on biodiversity—We've engaged in multiple external workstreams focused on applying emerging guidance from the TNFD and Science-Based Targets for Nature, and we'll leverage this work to inform our nature target-setting process.

In line with our commitment to the pledge to set targets to increase positive, and reduce negative, effects on biodiversity, we set four additional targets at the end of 2024 aimed at quantifying the impact of our investments on nature.

1 **Training—**Provide training sessions to investment teams on nature-related issues most relevant to our investments.

Progress: In 2025, we held training for several investment teams to explore how businesses impact and depend on nature, reviewed and updated our proxy voting guidelines for nature-related shareholder proposals, developed asset-class-specific guidance to operationalize our revised nature statement, and invited a third party to speak to our public markets teams about nature-related risks in agriculture.

2 **Assessment—**Complete an assessment of nature impacts and dependencies within corporate fixed-income and equity holdings.

Progress: We completed this assessment in 2025 and used it to inform discussions and issuer engagement in public markets.

3 **Engagement—**Develop a nature engagement framework for equity and corporate fixed-income.

Progress: In 2025, we engaged with several companies across commodity-dependent industries on their exposure to, and management of, deforestation.

4 **Reporting—**Issue an expanded TNFD-aligned report in 2026.

Progress: We continued to expand our reporting on nature in alignment with the TNFD in this report and will also provide additional reporting in our real assets nature reports.

31 As pledge signatories, we have taken these commitments, which are verbatim from the pledge, as our own, and will adapt them as needed. For example, where we manage real assets we will engage with value-chain partners (e.g. contractors, purchasers of our products) rather than companies.



People

This section is inspired by the TCFD and TNFD frameworks and recommendations and their four core pillars. Sustainable investing is an evolving field, so we'll continue this journey with our clients as we navigate the changing regulatory and global environment, particularly around social disclosures. We outline our approach to people-related risks and opportunities, as well as where we strive to demonstrate innovation and exceed the expectations of our clients.

Governance

Manulife IM has established robust governance structures to oversee sustainability risks and opportunities, including those related to people. In addition to the governance of people-related risks described earlier in the report, we have established dedicated working groups to monitor emerging risks and opportunities and guide our approach on specific people-related topics, such as supply chain practices and Indigenous rights.

Strategy

People are essential to the success of our investments. Our approach to people spans from risk management and avoidance of harm to value creation. Human rights due diligence forms the foundation of our approach. As demonstrated in Manulife's Global Human Rights Statement, our parent company is firmly committed to respecting human rights and upholding the principles set out under the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's core conventions, and the United Nations Global Compact in our business operations and relationships, including our supply chain.

This means we use international human rights standards in our frameworks to guide how we identify, assess, and address impacts, dependencies, risks, and opportunities between our business and people across our investment activities. This helps us to have a comprehensive approach in terms of the type of impact we have, the range of stakeholders we include, and our accountability, from due diligence to remedy.

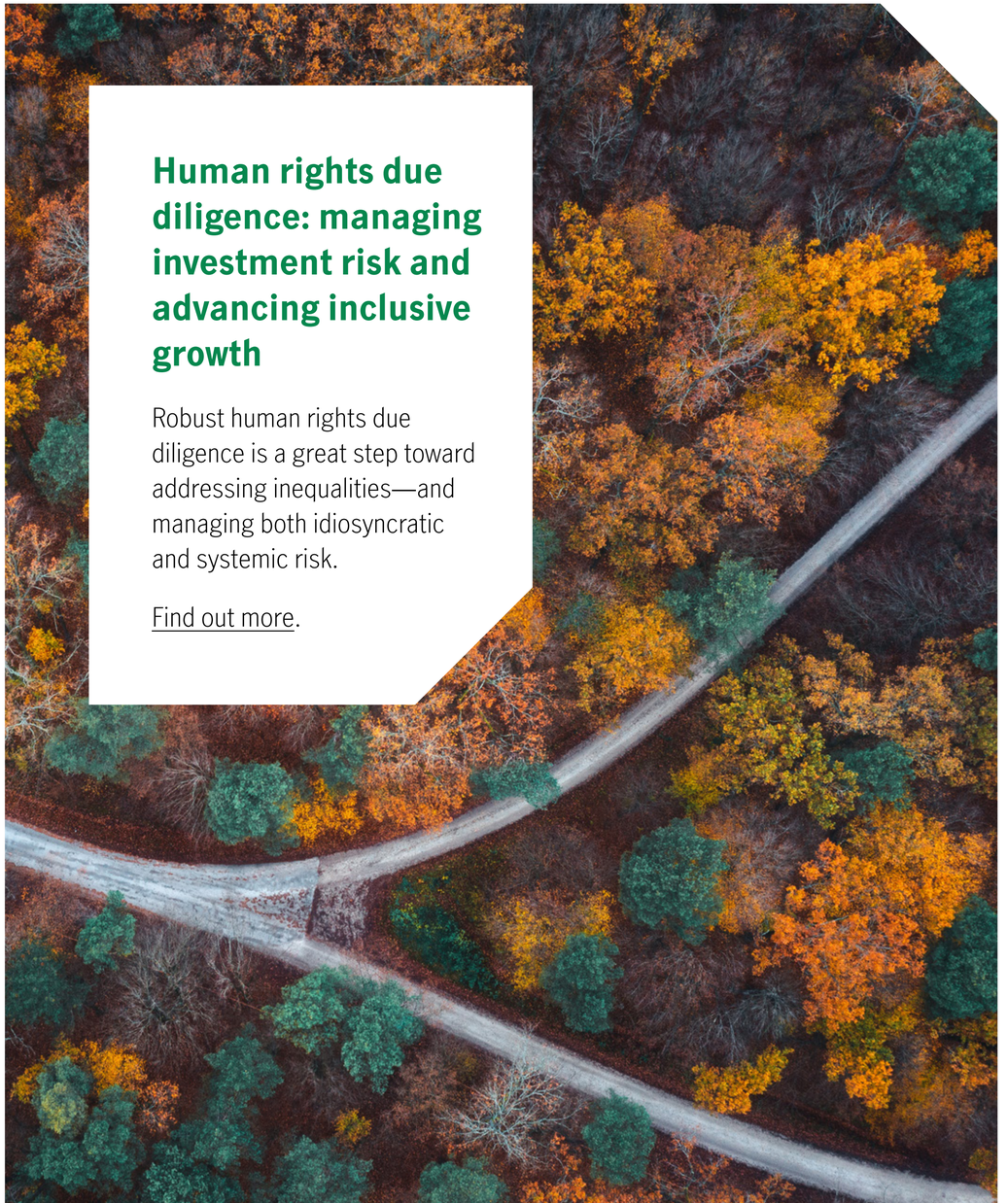
Manulife IM's commitment to human rights doesn't stop at our own business, we're committed to promoting these principles in our supply chain. Our responsible contracting policy states that all Manulife IM-affiliated contractors, such as property managers and construction/plant managers, are obligated to comply with applicable federal, state, and local laws, regulations, and ordinances and are expected to cascade Manulife IM's human rights standards in their own and their subcontractors' businesses.

We acknowledge that human rights violations can scale into broader structural inequalities leading to long-term, intergenerational harm that affects people, communities, and financial markets. In response, through our asset management and stewardship activities, we pursue opportunities that enhance financial, climate, nature, and health equity for people.

In 2025, we adopted a people statement to articulate our high-level approach to human rights due diligence and addressing inequalities across the investment lifecycle.

We are one of the founding partners and steering committee members of the TISFD. We also actively engage with global networks and industry associations, influencing asset managers' priorities toward people. In addition to the TISFD, in 2025, we were members of PRI's Human Rights and Social Issues Reference Group, the International Limited Partners Association's Driving Inclusion in Alternatives initiative, and the WBCSD Equity Action.

Please see the global collaborations list in the appendix for more information.



Human rights due diligence: managing investment risk and advancing inclusive growth

Robust human rights due diligence is a great step toward addressing inequalities—and managing both idiosyncratic and systemic risk.

Find out more.

Risk and impact management

Our risk and impact management activities and offerings may look different across asset classes, since opportunities may change depending on the sector we are invested in and the degree of our operational control over the investment.

Our risk management is rooted in human rights due diligence. Due diligence processes and tools we use throughout the investment lifecycle are informed by the Sustainability Accounting Standards Board (SASB) materiality mapping as well as by the enterprise-wide human rights risk and impact assessment we have conducted.

For private markets asset classes where we have a degree of operational control, i.e., real estate, timberland, and agriculture, we have identified salient human rights risks. These are accessibility; privacy; health and safety; rest and leisure; freedom of association; forced labor and child labor; housing and an adequate standard of living; clean and healthy environment, water and sanitation; Indigenous rights; protection from discrimination, exploitation, abuse, and violence; and rights of migrant workers.[32]

For all these risks, we have operational policies and procedures[33] in place to mitigate them, including internal communication and training, to build awareness and capacity, and have governance structures to monitor their effectiveness. Our efforts included assessing the procedures our selected contractors work with to operate those assets. Following this assessment, in 2025, we introduced supplemental standards to our Vendor Code of Conduct that will be applicable in our Timberland and Agriculture businesses. This code was widely shared with our contractors.

In other asset classes, where we have a lesser degree of or no operational control, our research and due diligence frameworks assess financially material considerations on:

- Salient human rights issues
- Responsible contracting and supply chain oversight
- Inclusive human capital and goods/services
- Community engagement
- Indigenous Peoples
- Product safety and quality
- Data security and privacy
- Access to remedy

In public markets, in addition to our research and due diligence framework (which includes a controversy tracker), we use engagement as a key strategy for addressing human rights topics in our asset management. Our investment and stewardship guides inform our efforts and are available on specific topics related to the financially material considerations of board and leadership composition, workforce practices, minimum and living wages, and Indigenous reconciliation, among others.

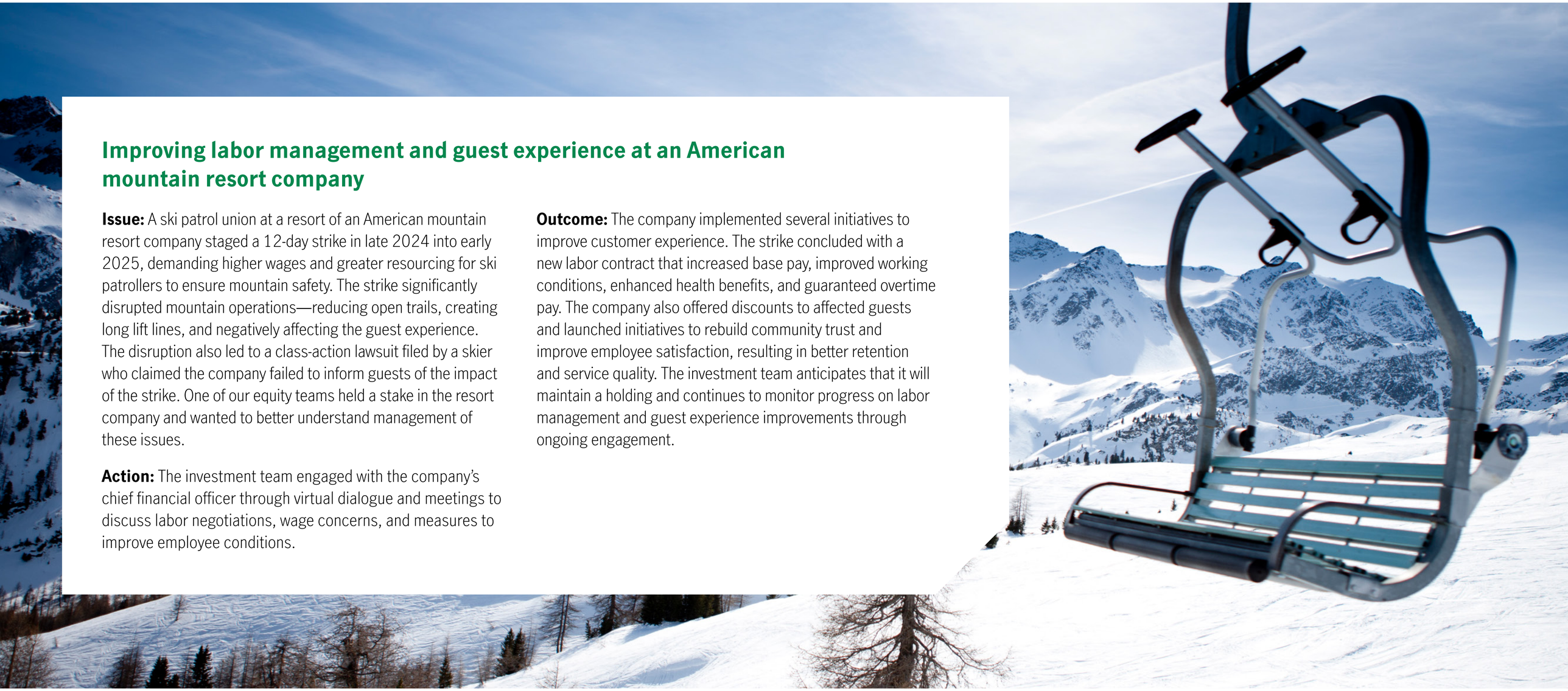
While the effectiveness of these stewardship activities is monitored within each business line together with other procedures in place, a dedicated resource oversees progress toward our approach to people.

To provide access to remedy, the Manulife ethics hotline is available as a grievance mechanism to report any issues. While the hotline is intended primarily for the use of employees, third parties (e.g., shareholders, vendors, suppliers, and subadvisors) may also report suspected unethical, unprofessional, illegal, or fraudulent activity.

Metrics and targets

Our people-related metrics differ depending on the asset class, region, and industries in which we invest, as reported in our asset- and fund-specific reports. Examples include human rights controversies, modern slavery incidents, and lost time incident rates. While this approach allows us to customize our metrics and targets in alignment with the most relevant and material elements of the impact we have on people, we're committed to complementing and improving our approach with standard metrics and targets as they arise and become standardized.

32 Salient human rights issues are those human rights that are at risk of the most severe negative impacts through a company's activities or business relationships. It does not mean that there have been incidents violating these rights. It is a method of prioritization to shape risk management efforts.
33 For real assets, our existing mitigation measures for these risks are discussed in detail in the natural capital report and real estate report (e.g., conducting farm labor contractor audits in agriculture or property management standards in real estate).



Improving labor management and guest experience at an American mountain resort company

Issue: A ski patrol union at a resort of an American mountain resort company staged a 12-day strike in late 2024 into early 2025, demanding higher wages and greater resourcing for ski patrollers to ensure mountain safety. The strike significantly disrupted mountain operations—reducing open trails, creating long lift lines, and negatively affecting the guest experience. The disruption also led to a class-action lawsuit filed by a skier who claimed the company failed to inform guests of the impact of the strike. One of our equity teams held a stake in the resort company and wanted to better understand management of these issues.

Action: The investment team engaged with the company's chief financial officer through virtual dialogue and meetings to discuss labor negotiations, wage concerns, and measures to improve employee conditions.

Outcome: The company implemented several initiatives to improve customer experience. The strike concluded with a new labor contract that increased base pay, improved working conditions, enhanced health benefits, and guaranteed overtime pay. The company also offered discounts to affected guests and launched initiatives to rebuild community trust and improve employee satisfaction, resulting in better retention and service quality. The investment team anticipates that it will maintain a holding and continues to monitor progress on labor management and guest experience improvements through ongoing engagement.

Stewardship in action

Engagement

Collaboration

Escalation



We recognize the critical connection between making investments and acquisitions and maintaining a strong program of stewardship to protect and enhance the value of investments. The central objective of our stewardship approach is to strengthen the potential risk/reward profile of our clients' invested capital.[34]

Building on our history as a trusted fiduciary and long-term investor, we seek to exercise rights, responsibilities, and influence to improve investment resiliency for our clients. While implementation may differ across asset classes, the aim is to support our clients in meeting their investment goals. Our culture of collaboration and innovation allows us to fully leverage the range of expertise across our platforms. We enhance our approach to stewardship by combining local knowledge with a global outlook as we strive to achieve the best possible outcomes for our clients.

We believe engagement with stakeholders across asset classes on sustainability issues, either bilaterally or as part of a collaborative engagement, may lead to improved strategies and actions that enhance longer-term financial performance. It's not just about how investments are managed, but also about the outcomes these investments help achieve.

Where we directly operate assets, we weave sustainability into our operational strategies and execution. Where we don't operate assets ourselves, we build meaningful partnerships with leading operators and sponsors.

Through our dialogue with industry partners, policymakers, and sustainability-focused organizations, we seek to identify and address systemic industry and asset-class-specific risks. This dialogue often focuses on the development of frameworks, standards, and policies that enable a more sustainable operating environment for our investments, ultimately aiming to improve the resiliency of client investments over time.

As part of this work, our investment teams, with input from sustainability professionals, carefully consider how to execute rights and responsibilities and improve the risk/reward profile of our client investments. Rights and levers of influence differ by asset class, from those where we directly control and operate assets to those where management is delegated to third parties. The mechanisms we may choose can also depend on the severity of the issue or our history of stakeholder engagement. For example, where we've been engaging parties for several years to address an issue, or if the issue suggests an imminent impact on investment value, we may choose to escalate our concerns using the rights and influence mechanisms at our disposal.

Stewardship activities aim to advance financial objectives and operating strength

Levers of influence

- Collaboration
- Proxy voting
- Debt rights
- Escalation
- Public policy and advocacy
- DDQs
- Investment agreements
- Bilateral engagement
- Direct asset management (real assets)
- Representation on the board of directors (e.g., infrastructure)

Spheres of influence

- Policymakers
- Standard setters
- Industry associations
- Service providers
- Direct operations
- Investment partners
- Sovereign issuers
- Portfolio companies

For illustrative purposes only.

34 We strive to execute best-in-class stewardship activities and reporting on behalf of our clients. We are committed to stewardship codes and principles in key markets, which help guide our program of stewardship. Through our local market entities, we are signatories to the Taiwan Stewardship Principles, UK Stewardship Code, Canadian Coalition for Good Governance Stewardship Principles, Singapore Stewardship Principles, and Japan's Stewardship Code. We also adhere to the Hong Kong Principles of Responsible Ownership.



Engagement

We believe that engaging with companies and a broad variety of stakeholders on their material sustainability issues can enhance our understanding of the risks and opportunities of a given investment while also creating a channel for encouraging actions that may lead to improved value creation for our clients. We achieve these benefits through both one-on-one engagements with companies and investment partners and our collaborative engagements with peer investors.[35]

Our approach to engagement

We use engagement, both bilateral and collaborative, as a tool for gathering information and influencing the adoption of leading practices.[36] Through engagement, we may, as investors, play a key 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 engage with companies on a range of substantive corporate, strategic, and sustainability matters that could alter their valuation, fundamental standing, or strategy, thereby affecting portfolio value over time.

Given our global multi-asset-class platform, engagement priorities may differ by asset class, and in each asset class, from investment team to investment team, depending on their investment strategy, portfolio focus, and/or holdings profile. The size of a holding within portfolios and the varied nature of any given emerging risk or severe controversy are among the factors that can prompt and shape these engagements. We appreciate collaborative engagement specifically, as it opens up opportunities for learning that can give us new insight into investments and allow us to access high-level leadership at companies.

35 Manulife IM conducts engagements with issuers but does not engage on all sustainability issues, or with all issuers, in our portfolios. We also frequently conduct collaborative engagements in which we do not set the terms of engagement but lend our support in order to achieve a desired outcome. Where we own and operate physical assets, we seek to weave sustainability into our operational strategies and execution. The relevant case studies shown in this section or in the appendix are illustrative of different types of engagements across our in-house investment teams, asset classes, and geographies in which we operate. While we conduct outcome-based engagements to enhance long-term financial value for our clients, we recognize that our engagements may not necessarily result in outcomes that are significant or quantifiable. In addition, we acknowledge that any observed outcomes may be attributable to factors and influences independent of our engagement activities. **36** For more information on our approach to issuer engagement, please view Manulife IM's global issuer engagement policy where we identify bilateral issuer engagements as interactions with issuer representatives as part of the fundamental research process and collaborative engagements as engagement activities with other investors. We note that through our collaborative engagement activities, we maintain independence in determining how to prioritize engagements, how to vote proxies, and investment decision-making at all times.

Bilateral engagements focused on outcomes

Manulife IM conducts engagements using internal staff, rather than delegating this responsibility to a third party.[37] We take this approach because we believe that the insight gained from engagements is an important component for determining intrinsic valuation, which results in an improved risk/reward profile for our portfolios. Individual engagements are prioritized with companies, other issuers, and service providers when our assessment finds that sustainability-related factors are potentially material to an investment's risk/reward profile. We may also consider the significance of the investment's sustainability profile within a given portfolio, the degree of influence, the regional or market context, or the expected contribution to long-term value creation derived from successful engagements.

We may establish objectives in engagement efforts related to greater disclosure or adoption of leading practices related to financially material sustainability issues. In such instances, we aim to collaborate with the company when addressing any given issue. The company's progress is then tracked toward resolving the issue over a reasonable timeline. We may regularly evaluate improvement, and, in the event that we're unsatisfied with the progress made, may employ escalation methods to encourage action.

Highlighting engagements for clients through the year—Please refer to the appendix for an overview of case studies populated with examples of engagements and their associated outcomes. We believe this provides clients and other stakeholders with insight into our activities.



37 Note that where we support collaborative efforts (CDP, for example), these entities may also engage with issuers on the same, or a similar, matter. While we may at times provide input into such third-party engagement activities, those engagement activities are independent of Manulife IM, and we ultimately do not control any aspects of those engagements, including issuer identification, dialogue, and/or recordkeeping, among other common engagement activities.

Recent examples of outcomes achieved in 2025[38]

Case study	Asset class	Outcome
Experiencing responsible forestry firsthand	Timberland	**Issue:** Stakeholders lacked clear visibility into how responsible forestry practices, certification standards, and partnership-based stewardship were being applied on the ground at Woodhill Forest. **Action:** We collaborated with Matariki Forests and Ngā Maunga Whakahii o Kaipara to host an FSC® Forest Walk, providing customers and supply chain partners firsthand insight into how certified management supports biodiversity, water quality, Indigenous rights, and long-term landscape resilience. **Outcome:** The event, supported by a shared video, strengthened understanding of our partnership-driven stewardship approach and demonstrated how certified forest management sustains natural capital while supplying responsible fiber to domestic and international markets.
Enhancing transparency and nature strategy execution at a dairy company	Listed equity	**Issue:** A large Asian dairy producer faces material climate, deforestation, animal welfare, and supply-chain sustainability risks that require clearer disclosure and stronger implementation to meet investor expectations. **Action:** Through a multi-year engagement, we continued discussions with the company to encourage public timelines for deforestation commitments, third-party verification of antibiotic-reduction and animal-welfare practices, and greater diversification into plant-based dairy alternatives. **Outcome:** The company is considering independent assessments to validate progress and reviewing opportunities to expand plant-based offerings, and we continue to engage to strengthen transparency and reinforce confidence in its evolving climate and nature strategy.
Corporate real estate electrification	Real estate	**Issue:** Manulife's corporate use properties will require regular capital investment for replacement of "end-of-life" heating systems which are a significant consumer of building energy and source of emissions in the portfolio. With long equipment lifecycles of 20+ years, choices made today create conditions that lock in energy use and emissions long-term. While there are high-efficiency, low carbon alternatives available, their higher upfront costs make adoption challenging. **Action:** As the asset manager, Manulife IM has engaged consultants and engineers to develop detailed plans to decarbonize its properties, with a focus on end-of-life fossil fuel equipment. With the long hold nature of Manulife's corporate office assets, a strategy was developed to execute decarbonization by leveraging end-of-life HVAC replacement to support building electrification. **Outcome:** It's anticipated these assets will produce significant energy efficiency and reduction in emissions over the next 5-7 years as measures move into feasibility and construction.
Improving budgetary and procurement transparency in South Africa	Fixed income	**Issue:** South Africa's National Treasury lacked sufficient fiscal and procurement transparency, limiting public oversight and investor confidence. **Action:** Over two years, we worked with the Emerging Markets Investor Alliance to engage key officials and recommend improvements, including clearer debt and revenue estimates, stronger oversight, community engagement, and centralized procurement data through an e-portal. **Outcome:** The Treasury linked its website to the national public-sector e-tender portal, significantly expanding access to advertised and awarded tenders across major entities such as ESKOM and Transnet.

38 The sustainability-related case studies shown here are for illustrative purposes only; do not represent all of the investments made, sold, or recommended for client accounts; and should not be considered an indication of the ESG integration, performance, or characteristics of any current or future Manulife IM product or investment strategy.

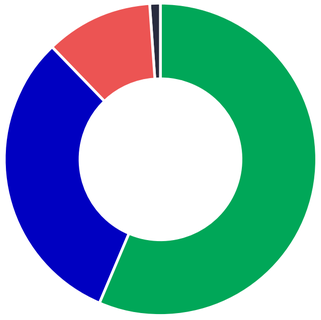
Bilateral engagement in public markets

Given the varied composition of both our portfolios and assets, each investment team drives its engagement priorities, alongside consideration of any relevant factors, including sector, size of holdings, level of risk or opportunity identified, and regional differences.

Regarding our public equities and fixed-income investment activities, for example, investment teams may use our proprietary ESG research framework to identify financially material sustainability issues unique to a given issuer. This can then inform engagement discussions with the issuer.

800+ unique issuers

1,665+ unique interactions with issuers



Unique issuers engaged by region

- Asia and Oceania **56.4%**
- North America **31.6%**
- EMEA **10.9%**
- Latin America and the Caribbean **1.1%**

As of December 2025, Mexico is included in the Latin America and the Caribbean category. Percentages may not add up to 100% due to rounding.

Who do we engage with?

Dialogue with participants can vary by asset class. In listed equities and corporate bonds, for example, we seek to interact with senior management teams or boards. When engaging with sovereign bond issuers, we look to speak with a government representative in an environmental or financial role.

What topics do we engage on?

We have conversations with issuers across our holdings on a range of financially material sustainability matters, encouraging actions that mitigate risks or leverage opportunities.

When we seek to encourage new disclosure or adoption of leading practices, we recognize that these dialogues with companies can take months—if not longer—to achieve results. However, we conduct these activities because we believe them to be beneficial to both our portfolios and clients over the longer term.

Top sustainability discussion topics in public markets

Governance

Governance is a centrally important theme for engagement with all types of investees. We discuss key governance topics, including executive compensation, shareholder rights, board diversity, board chair/CEO independence, board skills, capital structure, and oversight of key environmental and social risks such as climate, nature, and human capital.

Climate

Climate risks are raised regularly across our engagements with companies worldwide due to the systemic nature of the risk that puts company assets at risk and increasingly impacts cost structures. We work to understand the complex impacts of climate change across industries and regions. Regarding transition risks, we discuss topics that include GHG emissions reductions, energy management, and net-zero or decarbonization targets. Discussions around physical climate risk and resilience are a growing priority as extreme weather events become more common and concern grows about corporate and sovereign readiness to adapt or build resilience to changing realities. Conversely, climate change also presents an opportunity to discuss revenue growth with companies in areas of cleantech and green energy, as well as other solutions that are needed to help transition our economy.

Nature

Nature, particularly deforestation, water, and biodiversity risks are increasingly identified as material in various sectors and regions. We believe company understanding and management of nature and biodiversity risks are growing through conversations we have had on topics that include sustainable sourcing practices, biodiversity, water management, the circular economy, and waste management. In some cases, we may request better disclosures from companies on their dependencies and impact; in others, we may seek to understand how individual companies improve their management of nature-related risks and opportunities.

People

People-related material topics we address through issuer dialogue include human capital management, employee engagement, diversity, equity, and inclusion, collective bargaining and labor relations, human rights, product responsibility, health and safety, data security, customer privacy and data rights, responsible use of technology, and access and affordability. Recognizing that businesses may have various impacts on employees, suppliers, and communities, we may discuss related themes with issuers when deemed material to the issuer.

Leveraging data to enhance engagement

Issue: Manulife IM sought to deepen its understanding of issuer exposure to climate, water, and forest-related risks, recognizing the growing importance of comparable, high-quality sustainability data. The firm identified a need for more granular insights into deforestation risk across global supply chains. Leveraging structured external datasets became essential to support more targeted and informed engagement.

Action: We used CDP's Forests Champions program tools and resources to conduct a detailed analysis of CDP responses from issuers of interest. This work built on our support for broader efforts to align disclosures with ISSB standards, the International Social Survey Programme, and the TNFD. The resulting assessment enabled us to prepare focused engagement discussions covering certification schemes, grievance mechanisms, commodity volumes, revenue dependencies, and traceability practices.

Outcome: The insights gained from CDP data strengthened the depth and specificity of our engagement with companies on deforestation exposure and supply-chain risk management. These conversations enabled us to highlight gaps, encourage stronger governance and disclosure, and promote improved oversight of forest-related risks. As a result, our engagements became more targeted, evidence-based, and aligned with emerging global sustainability reporting expectations.

Bilateral thematic engagement programs

In addition to the hundreds of bilateral engagements that arise through the course of day-to-day portfolio management, we simultaneously assess our global portfolio for systemic risks related to climate and nature. Each year, we conduct an analysis to identify the highest risk corporate issuers related to transition or physical climate risk, and these are prioritized for engagement throughout the year as part of an overall effort to reduce systemic risk. We undertook an assessment of relevant nature-related risks by assessing various data sources with a focus on commodity sectors with high dependencies and impacts on tropical deforestation, which informed our engagements with companies on their deforestation policies and practices over the course of the year.

Bilateral engagement in private markets

Where we own and operate assets and businesses, we have a direct line into the business and can influence it through our board seats and management teams. For private investments in which we don't have control or board seats, we seek to interact with sponsors or general partners (GPs).

Throughout the investment lifecycle of all private asset classes, we regularly engage with our co-investors, investees, and/or business partners to encourage adoption of leading practices, and we monitor the sustainability-related data available to help ensure the efficacy of our approach.

Once invested, our investment team maintains a close relationship with our investment partners in order to continue monitoring material aspects of the investment, including sustainability-related factors. In some cases, we may take a position on a board; in other cases, we can request protective governance rights and controls.

Collaborative engagements aligned with our sustainability strategy

We value engagement with stakeholders through industry groups that support partnering with companies to understand and address investment risks, including systemic risks.[39] Manulife IM participates in a wide variety of collaborative engagements around the globe with a range of stakeholders, including industry peers, asset owners, nonprofits, academics, nongovernmental organizations (NGOs), and supranational entities. This work allows us to expand the scope of our sustainability-focused activity as we seek to build more resilient portfolios on behalf of our clients. We participate in these engagements in alignment with our sustainability strategy outlined earlier, focusing on the themes of climate change, nature, and people.[40]

Climate

We participate in several collaborative engagements with issuers to address the transition and physical risks associated with climate change, engaging on a range of topics including capital allocation, emissions costs, and operational resiliency. Some of the initiatives in which we participated over the last year include:

- **Climate Action 100+**—We joined this initiative in its inaugural year (2017) and have participated in various engagements with issuers in North America and Asia since. Topics of focus included transition planning, a just transition, decarbonizing capital expenditure, and board climate risk oversight.
- **Climate Engagement Canada**—We joined this initiative when it launched in 2022 and have engaged with several of our focus-list companies on climate transition planning, disclosure, Indigenous rights, and a just transition.
- **Asia Utilities Engagement Program**—This program is supported by the Asia Investor Group on Climate Change (AIGCC), and we have participated in various engagements with focus-list companies since the program was founded in 2021. Key topics discussed included linking director compensation to climate performance, disclosure of plans to phase out coal-fired plants, and dialogues with national regulators on climate policy.

Nature

We've joined several collaborative engagements focused on issuers whose operations have a significant impact on nature or depend heavily on it. Much of this work is focused on encouraging companies to assess their impact and dependencies on nature and disclose the results of those assessments to investors. As the management of these risks and opportunities develops, our expectations for these companies will evolve accordingly.

- **Nature Action 100**—We joined this initiative when it was launched in 2023. We participate in several company engagements in North America and Asia. Key topics included commitments to halt and reverse nature and biodiversity loss and company dependencies on nature.
- **PRI Spring**—We're a member of the Signatory Advisory Committee for this initiative, which launched in 2023. We had key discussions with companies headquartered in North America and Asia on deforestation driven by conversion of land for agricultural commodities, target setting, and better tracking of impacts in supply chains.
- **Valuing Water Finance Initiative**—Since 2023, we've been active in company engagements in North America and Asia, which have helped result in the recognition of water as a financially material topic and supported issuers in making a commitment to conduct assessments of their impact and dependencies on water.

39 Through all collaborative engagements, we retain our independence and discretion in our investment decision-making and remain attuned and committed to our duties to our clients and to applicable legal and regulatory considerations. **40** While we do not currently participate in collaborative engagements solely focused on a governance issue, governance is an element of many of these engagements. We often discuss regulatory, board, compensation, reporting, and other governance matters in these engagements as they relate to the specific themes of climate, nature, and people.

People

For several years, we've participated in collaborative engagements across multiple markets. More recently, we've expanded our focus to include a collaboration on customer and employee safety.

- **Asia Corporate Governance Association—China Working Group**—We engage with several large Asian technology companies on data, responsible technology, customer protection, and employee safety as a participant in this program. Two large companies made significant progress in their disclosures on the use of artificial intelligence and customer privacy and data protection during 2025.
- **30% Club Investor Group Canada**—In the years since we joined the 30% Club Investor Group in Canada, companies on the TSX60 have moved from <20% representation by women on boards to ≥39%, and the group has encouraged companies to aim for gender parity by 2030.
- **30% Club Investor Group Hong Kong**—We're a co-founder and an ongoing supporter of this engagement, highlighting the importance of diversity in leadership among Hong Kong-listed entities. Companies on the Hang Seng Index had, on average, 19% female representation on boards as of 2024, up from 14.4% in 2021.

Focused on collaboration in emerging markets

Given our investments and local presence in emerging markets, our collaborative activities extend to those regions as well. We're able to leverage our local expertise, knowledge of sustainability matters, and investment acumen across several initiatives, including:

The Emerging Markets Investors Alliance—We're part of the extractive industries working group focused on good governance and sustainability within the respective industries, and joined several engagements with leading banks in emerging markets. We also lead several sovereign engagements with key countries such as Brazil and South Africa on a range of issues including decarbonization and energy security, and budget transparency.

Asia Corporate Governance Association (ACGA)—We participate in working groups that engage issuers on corporate governance and sustainability risk in India and China.





Collaboration

Ongoing industry dialogue is key to our collaborative efforts. Around the globe, we collaborate with industry peers, nonprofit organizations, supranational entities, and others on a wide variety of initiatives.[41] These efforts allow us to expand the scope of our sustainability-focused activities while helping us build more resilient operating environments for our portfolios as we respond to systemic risks through policy work, standard-setting, education, and other means using a client-centric approach. The overriding objective, as always, is to improve investment outcomes for our clients over time.

Our client-driven approach to collaboration

The collaborative efforts described allow us to freely exchange perspectives with our peers, clients, and industry experts while also amplifying our influence as we encourage improvements across capital markets. We consider these efforts as part of our investment stewardship program, and the activities are ultimately intended to build and strengthen portfolio resiliency for our clients.

Collaboration can take many forms for us, most of which focus on identifying and navigating systemic risks, opportunities, and policy developments that are likely to impact long-term performance across our clients' portfolios. Common topics for collaboration include corporate governance, risk management, climate change, human rights, inclusion, and sustainability disclosures.

The various steps we take to address these issues can better position us to leverage our influence and enact meaningful change, with the goal of reducing investment risks and capturing opportunities.

Our collaborative activities may target specific changes at both the systemic and market levels. We may, for example:

- respond directly to regulatory consultations in advance of new government policy regulations,
- contribute to an industry association response to new government policy regulations, and/or
- collaborate with peers to facilitate the development or refinement of sustainability standards.

Through these and other initiatives, we aim to encourage entire industries or markets to adopt leading practices in governance, operating, or disclosure standards. In addition, these activities help us to better articulate what practices and information we find most useful in managing our clients' investments. We're also often able to glean valuable research findings and insight from peers and third parties.

41 Through all collaboration efforts we retain our independence and discretion in our investment decision-making and remain attuned and committed to our duties to our clients and to applicable legal and regulatory considerations.

Investing in environmental education through Project Learning Tree

Issue: We believe future resource professionals will play a vital role in caring for natural assets, so we focus on creating opportunities for education and training that build skills and foster stewardship. Project Learning Tree (PLT), part of the Sustainable Forestry Initiative®, helps educators and students—from preschool through grade 12—explore forests as gateways to environmental understanding. PLT encourages learners to think critically about sustainability and natural systems.

Action: This year, we partnered with PLT to deliver hands-on learning for both future educators and young students. At the university level, we supported workshops for education majors, introducing PLT activities they can use in classrooms. We also worked with elementary students through interactive lessons on the role of trees in ecosystems and everyday life. Through these efforts, we reached more than 90 students and future educators across Texas and Louisiana. This included approximately 75 education majors at Sam Houston State University and 15 first-grade students at First Baptist Academy in Silsbee, Texas, with additional outreach through museum tours, university field classes, and scholarship events. Beyond the classroom, we contributed to professional development and field-based experiences, including guided forest tours and demonstrations of sustainable harvesting and reforestation practices.

Outcome: Educators across Texas and Louisiana gained experiential learning about forests, sustainability, and natural systems, helping to cultivate the next generation of resource professionals. These efforts strengthen long-term stewardship capacity, deepen community relationships, and enhance understanding of sustainable forestry—ultimately supporting clients by reinforcing future talent pipelines and helping maintain social license while reducing long-term operational risk.

Policy work	Industry standards	Partnerships
• Support efforts to formalize sustainable investing practices • Strive toward uniform sustainability data disclosure globally • Encourage policy work to create long-term, sustainable operating environments for our investments	• Identify financially material sustainability risks and opportunities across sectors • Build and refine disclosure frameworks aimed at achieving comparability across investments • Develop tools and resources to help investors assess financially material sustainability issues	Collaborate with our various partners to address risks and opportunities, particularly in areas in which we own and operate assets

Whether through policy work, standard-setting, or partnerships, we leverage collaboration to build iterative resiliency across our clients' portfolios. The following examples provide additional context around our involvement in these activities and the intended benefits.

Working with stakeholders on public policy

The regulatory backdrop and industry momentum around sustainable investing, and sustainability generally, have shifted markedly over the past several years. As we navigate these changes, we seek to influence policymakers and advocate for an operating environment that fosters sustainable business operations, protects and enhances investor rights, and provides better disclosure of material sustainability information.

In part because our views on these matters often align with those of our peers, we've reaped substantial benefits from partnering with global investor associations to influence regulatory developments across markets.[42] We also benefit from the ongoing peer dialogue these forums offer, including the opportunity to discuss the potential impact of proposed policies and provide constructive feedback to regulators and others through comment letters and related engagement.

42 Please see the global collaboration list in the appendix for the list of associations.

In 2025, Manulife IM responded to public policy developments in several areas. For example:

- **We offered feedback on the European Commission's Framework Proposal for Nature Credits—**We supported the overall effort and noted the importance of gaining credibility for the endeavor by engaging a broad and inclusive range of stakeholders. We also emphasized the importance of understanding sources of demand for nature credits and creating incentives to facilitate such demand.
- **We participated in an academic survey on dual-class shares—**We reiterated in this research interview our belief that dual-class voting structures with differential voting rights can be beneficial in the short-term post-IPO in order to allow management teams the time to execute on their vision, but we appreciate time-based sunset provisions on such arrangements over time to help ensure management and the board remain accountable to shareholders.

Developing frameworks and standards

We also engage, indirectly or directly, with standard setters worldwide to create global standards and to support interoperability of disclosure regulations. These efforts have become increasingly important to us in recent years.

Because our investment professionals benefit from decision-useful and comparable datasets, we encourage continued transparency across asset classes by working with industry groups and other stakeholders to develop disclosure standards and frameworks intended to provide more consistent disclosures to inform our investment decision-making. We collaborate with asset managers, asset owners, academia, vendors, and other partners on this front. In 2025, for example:

- **TCFD Consortium in Japan—**Our climate specialist, local fixed income team, and sustainability analyst collaborated on a response to the survey to encourage climate reporting aligned with global standards.
- **UK Stewardship Code:** Manulife IM expressed strong support for the FRC's efforts to update the UK Stewardship Code and encouraged enhancements that promote practical, transparent, and asset-class-appropriate stewardship reporting, including clearer expectations for vendors, permission to reference external materials, and a reasonable implementation timeline.
- **IPSASB Climate-related Disclosures:** Manulife IM expressed support for IPSASB's proposed climate-related disclosure standard for public-sector entities, emphasizing the need for consistent, investor-useful reporting aligned with ISSB and focused on financially material climate risks. The response recommended clearer guidance on which public policy programs must be reported, stronger alignment of definitions with established frameworks, and a materiality lens to help ensure disclosures meaningfully inform assessments of risk, creditworthiness, and long-term financial impacts.
- **WBCSD Consultation on Avoided Emissions—**This consultation sought feedback on draft guidance for calculating and attributing avoided emissions in the built-environment sector across various decarbonization use cases. We noted that owners/operators who implement lower carbon solutions should generally be credited with some of those avoided emissions, as well as the solutions provider.

Focusing on climate change in Asia

Our strong partnership with the AIGCC allows us to collaborate with our peers on both physical climate and energy transition risks and opportunities across Asia. In 2025, for example, Manulife IM contributed input to the SASB Standards consultation through AIGCC to encourage a response that reflected Manulife IM's technical understanding of utility-sector disclosure relevance. The submission focused on refining corporate disclosure expectations for electric utilities to improve decision-useful information for investors.

We also contributed to and supported many additional collaborative efforts in our capacity as a member of, or participant in, various other groups.

For a full list, please see our global collaboration list in the appendix.



Escalation

Manulife IM encourages the adoption of prevailing leading practices with regard to management and disclosure related to financially material of sustainability-related risks and opportunities. In certain instances, our investment professionals may choose to escalate a given issue of concern based on its perceived materiality, severity, and the pace of progress.

Our approach to escalation

Encouraging leading practices and opportunity maximization

Through our investment stewardship practices, we collaborate with investees and stakeholders to encourage robust management of financially material sustainability risks and to capture related opportunities. We engage collaboratively with investees when we believe the mechanisms they have in place to manage such risks and opportunities could be improved. We may opt to escalate a given risk or issue only when we determine, after careful review, that the issuer/investee hasn't satisfactorily responded to our engagement efforts, leaving further room to optimize the risk/reward profile of our clients' investments.

Escalation decisions rest entirely with our investment professionals, who may leverage the views of other functional experts across the firm as part of an escalation process. As part of their stewardship activities, for example, the investment teams may consult our sustainability team, legal and compliance departments, investment risk group, and others. The specific escalation process and stakeholders involved vary by asset class and investment strategy. We have a responsive, flexible approach to escalation that we continually seek to strengthen and evolve in pursuit of positive, tangible outcomes for our clients and issuers/investees alike.

We may consider escalation on case-specific time frames

As we monitor our investments on an ongoing basis, we seek to identify issues that we feel, if left unaddressed, could affect the value of individual investments or entire portfolios. We collaborate closely with investee management teams and other stakeholders to address these identified risks over time.

Depending on the progress being made on the issue, the remedial actions taken by the issuer, and their timing, our investment teams may choose to escalate the issue in some cases. Our preferred time frame for seeing substantial, demonstrable progress on an issue is generally 24 months, but we may set longer or shorter intervals in certain instances. An investment team may decide to escalate before the specified time frame ends if, for example, the investee is unresponsive to outreach or fails to take action.

We tailor escalations based on the facts and circumstances

The levers at our disposal for escalating issues of concern vary by asset class and global market. Accordingly, it's necessary to chart the appropriate course of action for a given issue on a case-by-case basis. Regardless of asset class or geography, however, we may choose escalation options based on the materiality of the issue, the time horizon of the risk in question, and the size of our investment exposure to the investee.

Escalation options for equity and fixed income

Our global issuer engagement policy identifies potential steps our public fixed-income and equity investment professionals may take to escalate a given matter of concern. The options available to our investment professionals include, but are not limited to:

- **Communication with directors—**We may communicate our concerns directly to the company's board of directors.
- **Dialogue with directors—**We may request further dialogue on the issue with responsible company directors.
- **Shareholder proposals—**We may vote for shareholder proposals to address an issue. Shareholder proposals are generally nonbinding but can be an effective signaling mechanism to company management.
- **Voting against directors—**We may vote against responsible company directors due to lack of a satisfactory response to an issue.
- **Requesting a formal commitment—**We may request a formal written commitment from an issuer to address a matter of concern.
- **Adjusting valuation or investment outlook—**Investment professionals may choose to adjust their valuation of, or investment outlook for, the issuer's securities.
- **Screening out an issuer—**We may choose to exclude an issuer from a sustainable investment strategy's investable universe, if appropriate, given client objectives.
- **Issuing a public statement—**We may release a public statement highlighting our concern over a given matter and suggesting the need for an issuer to address the concern.
- **Filing a shareholder proposal—**In rare circumstances, when deemed to be in our clients' best interests, Manulife IM may consider filing or co-filing a shareholder resolution directed at a particular issuer.
- **Divestment—**Manulife IM may decide to divest all or some of its holdings in an issuer if portfolio managers are dissatisfied with the company's financial performance, strategic direction, and/or management of material risks or opportunities.

Our influence in private asset classes

Our approach to choosing escalation options in private markets is the same approach we apply to public markets across asset classes: We escalate matters of concern on a case-by-case basis, dependent on the specific situation and circumstances at hand.

In some instances, we own, or own in partnership with others, substantial equity interests in private companies or assets. Alternatively, we could be a private company's largest creditor, which may give us significant leverage in decision-making. In other cases, our control over issues of concern may be limited. When we become aware of an issue, we typically engage with our investment partners to discuss the situation and voice our concerns. In our fund investments, these discussions may lead to a limited partner advisory committee (LPAC) vote.

We enter into our infrastructure and farmland-plus investments only after having performed significant due diligence on their other owners and management teams. Through this pre-investment due diligence, we seek to have clear expectations around the investment and alignment of interests within the shareholder group. In rare instances of meaningful misalignment, we propose and may implement solutions. If other parties are unwilling or unable to address our concerns, we consider strategies to exit the investment and may curtail our future business engagements with those parties.

Sustainable investing in action

Infrastructure

Listed equities and fixed income

Multi-asset solutions

Private equity and credit

Real estate

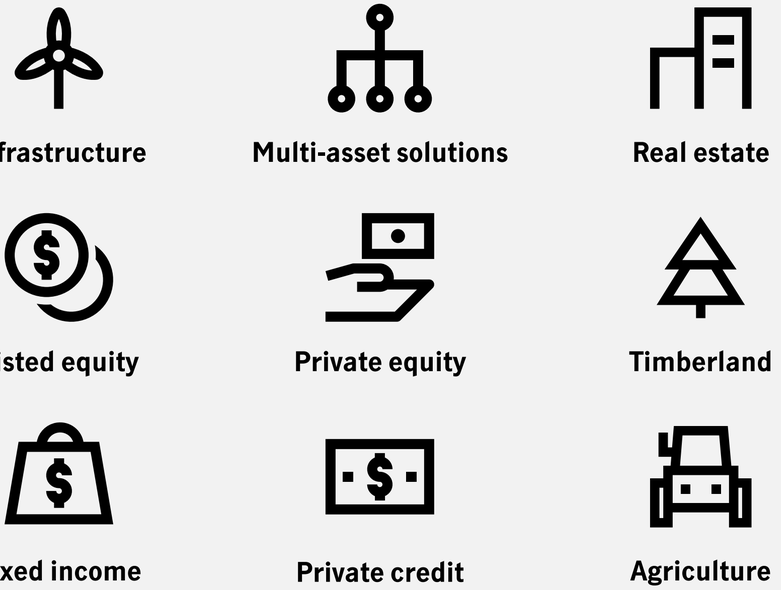
Timberland and agriculture



Our investment spectrum

Manulife IM offers highly differentiated strategies across public and private markets, leveraging our heritage of risk management, fundamental research, and outcome-focused investing.

Across all asset classes, we're committed to continuing to integrate sustainability-related analysis alongside our fundamental research process, and we seek to create a positive impact by engaging stakeholders to mitigate sustainability-related challenges and enhance opportunities. As we emphasize throughout this report, we believe that identifying and assessing material sustainability issues enables us to better protect and enhance the value of the assets we own or operate.



Investment lifecycle

ESG integration process across asset classes[43]

Due diligence

- Employ a materiality approach to due diligence based on our own expertise and external resources
- Conduct an assessment of material sustainability-related factors of investment risks and opportunities

Investment decision

- Incorporate sustainability data into an investment decision model
- Identify significant risks or potential areas for improvements
- Negotiate investment terms where applicable

Stewardship

- Engage and collaborate with key stakeholders
- Update and monitor the sustainability performance of each investment
- Execute long-term asset management plans
- Exercise rights and responsibilities

Monitoring and reporting

- Communicate through our annual reporting (e.g., sustainability report)
- Continue dialogue with key stakeholders

Our approach to integration

Our investment teams are empowered to make decisions in line with their respective investment philosophies and client objectives. Each investment team has responsibility for its own investment process, from research through to implementation. The inclusion of material sustainability-related factors into investment processes aligns with this approach, ensuring that our analysis is relevant and meaningful to each team's investment process. The global heads or CIOs of each asset class have oversight of the investment processes of the individual investment teams, which includes responsibility for evolving our sustainable investing approach over time.

We seek to incorporate material sustainability considerations throughout the stages of our investment and lending lifecycles, from prescreening during the pre-investment phase through to documentation and monitoring in the post-investment phase, taking into consideration the characteristics of the asset class and investment process in question, as well as industry, geography, and other factors.[14]

We combine active investment management with a deep understanding and integrated analysis of sustainability issues. Our integration practices grow from the investment strategies and approaches of our investment teams across asset classes. The approach of each team practicing this integration is reinforced and strengthened by the global and regional perspectives of our 31 sustainability professionals. This support extends across the investment, product, and asset class lifecycles and includes:

- Analysis of sustainability risks and opportunities
- Development of tools to aid sustainable investment
- Frequent communication on sustainable investing information
- Engagement with management teams and other stakeholders
- Training and education
- Guidance on exercising rights

43 The exact approach for each asset class may vary based on the level of ownership/control, jurisdiction, investment strategy, or other relevant factors. Please refer to the Sustainable investing in action section to see our approach to sustainability by each asset class.

Infrastructure

AUM: $29,267 million[3]
Investment professionals: 31+[44]

Highlights

- The infrastructure team invests across diverse companies in digital infrastructure, utilities and energy, transportation, public-private partnerships, and renewables including solar, wind, hydro, biomass, battery storage, and transmission.
- We're a member of the GRESB Infrastructure Standards Committee.
- We're a member of the ESG Data Convergence Initiative (EDCI), which aims to drive convergence toward meaningful, performance-based sustainability data in private markets. Our annual infrastructure sustainability questionnaires are now aligned with the initiative.
- We successfully closed our third infrastructure fund in September 2025, which is classified as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR) promoting a set of environmental and social characteristics including GHG emissions reductions, renewable energy generation and consumption, and health and safety.
- In 2025, we continued to advance our approach on themes aligned with Manulife IM's sustainability pillars, including organized labor training for the investment team, began piloting cybersecurity assessments for our portfolio companies, completed a sector-level transition risk assessment, and initiated an assessment of nature-related dependencies, impacts, risks, and opportunities on select assets that is under way as of the time of this report.

Our approach to sustainability in infrastructure

The importance of sustainable investing in infrastructure is particularly apparent due to the long-term nature of the assets and investment horizon—our private markets infrastructure strategies consider up to a 50-year operational time frame, with returns generally expected to mature 7 to 10 years after investment.[45] As such, we believe that the management of sustainability risks and opportunities in our infrastructure investments can lead to attractive risk-adjusted returns over the long-term.

Our team's ESG integration practices include the following key steps and apply to all of our investments:

- We employ a materiality-based approach to sustainability due diligence based on a combination of external resources from the SASB and the PRI, as well as our own industry expertise.
- We document the outcomes of our sustainability due diligence in the investment memorandum, which is discussed during the investment committee approval process.
- Once an investment is made, the infrastructure team continues to monitor all material aspects that might affect an asset or company, including sustainability-related factors. We actively partner with portfolio companies to identify opportunities for the continuous improvement of relevant sustainability risks and opportunities.

44 Manulife IM's team of global investment professionals includes expertise from several Manulife IM affiliates and joint ventures; not all entities represent all asset classes. **45** The investment term of private strategies will vary from strategy to strategy depending on a number of factors, including asset class and product structure. Offering documentation should be reviewed for full details.

Infrastructure

Stewardship

As a long-term investor with a commitment to sustainable growth, we seek to integrate sustainability across the investment lifecycle. As part of our post-investment process, we work together with our portfolio companies to actively monitor and manage material aspects of the investment, including sustainability-related factors identified during due diligence.

We're mindful that some portfolio companies may be at different points in their sustainability journeys. We view this as an opportunity to help advance their sustainability performance, acting as a trusted advisor to help better align their strategy, governance structure, risk management, and metrics and targets with leading sustainability practices.

To provide our investment and portfolio company management teams with a resource to enhance their understanding and advance sustainability in line with leading practices, we've developed our asset stewardship playbook. While the playbook is constantly evolving to stay current with new developments, it currently includes our sustainability risk management framework and sustainability policy template, which provide resources and guidance for portfolio companies to identify and assess material sustainability-related factors, and to help formalize their governance and oversight thereof.

Support for sustainability data collection, benchmarking, and performance improvement

To support sustainability-related data collection and performance benchmarking efforts, we've implemented an annual data collection process that's focused on material sustainability metrics and aligned with the EDCI and SFDR indicators. This may include GHG emissions, energy consumption, biodiversity, and health and safety. This allows us to better work with our portfolio companies to measure and monitor performance across material sustainability-related factors, and to identify and implement improvement opportunities.

We continue to advance our approach to sustainable investing, and at the end of 2025 we began work to develop a bespoke infrastructure sustainability asset management and reporting framework. This framework aims to strengthen our data management and quality checks, to drive additional analytics and asset-level assessments of our portfolio companies' maturity and performance on material sustainability metrics. These insights will allow us to build tailored action plans and targeted engagement with management teams on improvement opportunities that can better manage material risks, and drive value across our investments.

Our infrastructure team typically seeks to monitor and influence an investment through a board seat, protective controls, governance, or a combination of these approaches. These rights enable the investment team to exert influence or veto power regarding key decisions made with respect to a company's commercial or financial operations, as well as management and oversight of relevant sustainability risks and opportunities. Board seats, in particular, allow us to engage directly in the activities of a given investment.

Our collaborative efforts

We work with a range of market participants, regulators, and NGOs to address global sustainability challenges.

Our infrastructure team recognizes the importance of collaborating with other investors and industry experts, both to gain insight into evolving leading practices and to contribute to the development and adoption of ESG integration globally. In 2025, for example, our infrastructure sustainable investing lead was appointed to the GRESB Infrastructure Standards Committee. This role underscores our leadership and collaboration in sustainable investing, and commitment to shaping global infrastructure benchmarks.

In addition, we selectively engage and work with entities in which we invest to help them become more sustainable in the context of our investment horizon.

Climate

Governance and strategy

Assessing the risks and opportunities related to climate change is integral to our infrastructure business, and we rely on the mechanisms and structure described in the governance section to identify and assess material climate-related risks and opportunities.

Please see the governance section of this report for information on how climate matters are managed at Manulife IM.

Infrastructure

Risks and opportunities

Climate change is one of the biggest challenges of our time, but it also presents unique opportunities for investors to support the transition to a lower-carbon economy through large-scale decarbonization efforts across infrastructure sectors. To help us better identify climate-related risks and opportunities, we've introduced a number of initiatives across our infrastructure strategy.

- We use a formalized process for identifying and assessing physical climate risks. This approach is used alongside our due diligence work, which is focused on evaluating material sustainability considerations and is used for all new investments.
- We use a third-party natural hazard and physical climate risk assessment tool, which provides asset-specific and total portfolio physical risk exposure over short-, medium-, and long-term time horizons and across various climate scenarios.
- Our infrastructure investment team works collaboratively with our sustainability team to leverage their expertise on climate and may then consider engaging technical consultants to further analyze any risks identified through the assessment. For example, we identified subsidence risk relevant to a fiber project pipeline, which drove further analysis into the business's knowledge and readiness regarding this risk in its operating environment. In another example, one transportation investment identified storm and flood risks as a key consideration due to its coastal location and proximity to rivers. A technical consultant was engaged to review the risks, with additional due diligence conducted to identify key mitigants for flooding and storm risks. The respective findings were included in the investment memo for the investment committee discussion and decision.
- Through our active stewardship approach, we partner with our portfolio companies to engage on any findings and to better understand any plans in place to address such risks. We monitor potential risks over the holding period through our board seats and board observer rights, as well as through regular engagement with management teams.
- In 2025, we completed our fourth annual carbon footprint assessment, which saw improved reporting of GHG emissions from our portfolio companies. We also introduced additional data quality metrics and reviews of emissions data, which have been formally documented in our internal methodology for calculating our footprinting approach.
- We conducted third-party assurance of the FY24 Scope 1 and Scope 2 financed GHG emissions for our portfolios in 2025. This marks the first assurance engagement for the portfolio, affirming the reported GHG emissions, methodology, and approach were fairly represented and aligned with recognized standards such as the GHG Protocol and the Partnership for Carbon Accounting Financials.
- We completed sector-level transition risk assessment during the year. This portfolio-wide review assessed transition risks and opportunities in four investment sectors. The analysis considered transition risks under current policy and delayed transition scenarios. Quantifying the financed emissions and carbon footprint of our investments helps us to assess portfolio exposure to high-emitting sectors and informs active discussions with our portfolio companies on their transition planning.

Climate risk management

Climate-related risk factors are incorporated into the due diligence process. We apply a materiality-based approach to identify climate risk and opportunity factors that are most relevant to a specific investment.

Our assessment of climate-related risks may include, but is not limited to, consideration of the following factors:

- Effects of existing or anticipated regulations and standards pertaining to GHG emissions and climate policy
- Company GHG emissions (Scope 1, Scope 2, and Scope 3)
- Renewable and nonrenewable energy consumption and generation
- Climate change readiness, including a review of existing transition plans
- Decarbonization initiatives under way and/or planned
- Physical risk assessment and adaptation activities

Infrastructure

Metrics and targets

In 2025, we completed our fourth annual portfolio carbon footprint assessment inclusive of all infrastructure strategies, with year-over-year data building on our first carbon footprint assessment in 2022.

We continue to focus on improving the quality, consistency, and coverage of GHG emissions data across our infrastructure investment portfolio. Our infrastructure carbon footprint encompasses assets held across three funds represented on our third-party platform, which aim to provide diversified exposure across infrastructure subsectors, and geographies. As a result, emissions profiles, reporting maturity, and data availability vary across underlying portfolio companies.

While reported emissions data does not yet cover all infrastructure portfolio companies, approximately 96% are represented through a combination of reported emissions data and third-party estimated emissions, with a small number of assets currently outside of coverage due to data availability limitations, as of 2024.

Coverage of portfolio companies reporting emissions

Between 2022 and 2024, emissions reporting coverage improved across the three funds of our infrastructure portfolio, while the number of infrastructure portfolio companies increased during the period. The percentage of portfolio companies reporting Scope 1 emissions increased from 66% in 2022 to 75% in 2023, before moderating to 70% in 2024; this reflects portfolio growth, including the addition of newer investments at earlier stages of emissions reporting maturity. Scope 2 reporting coverage increased from 53% in 2022 to 69% in 2023, and remained broadly stable at 68% in 2024. Through onboarding and engagement with portfolio companies over the investment period, we continue to partner with portfolio company management teams to improve reporting and data quality.

Percentage of portfolio companies companies reporting by Scope category	2022	2023	2024
Scope 1 GHG emissions (%)	66	75	70
Scope 2 GHG emissions (%)	53	69	68

Source: Manulife Investment Management, 2025. Reflects data for companies across three infrastructure portfolios on our third-party platform.

Proportion of reported emissions data

Reported (actual) emissions account for the majority of measured emissions outcomes. Reported Scope 1 emissions represented 99% of covered Scope 1 emissions in 2022, 95% in 2023, and 96% in 2024, while reported Scope 2 emissions represented 84% in 2022, 83% in 2023, and 86% in 2024. For remaining covered assets where reported data is not yet available, emissions are estimated using third-party methodologies to support portfolio-level analysis.

Percentage of portfolio company-reported emissions (actual)	2022	2023	2024
Total Scope 1 GHG emissions (%)	99	95	96
Total Scope 2 GHG emissions (%)	84	83	86

Source: Manulife Investment Management, 2025. Reflects data for companies across three infrastructure portfolios on our third-party platform.

Approximately 96% of infrastructure emissions in 2024 were based on reported data, with the remaining portion derived from estimates. Together, these data sources provide a robust, though still evolving, view of climate-related emissions across the infrastructure platform.

To improve data quantity and quality over time, we actively engage with portfolio companies to support the development of internal emissions inventories. This includes encouraging the establishment of organizational and operational boundaries, improving activity data tracking, and strengthening methodologies and documentation. In 2025, for example, we supported a portfolio company in completing its first GHG emissions inventory, enabling the company to quantify its 2024 emissions and establish a foundation for ongoing reporting.

Listed equities and fixed income

Listed equities

AUM: $187,905 million
Investment professionals: 126+[44]

Fixed income

AUM: $224,294 million
Investment professionals: 133+[44]

Highlights

- We enhanced our proprietary ESG research framework through the incorporation of AI, enabling assessment of the financial materiality of a given sustainability factor.
- We expanded our client-directed exclusions framework, which offers clients the option to screen out investments exposed to deforestation. The criteria are based on three concepts: commodity exposure, company revenue dependency, and corporate policy omission. A qualitative assessment is also completed for each issuer included on the exclusion list. We anticipate adding other thematic exclusion screens in the future to make it easier for clients to align their investments with their preferences.[17]
- We created a digital tool that houses the proprietary sovereign ESG model with greater access to data and visualizations. In addition, we included metrics such as affordability and remittances at a country level when applicable.

Our approach to sustainability in listed equity and fixed income

Each team integrates sustainability-related factors in a manner that best complements its proprietary investment process and strategies. Although each team has a unique process, the overall approach to ESG integration is globally consistent for the respective asset class and occurs throughout the investment lifecycle, from due diligence to risk monitoring and active ownership.

Listed equities

The sustainable investing framework employed within our equity portfolios is an extension of our fundamental, bottom-up research. Each equity team bears responsibility for the evaluation of sustainability-related factors throughout the due diligence and decision-making processes in the pursuit of attractive risk-adjusted returns and capital preservation objectives.

Through their fundamental research process, our investment teams derive a risk/reward profile incorporating sustainability risks and opportunities that can help shape the teams' modeling and define sensitivities regarding the intrinsic valuation of cash flows.

Fixed income

For fixed-income portfolios, sustainability risk analysis is an integral part of our credit research process (excluding securitized and money market assets). Our investment teams adapt their approach to ESG integration, stewardship, and collaboration with both internal and external stakeholders to meet the unique considerations of their respective strategies and the regions in which they operate.

Our approach to fixed-income ESG integration is adapted to identify the material issues within each industry that have the capacity to cause spread widening. In addition to the materiality of sustainability risks, where appropriate, our investment professionals seek to assess the timing of their likely impact.

Listed equities and fixed income

A suite of tools and research

Our investment teams have access to a variety of tools that support their ESG integration processes. Examples include our:

- **ESG research framework—**This framework, used by both equity and credit analysts, prompts the analysis of sustainability indicators for a company in which we've identified those indicators as likely to be financially material to that firm. The framework evaluates several key sustainability factors.
- **Proprietary sovereign ESG risk model—**In addition to our ESG research framework, this model is a unique product of collaboration between our sustainability team and veteran sovereign debt and multi-sector fixed-income professionals.
- **Integration and stewardship guides—**These proprietary tools outline the financial effects of multiple sustainability issues, summarize research on an individual matter, and identify how it may arise in proxy voting considerations. These are resources for our investment teams, used not only as they integrate sustainability-related factors into their investment decisions, but also to supplement proxy voting and engagement discussions.

Stewardship

Our most prominent stewardship activity across both equity and fixed income is issuer engagement. Our investment teams meet with board directors, executive leadership, sustainability professionals, general counsel, and investor relations professionals from issuers throughout the year. While we typically engage with corporate representatives, we may engage with government representatives for sovereign and municipal bonds. For securitized debt, we may also engage with originators, sponsors, investment banks, rating agencies, and industry trade associations.

Regular communication with issuers is a key activity for our investment professionals. This work is often conducted to better assess a portfolio company's operations and provide investment professionals with a more complete view of investment risk and opportunity. These bilateral engagements can provide valuable insight into business models, strategic priorities, capital allocation risk mitigation, and operational resiliency.

Investment professionals may also use these meetings to encourage public disclosure and reporting of financially material sustainability matters, improvements to shareholder or debtholder rights, and to better understand executive compensation structure, as examples of possible topics. Through these relationships, we're ultimately striving to improve investment outcomes for our clients over the long-term through the reduction of idiosyncratic risk.

Timing of rights in fixed income

As fixed-income investors, our rights differ depending on the point at which we hold a bond within its lifecycle. Our global fixed-income teams regularly review prospectuses and transaction documents as part of their initial due diligence, ongoing risk monitoring, and credit research processes. This provides them with an evolving view on which improvements to instrument characteristics might benefit debtholders.

As an example, in the syndication process, our teams may offer feedback on terms, conditions, and covenants that would make the investment offer more attractive for our clients, and this dialogue can result in covenant changes. By engaging with companies when they need to fund-raise, we may also influence those issuers to adopt leading practices in sustainable risk mitigation. Finally, through credit events, we may also have the opportunity to renegotiate terms or may emerge from the event with equity and voting rights that we exercise to protect our interests. Ultimately, we aim to strategically time our engagements in order to maximize our influence.

We continue to build our influence with debt issuers and are finding companies receptive to our input regarding advancement of sustainable outcomes. For example, we've heard from some issuers that they're generally not engaged by debtholders on sustainability risks and opportunities and can be appreciative when we approach them. This feedback is encouraging, and we've learned that firms are receptive to our opinion as debtholders.

Supporting digital inclusion products and services in emerging Asia markets

Issue: A Japan-based multi-national financial services group reached out to our local market fixed income investment team during a non-deal roadshow to review its Social Finance Framework and a potential social bond issuance.

Action: Our fixed income investment team engaged with the firm to learn more about the framework and its focus on digital inclusion to improve financial access in markets such as Indonesia and India. Our team suggested expanding the definition of digital inclusion beyond financial access to incorporate digital literacy, skills development, and cybersecurity measures. The team also recommended using indicators from the World Benchmarking Alliance's Digital Inclusion Benchmark for future reporting and stressed the importance of transparency in environmental metrics for data centers.

Outcome: The financial services group subsequently refined its Social Finance Framework by clarifying the group's social value initiatives and identifying areas for improvement in impact measurement and reporting. The company reaffirmed its commitment to sustainable finance, with the social bond complementing green finance activities and focusing on digital inclusion.

Our investment team will monitor enhancements to the Social Finance Framework at both the pre-issuance phase through the issuance documents and the post-issuance phase through allocation and impact reports. Specifically, our team anticipates clearer definitions of target populations, improved post-issuance reporting, and integration of recommended indicators for digital inclusion.

Listed equities and fixed income

Exercising proxy votes for clients

Manulife IM's global proxy voting policy and procedures outline the processes and governance structures we have for public markets investments to help guide our execution of proxy voting rights.[46] We understand that leading practice can differ by region and, therefore, we apply market-specific frameworks that consider such geographic differences. The investment teams have responsibility to vote proxies, and this is done in the best interest of their clients. In 2025 we further customized our voting guidelines and processes to identify climate, nature, and people-related shareholder proposals that may bear on financial materiality at a given issuer. These guidelines were developed through a collaboration between our sustainability team and our equity investment teams, and we will execute this voting policy in 2026.

Manulife IM has contracted with an independent third-party service provider to ensure the timely casting of votes, to provide relevant and timely proxy voting research and make voting recommendations to inform our voting decisions, and to keep associated records. Manulife IM has implemented global proxy voting guidelines, which set forth our general approach to proxy voting proposals and subject matter for our ESG-integrated strategies and also our approach to proxy voting proposals for our thematic strategies. The guidelines are reviewed on a regular basis to ensure broad alignment with the various Manulife IM issue-specific statements. Through the proxy voting execution process, the proxy voting services provider populates initial voting recommendations in accordance with the global proxy voting guidelines. These voting recommendations are generally submitted, processed, and ultimately tabulated. Manulife IM retains the authority and operational functionality to submit different voting instructions after these initial recommendations have been submitted, based on Manulife IM's assessment of each situation. As Manulife IM reviews voting recommendations and decisions, as outlined below, Manulife IM may change voting instructions based on those reviews.

Our voting records are publicly available on our institutional website.

Considering all the information available, the exercise of our voting rights is always completed with our clients' best interests in mind. We have a global proxy operations group that oversees the proxy voting execution and account maintenance in coordination with investment professionals, the public markets sustainability team, our vendor, and other stakeholders. Manulife IM ensures that proxies are executed in a timely manner and maintains appropriate records of votes cast and proxy statements received in connection with annual general meetings. The proxy operations team performs various administrative functions associated with voting and supports reporting of proxy voting activities. Ultimately, it's through this team and its daily collaboration with the vendor that we track our voting rights. This team also seeks to ensure that we're executing our voting rights wherever we can, and that we are doing so as efficiently as possible.

Periodic review of proxy voting guidelines

We periodically review the proxy voting guidelines that drive our voting decisions. We keep pace with the evolution of proxy voting rules and regulations, as well as best practices and expectations regarding corporate governance, and we work to keep current with leading practices. We also engage with our vendor to aid us in our effort to encourage outcomes that preserve and enhance share value over the long term. We consistently evaluate if amendments are necessary for our proxy voting policy and our guidelines.

46 In early 2025, we further amended these guidelines to articulate our new ability to provide different voting policies depending on the underlying product. We apply different voting guidelines depending on whether a product is an ESG-integrated strategy (including ESG-integrated and quantitative screening products) or thematic strategies (including sustainable, sustainable thematic, and impact). There are broad commonalities across the two policies, and we believe the differences between each set of guidelines reflect the expectations of clients in the different products represented.

Listed equities and fixed income

Special arrangements with clients and securities lending considerations

Working together, Manulife IM and our clients shape the proxy voting relationship by agreement. Generally, our clients delegate proxy voting decision-making to us, and client shares are therefore voted in line with our proxy voting policy and procedures and our guidelines. We may also agree with clients on other proxy voting arrangements in which we don't assume proxy voting responsibility.

We also take action through our share-lending program to better preserve proxy voting rights. Shareholders can lose voting rights if shares are on loan during a certain period before a shareholder meeting. To preserve our influence through voting rights, we follow a process that, on a best-efforts basis, instructs our lending agents to restrict and recall shares from loans for issuers in which we own 2% or more of the shares outstanding. We believe this is in our clients' best interests as it strikes a balance between generating additional revenue for our client funds through lending and ensuring we hold our rights where we have significant influence.

In 2025, Manulife IM voted on over 102,000 proposals across more than 10,000 shareholder meetings globally. We voted at approximately 99% of meetings where shares were held in our internally managed portfolios.[47] Where Manulife IM votes proxies for client accounts, it seeks to ensure proxies are voted in the best interest of the client, with a view to maximizing the economic value of the securities.

Voting actions we took related to sustainability matters

Proposal type	Rationale for vote
Votes for disclosure of environmental and social data	• More comprehensive reporting on climate risk • Proposals related to human rights governance and risk management
Votes for improved shareholder rights	• Support elimination of dual class shares with differential voting rights • Support right to call special meetings and written consent • Support removal of poison pills • Support majority voting standard
Votes against executive compensation plans	• Misalignment between pay and performance • Lack of performance-based remuneration • Short vesting periods • Lack of rigor in performance metrics • Outsize pay versus peers • Discretionary payments • Problematic severance arrangements • Potentially dilutive equity authorizations
Votes against directors	• Poor attendance • Lack of independence • Diminishment of shareholder rights • Problematic executive remuneration practices

47 Manulife IM may refrain from voting at certain meetings for several reasons, including where the costs to vote may outweigh benefits to clients, voting would incur liquidity risk, or there is a requirement to vote in person, among others. More information on where we may refrain from voting is available in Manulife IM's global proxy voting policy and procedures.

Climate

Governance and strategy

For public markets assets, we rely on our oversight framework described earlier in the governance section along with our policy and statement infrastructure, including our climate statement, our proxy voting policy and guidelines, and our global issuer engagement policy.

Risks and opportunities

Within public markets asset classes, we assess transition risk by using a blend of qualitative analysis and quantitative sustainability metrics such as CVaR, which seeks to quantify the estimated financial impact of climate change. The severity of physical risks tends to be more certain over the longer term (apart from acute weather events, which can be unpredictable) and typically depends on where an asset is physically located. Transition risk is also an input to this measure and considers sectoral decarbonization pathways, technology readiness, and country-level factors, including the local policy environment, energy mix, and electricity pricing. Scenario analysis, in which the effect of climate change can be modeled through a range of possibilities, is one of the key tools we use to place a financial value on climate risk based on the rate of global decarbonization.

We've also developed climate change-themed investment strategies for both equity and fixed income, with a focus on portfolio resilience and an approach to lower portfolio emissions as time moves forward.[48]

While climate risks exist, so do opportunities, including the promise of new technologies such as green hydrogen, biofuels, and batteries. We attempt to identify issuers who are leveraged to these themes and track their competency to capture the opportunities. One way we measure this is by assessing the value of low-carbon technology patents filed by issuers, which we believe can provide useful insight into innovation and progress.

Understandably, tackling climate change is an integral part of our corporate engagement program, particularly when it's a material factor for an issuer or industry. We aim to share our knowledge and findings with investee companies in the hope that this can help them strengthen their sustainability handprint and reduce risk exposure to climate factors. Our collaborative approach with issuers enables mutual learning and the sharing of evolving leading practices around climate-related disclosure and management.

Risk management

Our public markets teams are aided by an investment risk group, a sustainability team, and models that combine to help monitor market risk. In addition to consideration of financially material climate risks and opportunities in our investment portfolios, we also try to address climate at a systemic level through policy work and collaboration as described in the engagement section, and through policy work and standard setting within the collaboration section.

Metrics and targets

The overwhelming consensus among scientists is that there's a limited amount of carbon dioxide that the world can afford to emit into the atmosphere if we're to limit the global average temperature rise to 1.5°C. As markets increasingly price emissions and we live in a carbon-constrained world, we believe it's important to analyze the emissions of the portfolios we manage on behalf of our clients given this increasing cost. This helps us understand our current contribution to global climate change mitigation and where we have opportunities to address these risks and opportunities in line with our fiduciary duty to clients.

While climate risks and opportunities may materially affect the enterprise value of a portfolio company, that impact may change depending on a portfolio company's geography, regulatory regime, industry, and size, among other factors. For this reason, we believe climate risks and opportunities should be analyzed, managed, and prioritized in connection with the unique profile of each investment.

48 These strategies invest in portfolio companies that have either committed to reducing GHG emissions as measured by a commitment to science-based targets within the Science Based Targets initiative (SBTi); have lower emissions intensity relative to a benchmark or industry peers; or provide climate solutions supporting the transition to a low-carbon economy. We expect this to result in lower overall emissions profiles for these portfolios over time.

Listed equities and fixed income

Defining the scope of our analysis

Our portfolio carbon analysis includes all equity and fixed-income portfolios for which carbon emissions data is available for the underlying holdings.

Scope of the analysis and our approach to selecting key performance metrics

For the purposes of this report, we've chosen to use an array of emissions calculations. We believe this allows us to assess different facets of climate issues, including disclosure, and provide a more granular analysis when it comes to managing portfolio-level climate risks and opportunities.

Accordingly, we've calculated our portfolios' GHG emissions profile using multiple calculation methods, as well as different combinations of the emissions categories. We regard this as particularly important for two reasons: First, direct emissions are known to be more easily measured and are easier for companies to control, and second, indirect emissions are larger and involve a higher degree of estimation.

As a result of their indirect nature, companies might argue that their ability to control these categories of emissions is more attenuated. For these reasons, we believe it's critical to employ several methods of measuring emissions and to use these in dialogue with investee companies.

How to measure responsibility for emissions within the capital structure

Carbon performance metrics have evolved from using market capitalization as a denominator for calculating and normalizing GHG emissions, which previously dominated industry practice, to using enterprise value, including cash (EVIC). The former methodology holds only shareholders to account for all the emissions of a company, while the latter enables accounting for issuer debt as part of the emissions allocation/apportioning practice. In effect, this means that those providing finance to companies through equity ownership or through lending are assigned emissions responsibility, but in subtly different ways. Equity is measured by current market value, whereas debt is measured based on book value.

Carbon footprint calculation methods

1 Equity ownership only

Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tCO_2e/$M invested.

$$\frac{\sum_{n}^{i}\left(\frac{\text{Current value of investment}_i}{\text{Issuer's market capitalization}_i} \times \text{Issuer's Scope 1 and Scope 2 GHG emissions}_i\right)}{\text{Current portfolio value (\$M)}}$$

2 Equity ownership and debtholder

Equity carbon footprint

$$\frac{\text{Current value of investment}}{\text{Issuer's enterprise value + Cash}}$$

Debt holder carbon footprint

$$\frac{\text{Book value of investment}}{\text{Issuer's enterprise value + Cash}}$$

Source: tcfdhub.org, October 2022.

Listed equities and fixed income

Our carbon footprint and carbon exposures

In an effort to help stakeholders understand our exposure, we may disclose certain metrics regarding our aggregated portfolio exposure to transition risk. The following are some metrics we may consider as we continue to address that risk.

Total carbon emissions—In terms of absolute emissions by ownership, our clients' representative fixed- income and equity portfolios were collectively responsible for 12.2 million metric tons of CO_2e of Scope 1 and Scope 2 in 2025, a decrease of 20% year-over-year. This represents 0.03% as a percentage of the world's total absolute emissions in 2025. While this is a small share of global emissions, it's important to recognize that whenever an investee company reduces emissions, the effect applies across the total emissions of that firm, not just the financed portion of those emissions. Through engagement with investee companies, we can potentially have a stronger influence on emissions reduction than suggested by the size of our individual positions or by our public markets AUM.

Carbon intensity—We believe it's important to consider data on emissions intensity as well as total emissions. It's unrealistic to expect two broadly identical companies where one is twice the size of the other to have the same amount of absolute emissions. However, it's reasonable to measure their emissions per unit of sales or other standardized metric, as this provides insight into the emissions efficiency of each company's operations, product development, and/or service execution.

That said, we must remind ourselves that limiting total emissions is the real-world outcome we're trying to achieve; therefore, too much emphasis on intensity figures carries the risk of missing a critical sustainability objective and the ever-increasing cost to portfolio companies associated with emissions. So, while a company may indeed become more efficient at reducing carbon emissions per unit of production or per $1 million of sales it generates, its absolute emissions could be increasing at a faster rate than the rate of its intensity reduction. For this reason, we believe the rate of absolute emissions reduction should be considered alongside changes in carbon intensity.

We calculate our carbon footprint using the Partnership for Carbon Accounting Financials methodology, which has gained traction in the market and among standards-setting bodies. To achieve a more representative footprint, we removed securities that lack emissions data, such as cash, derivatives, and other noncorporate issuers, and focused the calculation on securities that have underlying carbon and EVIC figures. This weight is then redistributed to the remaining investment holdings.

WACI—WACI is the standard metric used by investors to assess the emissions management efficiency of investee companies. We show our equity and fixed-income carbon intensity figures versus a general representative benchmark for each asset class. While these aren't the applicable benchmarks for many of the strategies, they provide a barometer against which we measure our carbon exposure. We chose these benchmarks as we believe they provide an unbiased view of the carbon intensity for the companies globally. It also enables us to evaluate portfolio intensity in a global context and identify portfolios that may require closer monitoring, which tend to be Asia-focused.

For our equity portfolios, we've presented information against the MSCI All Country World Index (MSCI ACWI). The WACI (Scope 1 and Scope 2) across our equity portfolios, based on AUM per portfolio, is 11% lower than that of the MSCI ACWI. The primary driver for the lower carbon intensity is the low carbon intensity for our U.S.- domiciled portfolios. The median carbon intensity of our equity portfolios is higher than that of the benchmark by 5% assuming each portfolio is equal-weighted. A key difference in the variance to the MSCI ACWI benchmark is the weighting in the U.S. technology sector, which is outside of the investable universe for our Asia-based strategies. Technology stocks in general have a lower carbon intensity than many other sectors.

Listed equities and fixed income

For our fixed-income portfolios, we've presented information against the Bloomberg Global Aggregate Corporate Index (BGACI). The WACI of our fixed-income portfolios is 24% higher than that of the BGACI, however the WACI differential between our fixed-income portfolios and the BGACI narrowed by 9% year-over-year, with median carbon intensity remaining higher than the representative benchmark at 18%. There are three key reasons why our carbon intensity is higher. First, the financials sector weight in the benchmark is higher while the diversification of our portfolios results in a lower weight in financials.

Financial entities tend to have lower Scope 1 and Scope 2 emissions and are typically still in the process of building out their modeling capabilities for reporting Scope 3, or financed, emissions. Second, which also speaks to diversification, is that our portfolios generally have larger weights in the utility and energy sectors. Third, the carbon intensity of our Canadian fixed-income funds is higher, as Canada has a higher exposure to natural resource companies, which operate with higher relative levels of carbon intensity.

Our listed equity and fixed-income portfolios' carbon exposures

Absolute carbon emissions and equivalents

The absolute quantity of emissions that our equity and fixed-income portfolios are responsible for based on the amount invested (vs. EVIC) in the portfolio companies.

Metric	Fixed income ($MtCO_2e$)	Equity ($MtCO_2e$)	Weighted average of fixed income and equity ($MtCO_2e$)
Scope 1 + Scope 2	284,616	58,377	208,079
Scope 1 + Scope 2 + Scope 3 (upstream)	427,371	125,295	325,178
Scope 1 + Scope 2 + Scope 3 (upstream and downstream)	1,342,353	635,665	1,103,278

Source: Manulife Investment Management, 2025. Figures in each column represent absolute emissions based on aggregate assets under management of all portfolios. EVIC refers to enterprise value, including cash.

Carbon footprint/EVIC

Carbon footprint normalized to value invested (apportioned by EVIC) enables us to compare carbon intensity across different portfolio sizes.

Metric	Fixed income (million $MtCO_2e$)	Equity (million $MtCO_2e$)	Weighted average of fixed income and equity (million $MtCO_2e$)
Reweighted based on data availability			
Scope 1 + Scope 2	114.5	37.9	88.6
Scope 1 + Scope 2 + Scope 3 (upstream)	163.1	75.2	133.4
Scope 1 + Scope 2 + Scope 3 (upstream and downstream)	627.4	389.9	547.1

Source: Manulife Investment Management, 2025. Figures in each column represent carbon footprint based on aggregate assets under management of all portfolios. EVIC refers to enterprise value, including cash.

WACI

Weighted average GHG intensity per $1 million of sales that underlying securities generate enables us to conduct GHG attribution analysis.

Metric	Fixed income ($MtCO_2e$/$1M sales)	Equity ($MtCO_2e$/$1M sales)	Weighted average of fixed income and equity ($MtCO_2e$/$1M sales)
Scope 1 + Scope 2	273.7	101.5	215.4
Scope 1 + Scope 2 + Scope 3 (upstream)	362.5	182.1	301.5
Scope 1 + Scope 2 + Scope 3 (upstream and downstream)	1,434.5	1,111.7	1,325.3

Source: Manulife Investment Management, 2025.

Listed equities and fixed income



Geographical comparison

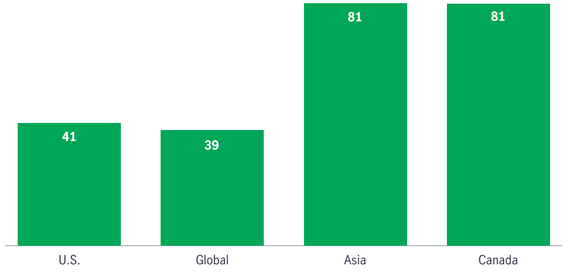
As a global investment manager, investing across different geographies gives us a perspective on emissions quantities across countries as well as sectors. Using our equity and fixed-income businesses, we compared average emissions across each of the climate metrics of absolute emissions, carbon footprint, and WACI using our largest 25 portfolios in each asset class by AUM. Note: the 25 largest portfolios may not be exactly the same on a year-to-year basis.

Absolute carbon emissions and equivalents

From an absolute financed emissions metric, we can see that there's a dichotomy for those assets based in the United States. From an equity perspective, the financed emissions are low relative to other regions, while for fixed income, the United States ranks the highest for financed emissions. A key reason for this is a larger allocation of assets to the utilities and energy sectors, which are sectors with high Scope 1 and Scope 2 emissions. From a regional perspective, our U.S. fixed income portfolios carry higher financed emissions due to their allocation to hard-to-abate sectors.

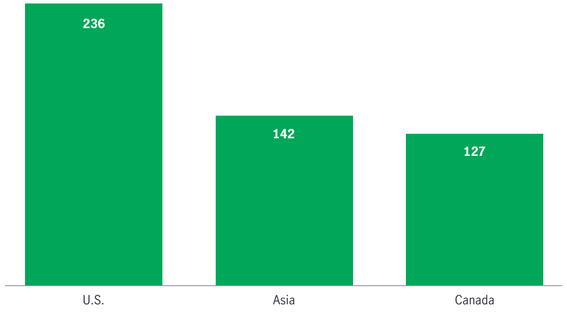
Financed emissions: equity

Absolute emissions in thousands of CO_2e



Financed emissions: fixed income

Absolute emissions in thousands of CO_2e



Source: Manulife Investment Management, 2025. Values in the bar chart have been rounded, while bar chart heights reflect true underlying values.

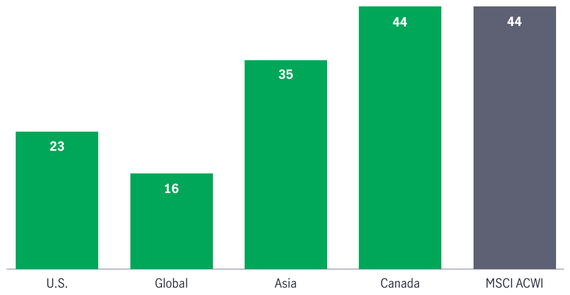
Listed equities and fixed income

Carbon footprint/EVIC

From a portfolio footprint perspective for equity, our global portfolios have a lower carbon footprint on both a regional basis and when compared to the MSCI ACWI. For fixed income, the regions of the United States and Canada have a high carbon footprint. This exposure comes from hard-to-abate sectors such as utilities, materials, and chemicals.

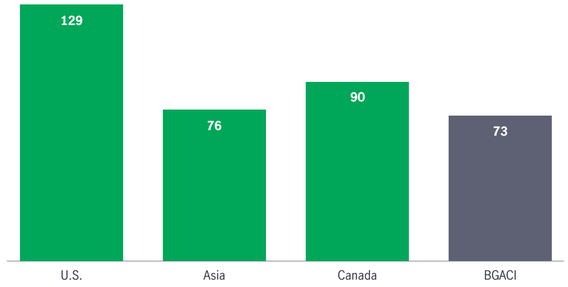
Carbon footprint/EVIC: equity

Absolute emissions/carbon footprint



Carbon footprint/EVIC: fixed income

Absolute emissions/carbon footprint

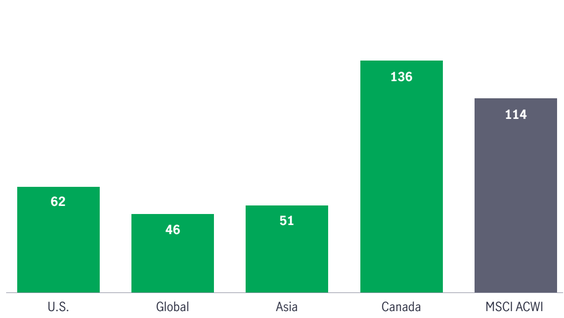


WACI

From a carbon intensity perspective, our U.S. and global-based strategies are on the lower end of WACI for equity portfolios. This is primarily due to our equity portfolios investment in technology companies in the U.S. and globally. Within fixed income, our portfolios have a higher carbon intensity due to our exposure to energy and utilities, with an underweight to financials.

Weighted average carbon intensity: equity

Scope 1 + Scope 2 carbon intensity



Weighted average carbon intensity: fixed income

Scope 1 + Scope 2 carbon intensity



Source: Manulife Investment Management, 2025. MSCI ACWI refers to the MSCI All Country World Index. BGACI refers to the Bloomberg Global Aggregate Corporate Index. It is not possible to invest directly in an index. Values in the bar chart have been rounded while bar chart heights reflect true underlying values. Carbon footprint data is presented on an average based on AUM by region.

Listed equities and fixed income

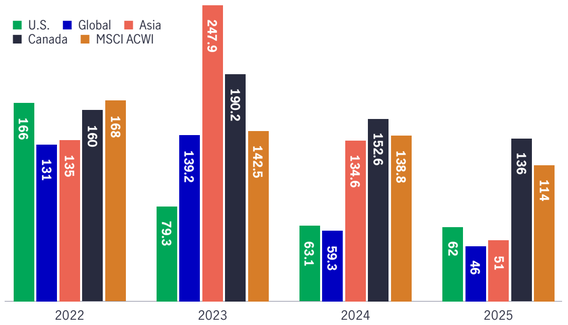
Four-year trend carbon intensity

On a four-year trend basis, portfolio carbon intensities for equities have directionally moved in line with the benchmark, with a meaningful decrease in Asia during 2025. The Asia change was driven by an additional portfolio being included in the region with low carbon intensity. While the MSCI ACWI continued a linear decline since 2022, our portfolios also showed decreasing carbon intensities over the same period.

For fixed income, our U.S. portfolios remained broadly level on a trend basis, while Canadian portfolios showed a decreasing trend versus 2022. The increase in carbon intensity for Asia was the result of increased exposure to the utility sector. The variables that drive carbon intensity are wide-ranging; however, the two most sensitive variables are sector allocation and security selection, both of which are primarily driven by valuation attractiveness. The purpose of this chart is to take a top-down view of how the carbon intensity is changing over time.

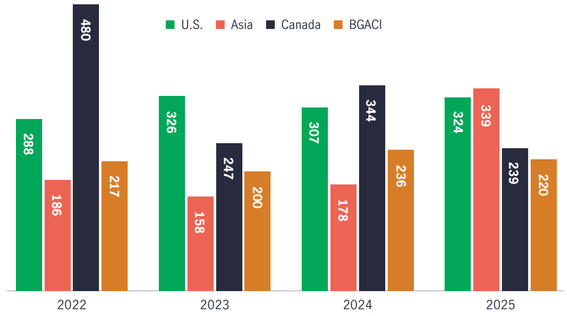
Trend carbon intensity: equity

Scope 1 + Scope 2 carbon intensity



Trend carbon intensity: fixed income

Scope 1 + Scope 2 carbon intensity



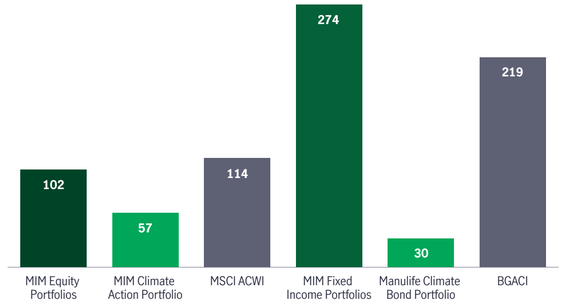
Climate-themed equity and fixed-income strategies

We've presented an analysis of WACI and carbon intensity related to our climate-themed equity and fixed-income strategies and broader industry benchmarks. As evidenced, there's a significant reduction in the carbon intensity compared with the asset class representative benchmark and the overall average of the asset class we presented earlier in this report.

Where appropriate, and in line with our fiduciary duty to clients, our investment teams for these climate-themed strategies specifically seek to find attractive and appropriate investment opportunities with lower-carbon investment profiles. Both of these climate strategies are managed through a process that we expect to drive carbon intensity lower for these portfolios over the long term.

Weighted average carbon intensity

CO_2e/revenue



Source: Manulife Investment Management, 2025. MSCI ACWI refers to the MSCI All Country World Index. BGACI refers to the Bloomberg Global Aggregate Corporate Index. It is not possible to invest directly in an index. Values in the bar chart have been rounded while bar chart heights reflect true underlying values.

Multi-asset solutions

AUM: $170,557 million[4]
Investment professionals: 53+[44]

Highlights

Overview

As an allocator of capital, our Multi-Asset Solutions Team (MAST) has taken a top-down approach to constructing diversified portfolios across multiple asset classes and sectors, combining dynamic asset allocation with holistic risk management. The team is focused on evaluating potential opportunities and risks to achieve tailored investment outcomes and solutions on behalf of clients. The analysis and integration of financially material sustainability-related factors are a natural complement to the research put out by MAST. Further, the team believes sustainability-related factors play a meaningful role in the evolution of capital markets and, as such, embraces the principles of sustainability that help drive improved outcomes for stakeholders.

Our approach to sustainability in multi-asset solutions

MAST has achieved our highest internal level of ESG integration and uses a framework for evaluating aspects of sustainability risk and opportunity that aligns with the team's investment process. This framework consists of the following:

- Partnership with our sustainability team
- Coordination across the equity and fixed-income teams and MAST to share sustainable investment views, enabling MAST to develop fundamental top-down views of risks and to construct opportunities across industries
- Collaboration with the internal global manager research (GMR) team to assess depth and quality of ESG integration for external investment managers of individual actively managed asset classes to construct multi-asset solutions.
- Research into, and publication of, macroeconomic analyses on sustainability topics and their potential impact on the capital markets
- Incorporation of sustainability adjustments and scenarios into economic and fundamental market inputs driving asset class forecasts
- Enhancement of data aggregation and analysis, quantitative approaches, and portfolio construction tools to incorporate financially material sustainability considerations

ESG integration in multi-asset is different from funds focused on security selection

Security selection ESG integration	Multi-asset ESG integration
• Bottom-up security analysis • Analysis of disclosed financial and sustainability-related statements • Direct engagement with corporate management related to sustainability initiatives • Ability to articulate sustainable viewpoints of investments through active ownership • Enables valuation adjustments based on sustainability factors creating stronger risk/reward profile	• Incorporation of sustainability-related factors within top-down macro research and forecasting • Build-out of sustainability data infrastructure for cross-asset analysis • Inclusion of sustainability risk factors into MAST's research framework • Stewardship of capital through engagement with underlying investment managers • Portfolio construction that incorporates material sustainability-related factors affecting capital market forecasts

Multi-asset solutions

Stewardship

A partnership with our global manager research team

Our MAST partners meet regularly with our GMR team to assess external managers and their products as an input into MAST's investment process. Our GMR team is responsible, in part, for investment evaluation and oversight of public equity and fixed-income assets where Manulife IM has delegated a portion of investment management functions to a third-party manager. GMR applies a combination of quantitative and qualitative processes to monitor and assess our delegated management of client assets. This team regularly reviews sustainable investment practices of delegated investment managers, including reviews of ESG integration, proxy voting, and engagement activities, and maintains tools that keep pace with the rapidly changing global climate risk disclosure environment. The team strives to ensure its processes and oversight provide the same rigorous standard of investment manager oversight to all delegated managers, including through the following activities:

- **Sustainability-dedicated sessions—**Held with portfolio teams during annual due diligence meetings; for larger strategic partners, the team will also meet with dedicated sustainability-focused roles, where applicable; GMR analysts look for specific examples of successful engagement activity from the investment team
- **Quarterly calls—**Coverage of ESG integration in the context of sustainability awareness of portfolio positioning during quarterly calls with investment teams
- **DDQ—**Sustainability-specific questions in the annual DDQ sent to managers
- **Access to sustainability data—**Team analysts have access to sustainability reporting tools and data through several vendors and sources delivered through a proprietary system, allowing each portfolio's sustainability profile to be evaluated for each underlying position to ensure a portfolio aligns with the GMR team's expectations for that strategy
- **Proxy voting review—**Proxy voting records for each investment manager are reviewed annually to ensure proxies are being voted in line with manager proxy voting policies; key considerations include votes for/against management on shareholder proposals and executive compensation packages
- **Formal internal assessments—**Conduct formal sustainability assessment discussions between analysts and the regional heads, in which the regional heads review an analyst's assessment against a broader market perspective
- **Defined escalation processes—**Where an analyst believes a manager may be deviating from expectations, the analyst will escalate internally through the monthly GMR team's global analyst call; where the global team believes warranted, the strategy will be added to the GMR team's closely monitored list, with the deviation noted at the relevant investment committee or fund board; if an investment team on the closely monitored list fails to satisfy the GMR team's concerns, it may be slated for replacement

Robust manager oversight process

1 **Daily—**Monitor performance and positioning; ad hoc interactions with managers
2 **Weekly—**Team meetings; sharing of leading practices
3 **Monthly—**Global research meetings; investment risk oversight committee meetings
4 **Quarterly—**Board and investment committee meetings; strategy investment reviews
5 **Annually—**Due diligence meetings with portfolio managers, risk managers, and key executives; comprehensive DDQs encompassing firm- and strategy-level questions; sustainability topics are included throughout the questionnaire; proxy voting review



Relates to public markets manager oversight processes.
For illustrative purposes only.

Private equity and credit

Private equity

AUM: $21,266 million[3]

Private credit

AUM: $5,362 million[3]

Combined investment professionals: 31+[44]

Highlights

- We announced a multi-year partnership with Ownership Works, a non-profit organization dedicated to increasing prosperity through broad-based employee ownership programs at work. Our partnership includes a commitment of $300,000 over three years to help advance their 2030 goal of creating $20 billion in wealth for employees and their households. In addition, our senior managing director, private equity, joined the Ownership Works Limited Partners' Leadership Council to advise on efforts to advance shared ownership across the institutional investment space.
- Building on the Sustainable Digital Economy (SDE) thematic launched in 2023, we continued to deepen our understanding of responsible technology considerations across the private equity industry. This included engagements with sponsors focused on their approaches for incorporating responsible technology considerations into their investment processes.
- As a member of the EDCI Steering Committee, we participated in working group meetings and efforts that led to the addition of a cybersecurity metric to the EDCI framework. These developments reinforce our ongoing commitment to improving transparency and the availability of sustainability data in the private equity industry.
- We updated our publicly available sustainable investing framework to reflect continued enhancements made to our sustainable investing program.

Our approach to sustainability in PE&C

Within PE&C, the ability to analyze potential material sustainability issues prior to making an investment allows us to better assess potential downside risks.

Across investments and geographies, our PE&C investment teams conduct a materiality assessment of sustainability issues for each investment during due diligence and include key findings in investment memoranda, for review and approval by the investment committee. To inform their assessments, the teams employ a materiality-based approach that leverages an internally developed sustainability due diligence tool. The tool is based on external resources from SASB as well as our own proprietary expertise. For our co-investments, secondaries, senior credit, and junior credit, investment teams also complete a sustainability assessment of the sponsor. For fund commitments, our proprietary manager maturity assessment framework guides the investment teams' assessment of the following due diligence areas:

- Governance and oversight
- Culture, capacity building, and training
- Policy, standards, and leading practices
- Due diligence
- Value creation and risk management
- Incident reporting
- Investment exit
- Sustainability reporting, communications, and contractual commitments
- Approaches to people and climate change

Private equity and credit

We document the outcomes of this sustainability due diligence in the final investment memorandum, which is presented during the investment committee approval process. Sustainability documentation in the investment memorandum includes a summary of material sustainability risk and opportunity factors, areas for improvement, the sponsor's plans to address any gaps, and areas in which the portfolio company is already well advanced.

Once an investment is made, the teams work closely with their investment partners to monitor material items that might affect the investment or company, including sustainability-related 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 help ensure material sustainability-related issues aren't overlooked. Moreover, we monitor the sustainability performance of our investments through the annual collection of sustainability and climate data, including metrics aligned with the EDCI assessment framework. The data we collect may further enhance our own practices and allow us to report to investors on sustainability-related activities and metrics.

Stewardship

In addition to the monitoring practices and tools mentioned, we aim to work with our investment partners and portfolio companies to support sustainability objectives during the holding period.

We seek to engage with the General Partners (GPs) of funds in which we invest and with the lead sponsors of our direct co-investments, secondary investments, and private credit investments. Conversation topics may include the firm's recent investment activities, notable business updates, and personnel and quarterly performance updates. Where we hold board seats or board observer rights, we may participate in quarterly board meetings and interim updates to help support strong governance and oversight. In cases where we serve on a Limited Partners' Advisory Committee (LPAC), we may review certain matters specified under fund governance documents, including conflicts of interest and waivers of limited partners (LPs) restrictions. LPAC participation forms an important part of our stewardship responsibilities and helps reinforce alignment between GPs and LPs. We seek to exercise our governance rights and responsibilities in support of risk mitigation and long-term value creation.

Navigating toward a sustainable digital economy in private equity

To advance private equity investor understanding of, and dialogue regarding, digitization impact, we partnered with a financial data provider to host a dedicated event for investors on this rapidly evolving sustainability trend. We invited investors to discuss how taking a holistic approach to assessing investment risks and opportunities related to generative AI, automation, and digitalization can uncover valuable new insight. The expert panel included a Manulife IM private equity investment professional along with private equity research and data professionals, who shared their perspectives on technology as a new systemic risk, the sectors most affected by it, the associated potential effects, and how private equity managers might effectively navigate an SDE.

Private equity and credit

Climate

Governance and strategy

Assessing the risks and opportunities related to climate change is an integral part of our sustainable investment approach for our PE&C strategies.

In addition to the firm-level governance structure described in the governance section, the PE&C sustainable investing committee oversees PE&C's climate strategy, which outlines near-term priorities and longer-term objectives for the integration of climate considerations across the investment cycle and for each PE&C investment strategy. Core pillars of this strategy include monitoring climate-related risk and opportunity metrics, enhancing our investment teams' climate capabilities, generating climate-focused market insights, and engaging with industry groups and private equity peers through external initiatives.

As one of the core pillars of PE&C's climate strategy, we are committed to enhancing climate competency within our investment teams. To support this, we have developed a global climate change training program for all PE&C employees. The program, designed by our PE&C sustainability leads, covers fundamental concepts, proprietary tools, and external resources that support the identification, assessment, and management of climate-related investment risks and opportunities.The training reflects a strong commitment from senior leadership to advancing our climate ambitions, alongside active engagement from employees at all levels through continuous learning and development. Our teams continue to benefit from this training, which remains an ongoing resource supporting the integration of climate considerations into investment decision-making.

Risk management

Within PE&C, climate-related physical and transition risks and opportunities are assessed as part of the underwriting process and monitored post-investment, where material, to the underlying investment. Through our annual sustainable investing questionnaire, we also monitor key climate metrics, including GHG emissions, climate governance and oversight, and decarbonization planning at our portfolio companies and sponsors.

We conduct an annual carbon footprint assessment to measure the financed emissions of our PE&C investments. This exercise allows us to monitor the emissions profile and carbon risk exposure of our portfolios over time with the goal of managing potential climate-related risks. Moreover, we've enhanced our climate-focused portfolio monitoring activities by incorporating questions related to decarbonization planning and emissions reduction targets into our annual sustainability reporting questionnaire for both GPs and portfolio companies. We plan to incorporate these insights into our carbon footprint assessment to inform climate risk management and future assessments of transition risk readiness.

Metrics and targets

In 2025, we completed our fourth annual portfolio carbon footprint assessment, covering all PE&C strategies and building on our first assessment conducted in 2022. The availability of reported portfolio company emissions continued to increase, reflecting steady progress over time. In 2024, 21% of portfolio companies reported Scope 1 and Scope 2 GHG emissions and 18% of portfolio companies reported Scope 2 GHG emissions,[49] representing year-over-year increases of 7 percentage points. Better availability of reported emissions data occurred alongside continued growth in PE&C assets under management, indicating a meaningful increase in the absolute number of portfolio companies reporting emissions. Moreover, our investment partners' climate approaches continue to evolve in line with investor expectations. In particular, GPs and sponsors are engaging more with portfolio companies on climate-focused activities post-investment, with 63% of GPs and sponsors indicating that they assess portfolio company emissions, an increase from 52% in 2023.[50] Collectively, these trends demonstrate positive momentum in both portfolio company emissions reporting and GP climate maturity. We will continue to engage with our GP base and peers through industry-led initiatives that seek to improve the availability of sustainability and climate data, particularly as investor expectations for climate disclosures continue to evolve.

49 Portfolio company reported emissions data includes all portfolio companies surveyed across co-investment, junior credit, senior loans, private equity Asia co-investments, and secondaries. Only the top 10 holdings are included from our secondaries program. **50** Includes all GPs and sponsors that were surveyed as part of our annual sustainability reporting campaign.

Real estate

AUM: $25,448 million[3]
Investment professionals: 80+[44]

Highlights

- **100%** of our real estate funds received a Green Star rating from GRESB[51]
- **Ranked 1st** by GRESB for our General Account Americas portfolio submission for the third straight year (2025)[52]
- **87%** of our global real estate equity portfolio was certified to a green building standard[53]
- **27%** of our global real estate portfolio had a wellness and/or accessibility certification[54]
- **Over 90%** of operational emissions across our global real estate equity portfolio are covered by asset-level decarbonization plans, with all new acquisitions also subject to decarbonization screening[55]
- **17% reduction** of operational GHG emissions in 2025 versus 2019[56]
- **Monitored 100%** of the real estate equity portfolio for physical climate and nature-related risks using third-party software

Our approach to sustainability in real estate

We incorporate sustainability considerations into our investment management and operational practices across the real estate value chain, from construction and acquisition of an asset to all aspects of asset management, looking for ways to incorporate best practices and maximize value. These practices are supported by resources such as our proprietary sustainable investing and due diligence tool, sustainability clauses in our standard lease, and our proprietary Sustainable Building Standards. Our real estate sustainable investing framework outlines our approach, and is based on responsible property investment and aligns with global standards. We validate our practices and performance through public and investor reporting and industry benchmarking standards such as GRESB, and aspire to advance our sustainable real estate commitments across our global platform. For more information, please see our real estate sustainability report.

Stewardship

Good stewardship is good business. Our clients' financial success directly depends on how we manage our properties. Property operations make up the bulk of our environmental and social impact and are the focus of our interaction with our employees, tenants, and community members. Developing a comprehensive approach to asset management and operations relevant to individual funds, assets, and geographies is critical to ensure material sustainability-related factors are tracked, monitored, and improved upon.

To support this, we've developed proprietary tools such as our property management Sustainable Building Standards and our sustainability budget dashboard, which provide asset managers with guidance on sustainability improvement opportunities to be included in annual asset plans and budgets for our clients.

51 Based on GRESB results released in October 2025 that cover the 2024 calendar year. Manulife Investment Management paid a per-fund submission fee per year. The GRESB Rating is an overall measure of how well sustainability issues are integrated into the management and practices of companies and funds. More information about the GRESB Real Estate Assessment is available at GRESB.com. **52** Designation awarded by GRESB as a Sector Leader in the North America, Diversified Office/Industrial category. Based on GRESB 2025 results that cover the 2024 calendar year. Manulife Investment Management paid a per-fund submission fee per year. More information can be found at GRESB.com. **53** As of December 31, 2025. Based on the square footage of the gross floor area of properties in the global equity portfolio where Manulife Investment Management is the asset manager, and assets have been held in the fund for more than one year. This excludes properties ineligible for certification due to vacancy issues, and excludes vacant lands, new developments, club investments or other non-equity assets. Totals from different certification standards do not sum as properties with multiple certifications are only counted once. Includes certifications such as LEED, ENERGY STAR Certification, BREEAM, BOMA BEST, GBCA Green Star, BCA Green Mark, NABERS, CASBEE, BOMA 360, Fitwel, CaGBC Zero Carbon, and Passive House. **54** Wellness and accessibility certifications are certified to the Fitwel® Certification, WELL® Certification, or the Rick Hansen Foundation Accessibility Certification (RHFACTM). **55** Operational emissions include Scope 1 and Scope 2 greenhouse gas emissions. **56** 2025 and 2019 GHG emissions are re-baselined.

Real estate

Climate

Governance and strategy

For our real estate asset class, we rely on the governance infrastructure described in the governance section to review and identify climate risks and opportunities at a high level, while our investment teams consider these risks at the asset class level.

Climate risks and opportunities

As a manager of real estate investments, our business is exposed to risks and opportunities from the environment in which we operate, and we recognize that climate risk is a core real estate issue. As the impact of climate change is increasingly felt, it's vital for our investors, employees, tenants, and partners to understand why it's important and how to incorporate risk mitigation strategies into our business plans. We seek to integrate climate considerations into each stage of the real estate investment lifecycle, using a stepwise process to ensure that teams are putting in place essential measures to make our portfolios more resilient. While we continue our efforts to mitigate climate change by reducing emissions in our operations and supply chain, we also recognize the need to build climate resilience within our real estate portfolio and across our management practices. The nature and level of these risks are dependent on structural forces that will shape our short- and long-term decisions. We expect our business will be affected in both positive and negative ways by the climate transition—the opportunities will ultimately depend on our action and response. Reducing our carbon footprint is critical to helping manage our clients' risks and improving the durability of financial return potential.

Climate resilience

Climate risks are already affecting the real estate sector, and their frequency and severity are expected to increase over time. Both physical and transition risks can impact asset cash flows, operating costs, and long-term value. To better understand and manage these risks, we apply a forward-looking, scenario-based approach across short- (1–5 years), medium- (5–10 years), and long-term (10+ years) horizons.

In 2023, we conducted a climate scenario analysis to assess potential impacts on our real estate portfolio under two scenarios—failure to act (>4°C) and Paris Agreement-aligned (<2°C). The findings were shared with senior leadership and used to inform internal processes, including integrating climate considerations into asset strategy and budgeting, investment decision-making, asset-level planning for higher-risk exposures, and firmwide climate strategy and training.

We use a forward-looking, scenario-based third-party climate risk tool to evaluate our global portfolio's exposure to physical climate and extreme weather risks, including flooding, sea-level rise, extreme winds, wildfires, heat stress, and water stress. In parallel, we inventory properties for resilience characteristics—such as risk awareness, emergency preparedness, business continuity planning, and building attributes—that help mitigate climate-related impacts.

Insights from this work informed the development of our climate change resilience standard, now embedded in our proprietary Sustainable Building Standards and implemented by our third-party property managers. The standard focuses on education, emergency planning, resilience assessments, and targeted building improvements to strengthen asset-level resilience.

Decarbonization

The real estate sector has a notable impact on global emissions, making it particularly sensitive to changes in climate policies, performance standards, and customer expectations. We're developing solutions for reducing absolute Scope 1 and Scope 2 emissions by 40% by 2035, with an immediate focus on decarbonizing the assets we both own and operate.

We're focused on a suite of methods to reduce emissions from our real estate assets. Our primary decarbonization levers include efficiency, electrification and fuel switching, renewables, and procuring responsible offsets once all available actions to reduce on-site emissions have been taken. These opportunities have been identified and evaluated on the basis of relative cost and potential impact at the asset level and will inform capex decision-making and ongoing progress monitoring.

Over 90% of our operational GHG emissions are covered by asset-level decarbonization plans.[1] These plans outline steps to meet both mid- and long-term goals and focus on immediate building efficiency and optimizations, along with more capital-intensive deep retrofit opportunities during major lifecycle equipment renewals.

Real estate

Risk management

Our real estate platform has built a risk management approach and framework that lays out how we identify and manage the climate-related risks and opportunities to which we're exposed, which is outlined below.

1. **Raise awareness—**Raising awareness is vital to educating our property and asset management teams and stakeholders about the science of climate change and building internal capacity to manage climate risk and improve resilience. We've implemented two key approaches to improving climate risk and resilience awareness: training and access to climate data.
2. **Evaluate risks and opportunities—**Identifying and understanding the climate risks within portfolios enables the development of resources and tools for effectively managing those risks and improving resilience. We inventory our existing resilience practices and identify improvement opportunities for climate change management. Our approach includes evaluation at both the organizational and portfolio levels.
3. **Integrate leading practices—**Once opportunities for climate change management have been identified, it's necessary to develop operational standards to enhance the resilience of current practices. We seek to integrate leading practices into each stage of the real estate investment lifecycle. We use a stepwise process to ensure that investment and asset management teams are putting in place essential measures that make our portfolios more resilient, which we supplement with training, guidance, and tools to support action, while incorporating new initiatives to help teams progress and improve.

Assessing our physical climate risks and evaluating our resilience align us with the recommendations of the ISSB's IFRS S2 Climate-related Disclosures standard, which leverages the TCFD framework and keep us focused on delivering attractive risk-adjusted performance across our global portfolio. More information on our approach to climate-related risk management can be found in our sustainable investing real estate report.

Metrics and targets

We use a variety of metrics and targets to manage and monitor our progress, which are also used to identify and monitor the potential financial effects of climate change in our real estate business.

GHG emissions reduction

Metric	2025	2024	2023
Scope 1 emissions (tCO_2e)	30,969	28,440	34,786
Scope 2 emissions (tCO_2e)	65,413	67,911	87,677
GHG intensity ($kgCO_2e$/SF)	2.9	2.7	3.1
Scope 3 emissions			
Scope 3 cat.13—downstream leased assets (tCO_2e)	89,022	68,653	36,797
Scope 3 cat.5—waste (tCO_2e)	7,297	5,961	5,404
Scope 3 cat.3—upstream fuel and energy impacts (tCO_2e)	10,168	8,397	—
Scope 3 total, tracked (tCO_2e)	106,487	83,001	42,201

Source: Manulife, as of December 31, 2025. SF refers to square feet. Scope 1 includes emissions from natural gas, diesel, and refrigerant emissions. Scope 2 includes emissions from purchased electricity and steam. GHG intensity is based on gross unadjusted consumption. Scope 3 includes measured emissions from waste, downstream leased assets, and upstream fuel and energy impacts.

Energy, water, and waste reduction

We monitor property and portfolio energy, water, and waste performance annually through our proprietary Sustainable Building Standards. These include a 6% energy and water reduction target over a rolling three-year period and a 65% waste diversion rate target for buildings in which we have operational control.

Physical risks

We track property resilience scores, which combine third-party physical risk data with property resilience survey results. We also track the number of properties located in 100-year flood zones and report in alignment with the SASB through our insurance program. Our progress toward our targets is reported annually in our real estate sustainability report.

Timberland and agriculture

Timberland

AUM: $15,848 million[3]

Agriculture

AUM: $5,811 million[3,5]

Combined investment professionals: 65+[44]

Highlights

- We publish an annual timberland and agriculture natural capital report to share our sustainability progress and highlight examples of sustainability in action.
- We continued to work toward scaling our regenerative agriculture efforts, and 100% of our agriculture properties now employ at least one regenerative practice.[57]
- We continued to pursue comprehensive third-party certification of our properties:
  - 100% of our managed forests were certified under either the Sustainable Forestry Initiative® (SFI®) or Forest Stewardship Council® (FSC®), and our forests in Australia, and New Zealand carry both FSC certification and the Programme for the Endorsement of Forest Certification (PEFC).[58]
  - 100% of our clients' farmland properties in the United States, Australia, and Canada are certified to the Leading Harvest Farmland Management Standard.[59]
- We updated our Vendor Code of Conduct—and developed a special supplement addressing the unique characteristics of timberland and agriculture operations—to strengthen expectations on business practices, legal compliance, and human rights, guided by international standards.

Our approach to sustainability in timberland and agriculture

Sustainable forestry and farming practices allow us to actively manage and protect our clients' timberland and agriculture investments in ways that generate competitive risk-adjusted returns, maintain or enhance sustainability values, and reduce operating risk.

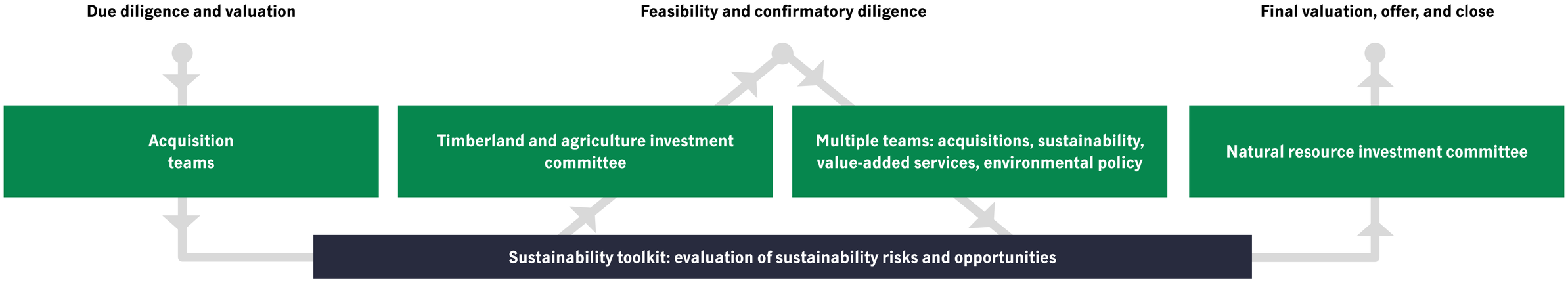
Since 2021, we've used a proprietary question-based toolkit co-developed in-house by our sustainability, acquisitions, and operations teams to identify, assess, and score sustainability-related factors of every deal we consider. We call this our sustainability toolkit, which highlights both potential risks and opportunities, and enables us to quantify risk using stoplight indicators to rate inherent risk, risk mitigation potential, and residual risk. We then aggregate these upward to produce an overall numerical sustainability score for the asset that can be used in our underwriting. The completed toolkit assessment is provided in every deal package presented to our natural resource investment committee to ensure that investment decisions explicitly consider relevant sustainability risks and opportunities.

Together with our policy on deforestation, carbon principles, and carbon toolkit (used specifically for forest carbon project evaluation), this approach is designed to systematically consider all identified material sustainability risks and opportunities in our investment process. For more information, please see our natural capital report.

57 Includes farms employing one or more of the following practices: conservation tillage or no till, cover vegetation/crop, crop residues, crop rotation, intercropping, non-productive vegetation, rotational grazing, and soil amendment. **58** As of December 31, 2025, 100% of our managed forests were certified under the Sustainable Forestry Initiative (SFI) (approximately 3.49 million acres in the United States and Canada), the Forest Stewardship Council (FSC) (approximately 2.14 million acres across Australia, New Zealand, Brazil, and Chile), or the Programme for the Endorsement of Forest Certification (PEFC). The majority of our managed forests in Australia and New Zealand carry dual FSC and PEFC certification, with a small portion certified under PEFC (Responsible Wood) only. Most current data shown **59** U.S. and Australian certification as of 2023 and Canadian certification as of 2025, by Leading Harvest and is based on an annual assessment of the conformance to the Farmland Management Standard. Re-certification takes place on a three-year cycle. Most current data shown. Please see leadingharvest.org/certification documents for further information.

Timberland and agriculture

Investment process



Sustainability theme	Climate	Nature		People	
Material risks and opportunities	• Climate change impact • Emissions • Deforestation • CO_2 sequestration	• Sensitive lands • Protected areas • Biodiversity • T&E species • Mitigation banking	• Water quantity/quality • Flood, drought risk • Groundwater depletion • Water banking	• Health and safety • Training and development • Labor practices • Human rights	• Community relations • Indigenous peoples • Job creation • Research, internships

Source: Manulife Investment Management. For illustrative purposes only. T&E refers to threatened and endangered.

Stewardship

Since good stewardship is good business, our clients' financial success directly depends on the health of our forests and farms. Our vertically integrated teams have the ability to craft and execute long-term asset management plans that promote forest and farm health and resilience, which are intrinsic to generating financial returns. Our sustainable investment practices are in line with key environmental and social objectives set out by third-party sustainability standards, such as the SFI, FSC, and Leading Harvest.

To help ensure we operate consistently within these standards, we follow a comprehensive set of stewardship principles integrating the development, management, and operation of working lands to produce useful products alongside commitments to conserve soil, air, and water quality; biological diversity; wildlife habitats; and participation in vibrant, healthy communities. These principles inform more granular stewardship policies that guide our property management professionals in day-to-day asset management decisions relating to individual funds, assets, and geographies.

We're proud that 100% of our forests are certified by either SFI, FSC, or PEFC and that the majority of our Australian and New Zealand forests carry dual FSC and PEFC accreditation.[50] Similarly, in our agriculture business, 100% of our clients' properties in the United States, Australia, and Canada are certified to the Leading Harvest Farmland Management Standard. We believe these certifications demonstrate our commitment to stewardship and provide our key stakeholders with an assurance of sustainable practices, robust management, and continuous improvement. In our Farmland Plus investments (midstream operating companies that add value beyond the farm gate) where such certifications do not exist, we follow an internal Farmland Plus sustainable investing framework to evaluate portfolio company sustainability risks and opportunities such as those addressed by certification, as well as elements unique to companies such as board structure and tax compliance.

Our collaborative efforts

Getting things done together is one of our core values, with collaboration being a cornerstone of our business. We recognize that we can't specialize in everything, and so we seek to establish mutually beneficial relationships with organizations and companies that can complement our strengths and that have similar cultures and values.

These partnerships not only help to improve our sustainability performance but also reflect our conviction that collaboration is crucial to solving global challenges. The following are some of the organizations we actively partnered with in 2025, whether through program participation, research funding, or charitable contributions:

- We were part of the Nature Positive Initiative state of nature metrics pilot program, where we tested proposed terrestrial metrics and provided detailed feedback, helping to shape the direction of standardized global nature reporting.
- We actively participated in the WBCSD's Forest Solutions Group, Nature Action, and Equity Action projects in collaboration with industry partners, focused on scaling both forestry and agriculture as natural climate solutions and on incorporating business actions to tackle inequality in the forestry sector, respectively.
- In our timberland and agriculture operations, we regularly collaborate with partners to advance local initiatives that improve outcomes for climate, nature, and people.

Karakia: Respecting culture and safety

Karakia are traditional Māori rituals—prayers or blessings—that acknowledge the spiritual connection between people, place, and history. There are many forms of karakia for all aspects of life, including karakia to ensure safety, wellbeing, and respect when entering or working near wāhi tapu—places of cultural and spiritual significance. These karakia are a regular part of our forestry operations in Aotearoa New Zealand, guided by mana whenua*, helping teams work safely and respectfully around sites of cultural importance.

* Mana whenua refers to the Māori people who have ancestral authority and responsibility over a particular area of land. The term combines mana (prestige, authority) and whenua (land), signifying the deep connection between people and place.

Three Sisters system for regenerative agriculture

Manulife believes that "good stewardship is good business", and for many years we have had a focus on practices that optimize soil health and biodiversity. The practices we use on our properties are rooted in Indigenous Peoples' farming principles, including the Three Sisters system that prescribes growing corn, beans, and squash to provide mutual benefits. In a Three Sisters system, corn is planted first, growing tall; beans are planted next to the corn and use the corn as a support pole; they also fix nitrogen, enriching the soil and reducing the need for synthetic nitrogen.

Finally, the squash is planted around the base, providing shade, helping to retain moisture, and keeping soil temperatures mild. The practices we use, including, cover cropping, crop rotations, and application of organic soil amendments come from lessons learned in the Three Sisters system. We use regenerative practices on 100% of our properties—both direct and tenant-operated—and each year look for opportunities to expand and deepen our use of practices that will enable us to continue farming for many years to come.

Climate

Governance and strategy

In addition to using our governance infrastructure described earlier, we have decarbonization working groups across our timberland and agriculture investment capabilities. Chaired by our global heads of operations, staffed by our timberland and agriculture sustainability team, and consisting of representative operational leaders across each of our major investment regions, these working groups are designed to identify and pursue practical opportunities to reduce GHG emissions and increase carbon removals in line with the Paris Agreement and corporate climate goals.

Please see the governance section for information on how climate matters are managed at Manulife IM.

Climate risks and opportunities

Climate-related risks to the biological assets we manage include wildfire, drought, high winds, flooding, pest outbreaks, and increased costs (transition risk associated with carbon pricing), among others. These risks may vary in prevalence and magnitude depending on location and asset type but can also be directly influenced by climate-related weather changes, such as temperature or precipitation extremes or volatility. We have a variety of levers at our disposal to mitigate these risks, such as crop or tree genetics, species diversification, nursery practices, planting density, forest thinning, automation, fuel switching, and insurance. We account for such risks, as well as our ability to mitigate them, from investment due diligence all the way through asset management.

Climate-related opportunities also influence our timberland and agriculture business strategy: Forests and farms are both natural capital assets that represent natural stocks of value that produce flows of ecosystem services, benefiting both their owners and society at large. In addition to basic services in the form of food and fiber, they provide a host of other benefits, such as climate change regulation, water filtration, and recreational opportunities. For example, carbon sequestration is a key capability of timberland, and we see considerable opportunity to leverage the natural capital assets we manage to help our investors reduce their carbon footprints—particularly as markets for carbon sequestration and other payments for ecosystem services develop and mature.

We recognize that despite our ability to identify many risks and opportunities, the actual impact of climate change is far from certain, and we plan for multiple possible future pathways through climate scenario analysis. We use a third-party climate scenario analysis tool to evaluate potential acquisitions and use the analysis to inform our longer-term planning.

Timberland and agriculture

Risk management

Comprehensive, portfolio-wide scenario analysis of our farmland and timberland assets requires accurate, long-term, site-specific data and sector-specific transition models. While the availability of globally recognized and peer-reviewed data for timberland and agriculture assets is still limited, we continue to explore ways of obtaining or developing information tailored to sector-relevant scenarios to achieve fuller results, both now and in the future.

We integrate climate risk management throughout our due diligence and our asset management, using our proprietary sustainability toolkit to identify, assess, and score sustainability components of every deal we consider.

Metrics and targets

Integrating climate-related risk management into our farmland management requires high-quality data enabling accurate quantification of our existing emissions and removals, because decarbonization plans and progress monitoring require measurement against a reliable baseline. Straightforward and scalable methods for calculating emissions—especially soil carbon sequestration—have historically been lacking, so we are progressively improving our capabilities in this area, and it's an essential supporting element of our decarbonization plan.

Using geospatial analysis to navigate climate risk

As climate change continues to affect the landscape of real asset investing, understanding and mitigating climate risk is a top priority for Manulife IM. We use Munich Re's Location Risk Intelligence Platform to gain a detailed understanding of potential climate risks facing each property. This enables us to make informed decisions during the due diligence process and implement management practices that support long-term, sustainable operation.

Climate risk manifests in various ways, from drought and wildfire to heat stress, and may affect long-term asset health and productivity. Using a systematic approach to evaluating these risks helps us take steps to promote the resilience and sustainability of our investments.

We use the platform in two ways: for screening and due diligence and when thinking about working in new geographies.

1. During the due diligence phase, we use the platform to assess the climate risks associated with potential assets. This information complements our sustainability toolkit, allowing us to evaluate the long-term sustainability and resilience of each investment.
2. The platform also serves as a resource for our economic research team, identifying emerging geographies where new crops may thrive in the near future, thereby unlocking opportunities for growth.

Results and insight

As we continue to leverage the system's capabilities, we believe we'll be better positioned to navigate the challenges posed by climate change while uncovering opportunities that align with our long-term sustainable management practices.

100% of our investments consider climate risks and opportunities.

Timberland and agriculture

Climate metrics

Timberland	2025	2024	2023
Total standing forest carbon stock (tCO_2e)[1]	659,078,027[2]	626,848,156	611,123,524
Scope 1 GHG emissions (tCO_2e)[3]	77,157	59,083	66,703
Nonbiological emissions (fuel and fertilizer) (tCO_2e)	25,358	14,382	16,354
Anthropogenic biogenic emissions (prescribed burning) (tCO_2e)[4]	51,798	44,701	50,349
Scope 2 GHG emissions (tCO_2e)	—	—	—
Scope 3 GHG emissions (tCO_2e)	354,447	400,648	406,428
Biogenic stock change (tCO_2; +ve = sequestration; -ve = emissions)[5]	4,158,745[2]	200,526	1,936,166
Carbon stored in harvested wood products (tCO_2e)[6]	1,940,378[2]	2,329,081	2,426,167
Net sequestration (tCO_2; +ve = sequestration; -ve = emissions)[7]	5,667,520[2]	2,069,697	3,889,202
5-year average sequestration (tCO_2; +ve = sequestration; -ve = emissions)[8]	4,073,580[2]	3,637,260	1,492,609
Percent net productive area[9]	82.3%	82.3%	82.1%
Percent of net productive area harvested	2.6%	2.7%	2.8%
Percent of net productive area planted	2.4%	2.4%	2.5%
Percent of harvest to solid wood	60.0%	58.9%	59.1%
Percent of harvest to fiber	39.6%	40.7%	40.7%
Percent of harvest to biomass	0.38%	0.5%	0.2%
40-year history of number of trees planted	1,448,593,883	1,402,246,662	1,354,509,684
Agriculture	**2025**	**2024**	**2023**
Scope 1 GHG emissions (tCO_2e)[10]	27,188	36,009	38,716
Scope 2 GHG emissions (tCO_2e)	11,954	16,227	20,703
Scope 3 GHG emissions (tCO_2e)	218,508	119,570	106,960
Out-of-scope GHG emissions (tCO_2e)[11]	2,365	1,174	—
Biogenic removals (tCO_2e)[12]	267,997	290,000	310,215
Net sequestration (tCO_2; +ve = sequestration; -ve = emissions)	10,347	118,193	143,835
Percent net productive area[13]	82%	81%	84%

1 Forest stock currently includes merchantable timber, aboveground biomass, below ground biomass, deadwood, and litter. Soil carbon potentially represents a major carbon storage pool. There is uncertainty associated with measuring soil carbon accurately, especially without site-specific sampling data, so it has been excluded. **2** Based on preliminary data at the time of publication. **3** Scope 1: According to the GHG Protocol, Scope 1 emissions are all direct GHG emissions, which are "emissions from sources that are owned or controlled by the reporting entity." Scope 2: According to the GHG Protocol, Scope 2 emissions are "indirect GHG emissions from consumption of purchased electricity, heat or steam." Scope 3: According to the GHG Protocol, Scope 3 emissions are "other indirect emissions, such as the extraction and production of purchased materials and fuels, transport related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc." Fluctuations in Scope 1 and 3 emissions from year to year are related primarily to increases or decreases in harvesting and silvicultural operations, which are themselves related to dynamic timber markets. All results are presented using the AR5 global warming potential values. **4** These emissions refer to the CH_4 and N_2O emitted from Manulife Investment Management's prescribed burning of timberland. With recognition that these emissions are within Scope 1, but uniquely anthropogenic biogenic emissions, they have been separated from Scope 1 non-biogenic emissions as their own line item. **5** Net change in total forest carbon stocks over calendar year 2025. Positive values indicate more forest grew than was harvested (net sequestration); negative values indicate more forest was harvested than grew (net emission). **6** Quantity of carbon assumed to be stored in harvested wood products (from trees harvested over calendar year 2025) after 100 years. Represents long-term storage and calculated using market-specific (geography/species) conversion factors. It is a fraction of biogenic stock change, as only some of the carbon transferred from forest carbon pool to wood products pool goes into long-lived wood products. **7** Biogenic stock change, plus carbon stored in harvested wood products, minus Scope 1, 2, and 3 emissions. **8** The average net sequestration per year over the last five years. **9** Fractional area of timberland under management that is managed for commercial production of wood products. Area not managed for commercial production of wood products may include areas with high conservation value, old growth forest, buffer zones, conservation easements, threatened and endangered species habitat, or areas with historical or cultural significance. **10** Fluctuations in emissions from year to year are related to several factors including global commodity prices, weather patterns, and irrigation requirements, among others. The decrease in Scope 1 and 2 emissions from 2024 to 2025 are due to a segment of properties changing from directly operated to tenant operated. All results are presented using the AR5 global warming potentials. **11** These emissions refer to biologically sequestered CO_2 that is released through Manulife Investment Management's use of renewable diesel. Per GHG Protocol guidance, we report these emissions out-of-scope. **12** Estimated soil carbon sequestration over the reporting period (calendar year 2025), using publicly available crop-specific soil carbon sequestration rates. The figure does not include data from Downforce Technologies as their dataset covers only a proportion of the total portfolio. **13** Fractional area of farmland under management that is managed for the production of crops. Area not managed for the commercial production of crops may include essential infrastructure, conservation easements, buffer zones, or threatened or endangered species habitat.

Investment process oversight

Conflicts of interest

Review and assurance

Monitoring service providers



Conflicts of interest

Manulife IM is fully committed to conducting business with integrity and treating customers fairly and consistently. Our obligation extends to managing conflicts between ourselves and our clients, our employees and our clients, and between clients. We manage conflicts across the range of our investment activities, including decisions to invest and stewardship activities such as engagement, collaboration, and proxy voting.

Our approach to managing conflicts of interest

We always strive to act in the best interests of our clients and seek to actively avoid, identify, disclose, and mitigate material conflicts of interest, whether potential or otherwise, across all our business activities. To that end, the firm has established a framework of policies, training, and governance to address real and potential conflicts of interest and—in adherence to our fiduciary duty—to always put the interests of clients first.

Governance	**Boards and oversight committees**	**Policies and procedures**
Oversight mechanisms	• **Public markets risk** • **Private markets risk and conflicts** • **Global ethics** • **Trade oversight**	**Policies designed to address conflicts of interest tailored to market challenges**

Conflict management expectations start with our parent company

Individual employee activities related to conflicts of interest are also covered by the Manulife Code of Business Conduct and Ethics (the code). The code directs employees to consider situations in which their activities or interactions with clients, vendors, or other employees could present an actual, potential, or perceived conflict and to report such employee conflicts to compliance for further review and action. The code also emphasizes that potential or actual employee conflicts can often occur within all normal business operations; it's the responsibility of our staff to always act honestly, ethically, and with integrity to protect our clients' interests.

Separately, Manulife IM maintains a more detailed code of ethics and related policies (the code of ethics) that are tailored to conflicts inherent in the investment management business and that also address certain detailed regulatory requirements related to the firm's fiduciary duty and personal trading requirements. Specifically, the code of ethics addresses, in detail, employee conflicts such as personal trading, gifts and entertainment, outside business activities, and U.S. political contributions.

Our employees are required to complete training sessions throughout the year as directed by the global code of ethics administration team on both the code and code of ethics. These sessions include content on managing conflicts within gifts and business entertainment, participation in business activities that could benefit an associate or close relative, and outside activities.

Employees learn both how to identify a real or potential conflict and the steps that they should follow when it's identified. Training sessions then test employees to confirm both their understanding of the training and their responsibility to abide by the firm's ethical standards.

Global policy network within Manulife IM public markets

Manulife IM is composed of various affiliated legal entities across the globe. We've established a network of policies that supports our efforts to identify and mitigate real or potential conflicts of interest. These policies are further tailored to each entity according to the different legal and regulatory environments in which the entities operate. For example, Manulife Investment Management (Europe) Limited, our U.K. legal entity, has a stand-alone conflicts of interest policy that's designed to protect the interests of our clients while also meeting the specific expectations of the Financial Conduct Authority Principles for Business and the requirements of the EU Markets in Financial Instruments Directive II.

Regarding stewardship specifically, both Manulife IM's global public markets proxy voting policy and procedures and our global issuer engagement policy address conflicts in proxy voting and engagement.

Employees tasked with engagement and proxy voting responsibilities are required to disclose any real or potential conflicts to their manager and our legal and compliance departments, as needed, to determine appropriate steps to mitigate a given conflict.

Several standing bodies throughout Manulife IM are tasked with overseeing the network of conflicts of interest policies, training, and mitigation efforts. Our standing oversight committees, for example, comprise senior management and risk and compliance officers from the various entities that make up our firm.[60]



60 Standing oversight committees include, but are not limited to, those with mandates to oversee areas such as brokerage practices, operations, ethics, compliance, valuation, proxy voting, sustainable investing, distributor oversight, and risk management.

Addressing potential conflicts in private markets

For private markets assets, we've established a conflict of interest and investment allocation oversight committee. The primary purpose of this committee is to carry out investment manager duties relating to oversight of the investment allocation process and to address conflicts of interest. This includes conflicts of interest (i) between an investment manager and its supervised persons, affiliates, or advisory clients and (ii) between and among an investment manager's advisory clients. The committee reviews actual and potential conflicts of interest and provides advice and recommendations regarding the mitigation of these actual and potential conflicts. Potential material conflicts of interest can include:

- Investments in the same company at different levels of the capital structure
- Financially troubled investments
- Loans or additional equity to portfolio companies
- Purchases or sales at different times or in different proportions
- Investment refinancing or liquidation events
- Financing of real estate purchases

In our timberland and agriculture businesses, we have an established conflicts of interest policy designed to address various types of conflicts that may arise, including conflicts between Manulife IM and our timberland and agriculture clients, conflicts between and among clients themselves, as well as other conflicts. As part of this policy, our timberland and agriculture businesses have established a conflicts committee to oversee the identification, mitigation, and/or resolution of conflicts that arise in the business. Our teams involved in timberland and agriculture investments are well positioned to recognize, address, manage, and mitigate various types of potential conflicts of interest that may arise with one or more clients or potential clients, or in the operation of their businesses.

The timberland and agriculture property management businesses use subsidiary companies (affiliates) to perform certain services on certain properties. As these are related-party transactions, we have conflict protocols in place to help ensure we're not favoring our affiliates to the detriment of our clients, including, without limitation, conducting periodic confirmation and benchmarking of the fees and costs charged by unaffiliated third parties as compared to fees charged by Manulife IM affiliates to perform similar services with respect to comparable assets owned by Manulife IM clients.

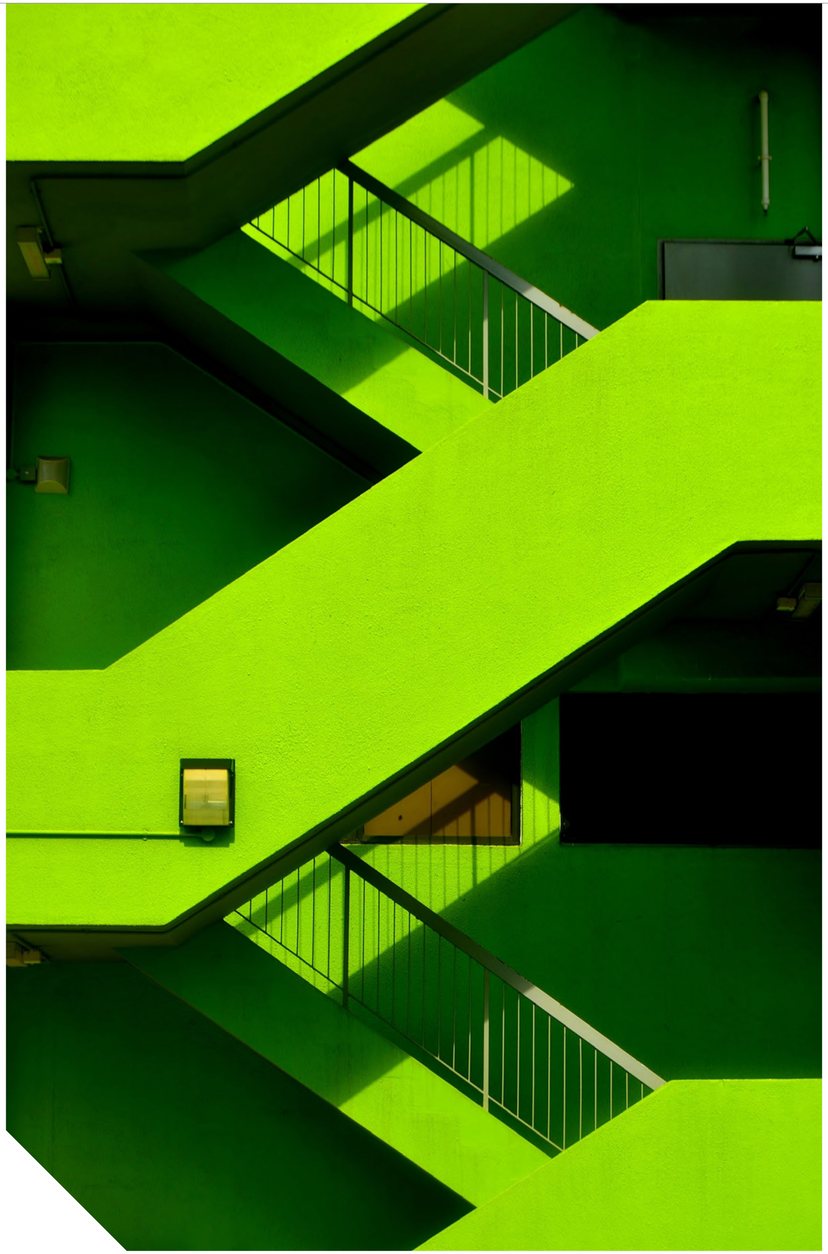
When conflicts can't be resolved

In exceptional circumstances, an unmanageable material conflict may arise. In these cases, Manulife IM will provide fair disclosure of the conflict to the client in order to agree on the best way forward for the client, which may include obtaining written consent from the client when permitted by law or contract, implementation of conflict mitigation or elimination measures (i.e., ethical walls, information barriers, independent fiduciary engagement, restructuring of the transaction, etc.), or foregoing pursuing the transaction.

This disclosure is important in circumstances in which other means of conflict management have proved insufficient and provides sufficient detailed information to allow the client to make informed decisions.

Managing identified conflicts in proxy voting

In 2025, we identified proxy voting rights across several affiliated funds. In order to mitigate potential conflicts of interest across these holdings, we chose to instruct abstain votes on all voting items where permitted and did not vote in markets subject to share-blocking. This approach allowed the relevant entities to support meeting quorum, where possible and practicable, while not having an impact on the ultimate voting outcome.



Review and assurance

Manulife IM provides regular updates on improvements to our investment and stewardship processes. We believe that full transparency of our policies and procedures helps ensure that our clients and stakeholders have a clear and accurate understanding of our activities and decisions.

Our approach to review and assurance

Throughout 2025, Manulife IM continued to review investment and stewardship practices and policies, soliciting input across functional expertise, including the legal, compliance, operational risk, investment, and sustainability teams. From those reviews, we made several updates to our sustainability and stewardship policy infrastructure.

Internal oversight

Manulife IM has adopted a three lines of defense model for risk management.

1 **The work carried out by our investment and sustainability professionals—**Our investment teams, with the support of the sustainability team, are responsible for identifying, monitoring, and mitigating risks in their daily activities, including as they conduct stewardship activities and consider sustainability matters.

2 **The operational risk and compliance functions—**The risk function provides independent oversight of risk-taking and risk-mitigation activities within our sustainable investment and stewardship processes. The operational risk function achieves this primarily through facilitating risk and control self-assessments, incident management reporting, and issues and action resolution tracking. Senior representatives from the operational risk function also attend SC meetings and may be asked to comment on topics discussed.

   Our compliance function provides regulatory advice and guidance, monitors our investment activities, and conducts independent assessments and testing to validate that we have reasonably designed policies and procedures. Our compliance program is designed to ensure that our disclosures accurately and adequately describe our sustainable investing and stewardship practices.

3 **The internal audit function—**The internal audit function conducts regular, risk-based audits across the company to provide independent assurance on the effectiveness of governance, risk management, and internal controls. These audits assess whether controls are appropriately designed and operating effectively relative to the inherent risks in the business. The function also evaluates the effectiveness of risk mitigation programs and oversight functions.

Leveraging functional expertise for accurate reporting

Manulife IM's major reporting initiatives are supported and reviewed by functional experts from across the firm. Review is performed by our compliance, legal, risk, marketing, and sustainability teams, among others, to ensure a comprehensive review of drafted content. These individuals interact regularly during the drafting process to provide feedback, and substance, or recruit additional experts for their input and review of draft materials.

Draft reports are circulated to the firm's leadership through the public and private markets SCs. The sustainability team then incorporates feedback into a final draft before ultimate approval by the committees.

Additional checks on this progress are provided by our internal compliance team, which is trained to assess documents intended for a public audience. With their assistance, the team can work to ensure that materials are fair, transparent, and not misleading, using processes that help ensure that all data and claims are both valid and verified by internal stakeholders.

Moving our policies and practices forward

We aspire to remain aligned with the evolving understanding of sustainability risks, leading practices in sustainability integration highlighted by PRI, and market-specific stewardship codes to which we're signatories, and to review our policy framework through these lenses. At Manulife IM, we strive to evaluate policies, statements, and frameworks at least every three years. To improve our sustainable investing practices and to respond to the dynamic regulatory environment, our legal, compliance, sustainability, and investment teams may also review our policies as and when necessary.

Following these reviews, we may recommend changes to the relevant policies, statements, and frameworks. These changes can be reviewed and approved by working groups before final approval by either our public or private markets SCs for implementation within our business functions.

Recent selected changes to our policies, statements, and frameworks

Policy	Change	Year
Client-directed exclusions framework	Added option for clients to screen potential exposure to tropical deforestation	2025
People statement	This new statement outlines how Manulife IM's investment approach integrates people-related considerations—such as human rights, labor conditions, and community impacts—across all asset classes.	2025
Sustainable investing and sustainability risk statement	Amended the construct to align with sustainability factors of corporate governance, climate, nature, and people.	2025
Nature statement	Expanded the collaboration and stewardship framing by naming additional investor initiatives in which Manulife IM participates (e.g., Nature Action 100+, NatureFinance, Emerging Markets Investor Alliance, and PRI Spring)	2025
Engagement policy	Amended the policy to define engagement activities and articulate a menu of escalation options for public markets assets	2024
Proxy voting policy and procedures	Amended the policy to streamline the proxy voting decision-making process and separate out voting principles into guidelines	2024
Proxy voting guidelines	Adopted this set of guidelines previously articulated in the proxy voting policy to better meet client needs	2024
Water statement	Adopted to articulate our general consideration of water-related risks and opportunities in our activities	2024
Responsible contracting policy	Amended to outline our methodology to promote human rights in supply chains in our investments and operations, differentiated as per our control over procurement activities	2024

Monitoring service providers

Manulife IM is committed to ethical business practices and good governance, both of which are integral to how we want to do business and to our clients' long-term success. Achieving this requires a commitment to integrity and consistent high standards from all partners, including our sustainability research and data vendors.

Our approach to working with providers

A vendor code of conduct promoting human rights and environmental protection

To best ensure that our sustainability vendors act with integrity and consistently meet our high standards, we rate vendors on a risk scale and conduct regular reviews of rated service providers to monitor that risk. Each review provides a snapshot of a vendor's performance at a specific moment.

- Vendors, and the products and services they provide, must be in full compliance with all applicable laws and regulations at all times.
- Vendors must act with integrity and ethical behavior in all business dealings.
- Vendors must ensure that all information and data provided to them remain confidential and secure.
- Vendors must maintain policies and practices that respect human rights (e.g., health and safety, modern slavery, workplace harassment) in accordance with applicable laws and global principles on human rights.
- Vendors are encouraged to minimize or mitigate the environmental impacts associated with their business activities, including the mitigation or reduction of emissions.

For more information, please see the responsible procurement section of Manulife's sustainability report.

Ongoing evaluation and oversight

We monitor vendor risk and performance throughout the life of a partnership with a vendor through both formal and informal avenues.

Aggregated over time, these snapshots reveal performance trends over the term of the business relationship. We score vendors through these assessments on:

- Quality of products and services
- Knowledge and technical expertise
- Data integrity
- Billing and invoicing
- Focus on generating efficiencies
- Timeliness of services and reporting
- Incident response
- Relationship management
- Adequacy of staffing and resources
- Commitment to collaboration

Committed to responsible contracting practices

Manulife IM recognizes the value that contractors bring to the operation of our investments and the importance of working with responsible partners to maintain sustainable operations. The complexity of supply chains and the diverse nature of our business activities and geographies in which we operate translate into diverse contracting needs. We've adopted the Manulife IM responsible contracting policy to guide our operations and investment teams and contractors to take proactive and ongoing measures to mitigate human rights risks in supply chains.

For more information about our approach to responsible contracting, see the people subsection of the sustainability strategy section.

We remain focused on the integrity of sustainability data

Where relevant and appropriate to do so, we use sustainability data and research across our products and services.[61] The dynamic nature of sustainable investing requires us to identify and partner with vendors that provide robust data and research today and that also demonstrate the ability to innovate and anticipate the needs of tomorrow.

61 Unless where ESG integration doesn't apply to a specific product or service, or at a client's request.

We regularly assess new products, emerging datasets, and tools to help ensure that we continue to engage providers that best match the needs of our clients, our firm, and our stakeholders.

We also work regularly with our existing sustainability research and data providers to help them improve their services; we've generally found, for example, that sustainability data and research are more widely available for publicly listed equities than for public debt. We're working with our providers to expand debt issuer coverage, especially for smaller issuers, emerging-market issuers, and issuers that don't have equity shares listed on a public exchange. We perform regular data-quality assessments of our vendors and provide input on proposed methodology changes.

Confronting data errors

As data providers rely on a number of sources of information to generate their data, and with corporate disclosures still evolving with respect to sustainability reporting, we may find that some data is inaccurate or incomplete. When we identify such issues with third-party information, we may engage with the vendor to have the data updated or corrected. We may also seek assurance from the service provider that its processes are improved to prevent similar issues in the future.

We may track vendor engagements and requests for improvement for regular review so that we can address any substantial issues during the contract renewal process.

Due diligence of our proxy voting vendor

Manulife IM holds a due diligence review of our proxy voting vendor on an annual basis. Functional specialists from across the firm attend this meeting, including leaders from procurement, compliance, legal, operations, information security, and investments, to ensure that various aspects of the proxy voting vendor's operations and business are closely scrutinized.

We reviewed ethics and conflicts of interest policies, regulatory updates, holdings management, vote execution, research, policy development, information security, service updates, and material changes to the vendor's business over the past year. Items from this meeting can drive dialogue between Manulife IM and the proxy voting vendor over the following months as we gather relevant information and work toward service enhancements. We, with peers and other stakeholders, also provide feedback on the proxy voting policy development process and enhancements to the proxy voting research reports.

Enhancing vendor due diligence

Issue: The rise of global vendor codes of conduct for sustainability research, ratings, and data providers brought to light some potential points for improvement within their services and business models. These emerging vendor codes underscored, for example, the need for greater transparency around methodologies, data governance, and conflict-management practices from these providers. As a result, we recognized an opportunity to strengthen our internal processes to ensure our service providers met evolving industry norms.

Action: In early 2025, we updated our vendor due diligence framework to reflect principles embedded in these new global codes. The enhanced approach included more detailed assessments of methodology disclosures, conflict-of-interest safeguards, and the quality of engagement practices with covered entities. We also established structured review checkpoints to ensure ongoing adherence and continuous improvement among our service providers.

Outcome: Implementation of the updated process enabled us to more systematically identify and track engagements with, and improvements requested of, our vendors. This gave us greater visibility into how providers were evolving their practices in response to our feedback and market expectations. Over time, we hope the strengthened framework will support more reliable data inputs and contribute to more robust sustainability analysis across our investment processes.

Appendix



UK stewardship code crosswalk

Disclosures for asset managers	Section(s)	Page(s)
A Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship	Who we are	6
	Our asset management business	7 - 9
	Our role as investors	19
	Our approach to meeting our clients' needs	20 - 23
	A message from Brian Kernohan	27 - 29
	Stewardship in action	49
B Describe how your resources enable effective stewardship	Sustainability governance structure	11 - 12
	Sustainability team	13 - 16
	Sustainability research, data, and tools	16
	Stewardship in action	49
C Describe your stewardship policies and processes, and how you review them	Sustainability governance structure	11 - 12
	Sustainability policies, statements, and frameworks	17
	Review and assurance	100
D Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first	Conflicts of interest	97 - 99
	Monitoring Service Providers	102 - 103
	Our impact: sustainable investing case studies	111 - 115
E Describe how you maintain a dialogue with clients and/or beneficiaries	Our approach to meeting our clients' needs	20 - 23

Activities and outcomes report for asset managers	Section(s)	Page(s)
Introductory Statement	Stewardship in action	49
1 Signatories integrate stewardship and investment to deliver longterm sustainable value for their clients and beneficiaries	Sustainability governance structure	11 - 12
	Sustainability team	13 - 16
	Sustainability research, data, and tools	16
	Stewardship in action	49

Manulife IM is an accepted signatory to the UK Stewardship Code 2020 and will submit this report to the Financial Reporting Council in 2026 for consideration to be accepted as signatories to the UK Stewardship Code 2026. The above table identifies selections in this report which Manulife IM believes it meets the various expectations of the UK Stewardship Code 2026. Manulife IM is also a signatory to the Canadian Stewardship Principles, Japan Stewardship Code, Taiwan Stewardship Principles and the Singapore Stewardship Principles and strives to adhere to the Hong Kong Principles of Responsible Ownership. Manulife IM believes this report broadly demonstrates firm alignment with those frameworks.

Activities and outcomes report for asset managers	Section(s)	Page(s)
2 Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets	A message from Brian Kernohan	27 - 29
	Climate	30 - 38
	Nature	39 - 43
	People	44 - 47
	Sustainable investing in action	64 - 65
	Infrastructure	66 - 69
	Listed equities and fixed income	70 - 81
	Multi-asset solutions	82 - 83
	Private equity and credit	84 - 86
	Real estate	87 - 89
	Timberland and agriculture	90 - 95
	Our impact: sustainable investing case studies	111 - 115
3 Signatories engage to maintain or enhance the value of assets	Stewardship in action	49
	Engagement	50 - 57
	Collaboration	58 - 60
	Escalation	61 - 62
	Our impact: sustainable investing case studies	111 - 115
4 Signatories actively exercise their rights and responsibilities	Sustainable investing in action	64 - 65
	Infrastructure	66 - 69
	Listed equities and fixed income	70 - 81
	Multi-asset solutions	82 - 83
	Private equity and credit	84 - 86
	Real estate	87 - 89
	Timberland and agriculture	90 - 95
	Conflicts of interest	97 - 99
	Our impact: sustainable investing case studies	111 - 115
5 Signatories integrate stewardship considerations into their selection and oversight of external managers	Multi-asset solutions	82 - 83
	Private equity and credit	84 - 86
6 Signatories monitor and hold to account stewardship service providers	Listed equities and fixed income	70 - 81
	Monitoring service providers	102 - 103

Global collaboration

Below are examples of current sustainability industry groups and initiatives with which we're engaged.[62]

Organization	Year joined	Region	Focus	Manulife IM's involvement
30% Club Hong Kong (formerly Board Diversity Hong Kong Initiative)	2018	Asia	Commits to ongoing engagement with investee companies on matters related to board effectiveness, leadership oversight, workforce practices, and long-term governance	We're one of the founding members of this initiative.
30% Club Japan Investor Group	2021	Asia	A group of investors committed to encouraging stronger board composition, leadership succession, and governance practices among TOPIX 100 companies	We participate regularly in working groups focused on governance, board composition, and leadership succession practices.
Asia Investor Group on Climate Change (AIGCC)	2016	Asia	Works with Asian asset owners and financial institutions to create awareness about the risks and opportunities associated with climate change and low-carbon investing	We're an active member of the group. We co-lead engagements under the AUEP program and chair the physical risk and resilience and energy transition working groups.
Asian Corporate Governance Association (ACGA)	2016	Asia	Promotes implementation of effective governance practices in Asian companies on behalf of institutional investors and regulators	We're an active member of the association, in addition to participating in the China and Korea working groups.
Building Owners and Managers Association (BOMA) Canada	2018	Canada	Implements timely, responsible, and consistent policy positions on important issues to the Canadian real estate industry; acts as the voice representing the industry by advocating on members' behalf on a national or provincial platform	We're an active participant in green building programs and initiatives.
Business Future Pathways - Financial Sector Advisory Committee	2025	Canada	Advancing the adoption of transition plans that are decision-useful for investors and aligned with Canada's sector decarbonization pathways	We're a member of this initiative.
Cambridge Institute for Sustainability Leadership (CISL)—Investment Leaders Group	2020	United Kingdom	A global network of pension funds, insurers, and asset managers committed to its mission to advance the practice of responsible investment	We're an active member of this group, contributing to work on measuring impact, nature and biodiversity, and physical climate risks.
CDP	2018	Global	Advocates for disclosure of company data to measure and manage the environmental impact (carbon, water, forestry); one of the first ESG disclosure initiatives in the financial industry	We're a member of CDP and participate in various initiatives such as the Science Based Targets initiative (SBTi).
Ceres Investor Network	2016	Global	Promotes discussion and collaboration on how to address climate risk and other sustainability challenges among institutional investors	We participate in discussions and initiatives brought forward by Ceres. We're also a member of the Private Equity Working Group, and a founding member of the Valuing Water Investor Working Group.
Ceres Investor Network on Climate Risk	2016	Global	Comprises institutional investors advancing responsible investment practices and policies that improve long-term portfolio value and build a cleaner, more resilient economy	We're a member of this initiative.
Ceres Investor Network Private Equity Working Group	2023	Global	Largest in the world, based on its members' collective AUM; Ceres supports GPs and LPs in transitioning private equity portfolios toward a sustainable net zero economy	We participate in quarterly discussions alongside a larger group of LPs and GPs.

62 This list refers to groups and initiatives we were engaged in during 2025, and remain engaged in, by the publication of this report. This list is not exhaustive.

Organization	Year joined	Region	Focus	Manulife IM's involvement
Ceres' Valuing Water Finance Initiative	2022	Global	Promotes discussion and collaboration on how to address climate risk and other sustainability challenges among institutional investors	We're a signatory to the initiative.
Climate Action 100+	2018	Global	Collaborative engagement with the largest corporate GHG emitters	We lead and support collaborative engagements with companies.
Climate Engagement Canada (CEC)	2021	Canada	A finance-led initiative that drives dialogue between finance and industry to promote a just transition to a net zero economy	We're a founding participant.
Concordia University	2020	Canada	The Sustainable Investing Practicum (SIP) enables undergraduate business students to better understand the principles of ESG investing in a capital market environment; students make fund management recommendations to a supervisory committee based on sustainable investing criteria	Concordia's John Molson School of Business (JMSB) signed a partnership agreement with Manulife Investment Management that established the first sustainable investing practicum at a Canadian university.
Emerging Markets Investors Alliance (EMIA)	2015	Global	Engages institutional emerging markets investors to support good governance, promote sustainable development, and improve investment performance	We're members of the extractive industries and consumer staples working groups.
ESG Data Convergence Initiative	2022	Global	Aims to streamline the private investment industry's historically fragmented approach to collecting and reporting ESG data in order to create a critical mass of meaningful, performance-based, comparable ESG data from private companies	We're a supporter of this initiative. Within our PE&C and infrastructure business, we've aligned our annual sustainability questionnaires with this initiative.
Farm Animal Investment Risk and Return (FAIRR) Initiative	2022	Global	Focused on sustainability issues within the food supply chain, including the protein producer industry and consumer-facing food companies	We're a network member with access to FAIRR data and indexes.
Finance for Biodiversity Pledge and Foundation	2021	Global	A commitment of financial institutions to protect and restore biodiversity through their financing activities and investments	We're a signatory to the pledge.
GRESB	2015	Global	Validates, scores, and benchmarks ESG performance data for real assets, providing business intelligence and engagement tools to investors and managers	We're a supporter of this initiative. We report to the GRESB real estate and infrastructure assessments on an annual basis.
ICI Europe Regulatory and Policy Committee (IPC)	2023	Europe	Addresses key European regulatory, legislative, and policy issues affecting regulated funds, their management companies, and their investors, as well as retail investors more broadly	We're a member of this initiative.
ICI Global Asia Regulatory and Policy Committee	2023	Asia	Addresses key regulatory, legislative, and policy issues affecting regulated funds, their management companies, and their investors, as well as retail investors more broadly	We're a member of this initiative.
ICI Global SFDR Working Group	2023	Europe	Monitors developments around the SFDR review throughout the European Commission's assessment, legislative proposal, and final adoption	We're a member of this initiative.
Institutional Limited Partner Association (ILPA)	2022	Global	Engages, empowers, and connects LPs to maximize their performance on an individual, institutional, and collective basis	We're a member of the Driving Inclusion in Alternatives Initiative.
International Corporate Governance Network (ICGN)	2019	Global	Promotes effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies worldwide	We're members of the EU Working Group, Future Leaders Committee, Global Policy Committee and North America Policy Working Group.

Organization	Year joined	Region	Focus	Manulife IM's involvement
International Emissions Trading Association (IETA)	2023	Global	Global nonprofit group with the mission to empower businesses to engage in climate action, advancing the objectives of the United Nations Framework Convention on Climate Change and the Paris Agreement, and to establish effective market-based trading systems for GHG emissions and removals	We're a participant in this initiative.
International Sustainability Standards Board (ISSB)—ISSB Investment Advisory Group (IIAG)	2019	Global	A group of leading asset owners and asset managers in various markets who are committed to improving the quality and comparability of sustainability-related financial disclosures	We're a member of the IIAG.
Investor Initiative on Human Rights Data (II-HRD)	2026	Global	A collaborative effort led by investors aiming to improve the quality, accessibility, and standardization of human rights data. It focuses on enabling investors to better assess company risks and manage human rights compliance, targeting proxy houses and big data providers.	The initiative operates through several working groups, and our participation is expected to be formalized during 2026.
Nature Action 100+	2024	Global	Supporting greater corporate action and ambition on tackling nature and biodiversity loss	We're a participant in this initiative.
Principles for Responsible Investment (PRI)	Various	Global	United Nations-supported international organization that works to promote the incorporation of ESG factors into investment decision-making	We're a signatory and an active member of various working groups, including the sovereign debt advisory committee, the human rights and social issues reference group; as well as chair of the Real Estate Advisory Committee.
PRI Climate Reference Group	2025	Global	Builds investor awareness, capacity and interaction by sharing good practice and thought leadership on climate mitigation and resilience strategies. The group facilitates knowledge-sharing on climate-related issues including net zero transition planning and the management of rising physical risks.	Advance signatory awareness, capability, and peer learning on climate-related impacts, risks, dependencies, and opportunities, including scenario analysis, transition planning, and climate solutions. Support investors to integrate climate considerations into investment practices using leading tools and frameworks, while incorporating investor input into the PRI's work program and positions.
PRI Spring	2023	Global	Aims to address the systemic risk of nature loss to society and long-term portfolio value creation by enhancing corporate practices on forest loss and land degradation	We're a member of the Spring Advisory Committee and a member of the initiative.
PRI Sustainable Systems Investment Managers Reference Group (SSIMRG)	2023	Global	SSIMRG provides a unique opportunity for investment managers to share developments, questions, concerns, and feedback with the PRI Executive related to: • Innovative solutions to barriers to responsible investment and a sustainable financial system • The role of investment managers on system-level issues • PRI's sustainable systems change plan • And PRI's Progression Pathways	We're a participant in the reference group.
REALPAC Canada ESG Committee	2018	Canada	Members include publicly traded real estate companies, real estate investment trusts (REITs), pension funds, private companies, banks, and life insurance companies with investment real estate assets	We participate in monthly meetings and engagement on federal, provincial, or municipal policy. We also chair the zero carbon working group.
Singapore Stewardship Principles	2026	Singapore	The Singapore Stewardship Principles for Responsible Investors (SSP) aim to guide institutional investors on their stewardship responsibilities towards sustainable performance and delivering long-term risk-adjusted returns	We're a signatory to the initiative.

Organization	Year joined	Region	Focus	Manulife IM's involvement
Taskforce on Inequality and Social-related Financial Disclosures (TISFD)	2024	Global	The TISFD is a global initiative to develop recommendations that enable businesses and investors to effectively identify, assess, and report on their inequality and social-related risks, opportunities, and impacts	We're a steering committee member.
TCFD Consortium (Japan)	2019	Asia	Has corporate and investor members and aims to foster best practice in TCFD reporting	We're a member of the investor group to support companies in providing decision-useful disclosure.
Taskforce on Nature-related Financial Disclosures (TNFD)	2020	Global	The TNFD is a global initiative to develop recommendations that enable businesses and investors to effectively identify, assess, and report on their nature-related dependencies, impact, risks, and opportunities	We were members of the Informal Working Group developing the scope for the TNFD. We are now TNFD Forum members.
UK Stewardship Code	2020	UK	UK Stewardship Code 2020 comprises a set of 12 Principles for asset managers and asset owners, supported by reporting expectations which indicate the information that organizations should publicly report to become a signatory	We're a signatory to the Stewardship Code and supported revisions to the 2026 version of the Code.
World Benchmark Alliance (WBA)	2018	Global	Seeks to increase the private sector's sustainability impact; creates benchmarks to incentivize and accelerate companies' efforts toward achieving the UN's SDGs	We're a supporter of this initiative.
World Business Council for Sustainable Development (WBCSD)	2019	Global	CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world	We're a council member and liaison delegate. Our timberland and agriculture teams actively participate in the WBCSD's Forest Solutions Group, as well as the Nature Action and Equity Action cross-industry groups.
WBCSD Forest Solutions Group	2024	Global	Industry group focused on sustainable forest management across the global forest products value chain	We're a member of the steering committee.

IFRS S2/TCFD crosswalk

We support the adoption of industry-wide standards for disclosure, including the framework outlined by the TCFD and the ISSB recommendations (IFRS S1/S2) which fully incorporate and build upon the TCFD recommendations. The following table seeks to guide readers to the sections of this report where information aligned with relevant areas of the IFRS S2 disclosures can be found. This information is provided on a voluntary basis only.

Recommendation	Location
Governance	
Oversight of climate Disclosure section 6 (a)	Sustainability governance structure—pages 11 - 13.
Management's role in climate governance Disclosure section 6 (b)	Sustainability governance structure—pages 12 - 13. Sustainability policies, statements, and frameworks—page 17. Case studies—pages 111 - 115, sustainability and governance theme.
Strategy	
Climate-related risks, impacts Disclosure section 9	Climate strategy—page 31. Sustainable investing in action—pages 68, 75, 86, 88 and 93. Case studies—page 112, Assessing transition risk in infrastructure.
Identification and timing of climate-related risks and opportunities Disclosure section 10	Climate risks and opportunities we may consider—page 32.
Business model and value chain Disclosure section 13	Climate risks and opportunities we may consider—page 32.
Strategy and decision making Disclosure section 14	Risk management—page 24. Case studies—pages 111 - 115, Operationalizing preference for renewable diesel, Corporate real estate electrification, biomass recovery and sale.
Financial position, performance and cash flows Disclosure sections 15–21	Sustainability strategy—pages 31 - 32.
Climate resilience Disclosure sections 22–23	Sustainability strategy—pages 34 - 35. Climate adaptation—page 38. Case studies—pages 111 - 115, Experiencing responsible forestry firsthand, Assessing climate resilience across real assets.

Recommendation	Location
Risk management	
Policies and processes Disclosure section 25 (a) and (b)	Risk and impact management—pages 34 - 35.
Process integration Disclosure section 25 (c)	Risk and impact management—page 36.
Metrics and targets	
Climate-related metrics Disclosure section 28	Metrics and targets—pages 36 - 37.
Emissions reporting Disclosure section 29 (a)	Sustainable investing in action—pages 69, 78, 86, 89, 95 (by asset class).
Climate risk exposure Disclosure section 29 (b)–(e)	Sustainability strategy—pages 31 - 32.
Carbon pricing Disclosure section 29 (f)–(g)	Manulife sustainability report - risk management—page 30.
Climate-related targets Disclosure section 33	Sustainable investing in action—pages 68, 75, 86, 88, 93. Manulife sustainability report - metrics and targets—page 32.
Target setting, review, and performance Disclosure sections 34–35	Manulife sustainability report - metrics and targets—page 32.
Greenhouse gas emissions targets Disclosure section 36	Manulife sustainability report - metrics and targets—page 33.

Our impact: sustainable investing case studies

We believe active ownership practices are at the center of good stewardship, helping drive strong risk-adjusted investment return potential for our clients over time. Below is a list of the outcomes from recent case studies. These highlight our stewardship work across themes of climate, nature, people, and sustainability and governance.

Case study title	Asset class	Theme	Region	Description
Enhancing vendor due diligence	All	Sustainability and governance	Global	**Issue:** The rise of vendor codes of conduct for sustainability research, ratings, and data providers revealed opportunities to enhance our due diligence process. **Action:** In early 2025, we updated our vendor due diligence framework to align with emerging codes on methodology, conflict-of-interest management, and engagement with covered entities. **Outcome:** Implementation of the new process enabled us to identify and track iterative improvements requested of service providers.
A partnership with CMI Orchards	Agriculture	Nature	North America	**Issue:** Orchard production generates large volumes of organic byproducts, and growers increasingly need circular, climate-positive solutions that improve soil health, reduce reliance on synthetic fertilizers, and create measurable carbon benefits. **Action:** Manulife IM supported CMI and Royal Family Farm in launching The Soil Center in 2024, an operation that upcycles over 100,000 tons of agricultural byproducts annually and converts approximately 20,000 tons of woody biomass into biochar, enabling soil health improvements and producing more than 500,000 carbon credits per year while sequestering an estimated 750 tons of CO_2 per day. **Outcome:** This partnership demonstrates how high-quality farmland investments can deliver ecological and economic value by transforming waste into valuable soil amendments, reducing input costs, generating monetizable carbon credits, and strengthening long-term land productivity for the benefit of growers, communities, and clients.
Operationalizing preference for renewable diesel	Agriculture	Climate	North America	**Issue:** California's clean air standards regulations have made renewable diesel widely available at a competitive cost and performance compared to traditional agriculture red-dyed diesel. However, without clear requests from customers, many fuel vendors supply whatever product is most readily available, providing limited visibility into the actual fuel mix delivered, potentially slowing the shift toward lower-emission options. **Action:** Our agricultural operations teams were briefed on the benefits and cost-competitiveness of renewable diesel, and regional management directed that it become the default diesel choice for all owned and operated California assets. Vendors were asked to record this preference on our accounts and begin tracking annual volumes of each fuel type. **Outcome:** We anticipate this clear preference will increase renewable diesel deliveries to our farmland properties, helping align with state goals and reduce emissions without requiring equipment changes or additional cost. As vendor tracking improves, we anticipate better insight into our fuel use and a stronger demand signal that supports ongoing growth in renewable fuel supply.
Recharge basin initiative—central California	Agriculture	Nature	North America	**Issue:** California's Central Valley faces severe water stress from drought, groundwater regulation, and flood risk, threatening crop productivity and long-term asset resilience. **Action:** We launched a regenerative groundwater recharge program that built more than 500 acres of recharge basins to replenish aquifers, reduce pumping costs, mitigate flood impacts, and share best practices across the region. **Outcome:** Since 2017, the program has recharged 91,000 acre-feet of water, saved US$165 per acre-foot in power costs, ensured regulatory compliance, and enhanced biodiversity, delivering both financial and environmental benefits.
Assessing climate resilience across real assets	Agriculture, infrastructure, real estate, timberland	Climate	Global	**Issue:** Unmitigated climate risks pose material threats to investments across our directly owned real assets portfolio, requiring a more consistent and structured approach to climate integration. **Action:** In 2025, we launched a Climate Maturity Assessment framework based on TCFD and IFRS principles, evaluating 27 indicators across governance, strategy, risk management, and metrics with tailored guidance for real estate, agriculture, timberland, and infrastructure. **Outcome:** The framework enables teams to benchmark current practices, identify needed enhancements, and set timelines, helping mitigate climate risks, capture opportunities, and strengthen regulatory preparedness to better serve clients.
Improving budgetary and procurement transparency in South Africa	Fixed income	Sustainability and governance	Africa	**Issue:** South Africa's National Treasury lacked sufficient fiscal and procurement transparency, limiting public oversight and investor confidence. **Action:** Over two years, we worked with the Emerging Markets Investor Alliance to engage key officials and recommend improvements including clearer debt and revenue estimates, stronger oversight, community engagement, and centralized procurement data through an e-portal. **Outcome:** The Treasury linked its website to the national public-sector e-tender portal, significantly expanding access to advertised and awarded tenders across major entities such as ESKOM and Transnet.

Case study title	Asset class	Theme	Region	Description
Strengthening government climate-resilience planning through investor dialogue	Fixed income	Climate	Asia-Pacific	**Issue:** Local infrastructure projects are vital to local economies remaining resilient to the impacts of climate change. **Action:** Through a multi-year engagement conducted through the Asia Investor Group on Climate Change, we encouraged stronger incorporation of climate-adaptation priorities into green bond frameworks and taxonomy development. **Outcome:** The authority's 2025 green bond issuance included new adaptation-focused projects—such as drainage system upgrades—referencing our roundtable discussions, and we continue to support further integration of adaptation into taxonomy work.
Supporting digital inclusion products and services in emerging Asia markets	Fixed income	People	Asia-Pacific	**Issue:** A Japanese financial services group sought to issue social bonds but needed stronger impact measurement, transparency, and alignment with best practices. **Action:** Our fixed income team engaged during a non-deal roadshow to recommend expanding digital inclusion definitions, using Digital Inclusion Benchmark indicators, and improving environmental transparency for data centers. **Outcome:** The company refined its Social Finance Framework and reaffirmed its commitment to sustainable finance, with our team continuing to monitor reporting enhancements and clearer target definitions.
Assessing transition risk in infrastructure	Infrastructure	Climate	North America	**Issue:** Infrastructure assets across renewables, transport, and digital sectors faced uncertain exposure to climate transition risks, limiting effective long-term planning and risk management. **Action:** Our Infrastructure Team engaged an external consultant to conduct a portfolio-wide climate scenario analysis assessing potential financial impacts across key sectors. **Outcome:** The analysis identified material transition risks and financial sensitivities, enabling more informed strategic planning and stronger risk-management practices across investments.
Improving emissions data quality and methodology	Infrastructure	Climate	North America	**Issue:** Infrastructure required a more robust and consistent approach to measuring financed emissions to support credible climate reporting and portfolio decarbonization efforts. **Action:** The team developed an internal methodology to guide emissions accounting and obtained third-party external verification for one fund's financed emissions. **Outcome:** This strengthened the accuracy and credibility of emissions reporting, supporting improved climate governance and alignment with leading measurement standards.
Working with a medical device company on climate and diversity	Listed equity	Climate, People	North America	**Issue:** A major medical device company lacked greenhouse gas reduction goals and had minimal diversity disclosure, creating climate-transition and talent-related risks. **Action:** Beginning in 2021, the investment team engaged the company to set net-zero and science-based targets and to improve diversity, equity and inclusion transparency with measurable goals. **Outcome:** The company has since published a diversity, equity and inclusion report, tied diversity metrics to executive bonuses, and committed to net-zero by 2050 with interim targets including a 50% emissions-intensity reduction and expanded renewable-energy use.
Accountability reflected in executive compensation	Listed equity	Sustainability and governance	North America	**Issue:** A Canadian multinational bank faced significant governance and compliance failures after regulators raised concerns about its anti-money-laundering practices, leading to the termination of a C$13.4 billion acquisition and more than C$600 million in pretax charges. **Action:** Our Canadian equity team engaged with the board throughout 2024, urging strengthened AML controls and recommending discretionary reductions to CEO pay to reflect the severity of the governance lapses. **Outcome:** Following a C$3 billion regulatory penalty, the bank cut CEO compensation by 89%, reduced pay for 40 executives, and accelerated leadership changes, reinforcing alignment between executive incentives, shareholder interests, and improved compliance expectations.
Advancing climate and supply-chain sustainability at a leading consumer goods producer	Listed equity	Climate, Nature	Asia-Pacific	**Issue:** A major consumer goods manufacturer faced material climate-risk exposure, Scope 3 emissions challenges, and nature-related risks within its supply chain, requiring better data transparency and mitigation strategies. **Action:** We engaged on improving Scope 3 data quality, strengthening TCFD/TNFD-aligned climate-risk assessments, quantifying physical-risk impacts, and advancing sustainable packaging and sourcing practices. **Outcome:** The company committed to improved supplier data validation, expanded climate-risk analysis, and stronger sustainable-materials targets, while continuing to refine nature-risk management and low-deforestation sourcing approaches.
Aligning compensation with performance at a small-cap company	Listed equity	Sustainability and governance	North America	**Issue:** An equity team identified a sharp increase in CEO pay at a North American building products company, contributing to 21% shareholder opposition to the 2024 say-on-pay vote. **Action:** The team engaged the company twice, urging stronger alignment between pay and strategy by increasing performance-based equity and revisiting an oversized compensation peer group. **Outcome:** The company improved proxy disclosures, raised performance share weighting to 55% of long-term pay, refined its peer group, and subsequently secured 97% shareholder support on its 2025 say-on-pay proposal.

Case study title	Asset class	Theme	Region	Description
Engaging on human rights risks: reconciling rating methodologies with local operating context	Listed equity	People	Asia-Pacific	**Issue:** An investee company's ESG rating was downgraded in 2024 due to a 2021 allegation of human rights violations in its mainland China supply chain, raising concerns about disclosure, risk exposure, and operational sensitivity. **Action:** Our investment team investigated the delayed downgrade with the rating provider, engaged privately with the company to review its internal audit findings and due diligence processes, and also raised methodology concerns with the rating provider. **Outcome:** The company demonstrated that three internal audits found no labor violations, but the lack of public disclosure limits rating improvement, while the provider acknowledged its methodology is evolving—resulting in a partially successful engagement that clarified risks and highlighted the need for more context-sensitive assessment criteria.
Enhancing transparency and nature strategy execution at a dairy company	Listed equity	Climate, Nature, Sustainability and governance	Asia-Pacific	**Issue:** A large Asian dairy producer faces material climate, deforestation, animal welfare, and supply-chain sustainability risks that require clearer disclosure and stronger implementation to meet investor expectations. **Action:** Through a multi-year engagement, we continued discussions with the company to encourage public timelines for deforestation commitments, third-party verification of antibiotic-reduction and animal-welfare practices, and greater diversification into plant-based dairy alternatives. **Outcome:** The company is considering independent assessments to validate progress and reviewing opportunities to expand plant-based offerings, and we continue to engage to strengthen transparency and reinforce confidence in its evolving climate and nature strategy.
Governance restructuring and strategic refocus at a global e-commerce company	Listed equity	Sustainability and governance	Asia-Pacific	**Issue:** A major global e-commerce company significantly reduced the size of its partnership governance group and elevated a senior executive, signaling a strategic shift intended to streamline decision-making and revive growth following regulatory pressure and business stagnation. **Action:** Our investment team engaged with the company's investor relations team to understand the implications of the governance overhaul, clarify strategic priorities, and assess how its "user-first, AI-driven" strategy and renewed emphasis on international expansion align with long-term growth objectives. **Outcome:** The governance restructuring is expected to consolidate leadership and strengthen the company's international e-commerce performance, and we consider this an ongoing engagement as we continue monitoring execution and progress toward enhanced operational resilience and growth.
Improving labor management and guest experience at an American mountain resort company	Listed equity	People	North America	**Issue:** A ski patrol union strike at a Park City resort disrupted operations and guest experience, signaling underlying employee concerns at an American mountain resort company. **Action:** The equity team engaged through virtual meetings to address wage issues, working conditions, and strategies to prevent future labor disruptions. **Outcome:** The strike ended with a new labor contract improving pay, benefits, and working conditions, alongside guest compensation and community trust initiatives, which the team continues to monitor.
Managing conflicts of interest in proxy voting	Listed equity	Sustainability and governance	Global	**Issue:** In 2025, several affiliated funds presented proxy voting conflicts of interest that required a consistent mitigation approach. **Action:** To manage these conflicts, we instructed abstention votes where possible to allow quorum while avoiding influence on vote outcomes. **Outcome:** This approach ensured conflict-free participation in governance processes without affecting final voting results.
Strengthening climate and social transparency at a leading pharmaceutical company	Listed equity	Climate, People	Asia-Pacific	**Issue:** A major pharmaceutical company in Southeast Asia lacked comprehensive environmental disclosures and sufficient transparency on equitable access and affordability of essential medicines. **Action:** We collaborated with investors to encourage alignment with global climate-reporting standards (including CDP and IFRS S2) and engaged on strengthening social policies related to pricing transparency, access, and inclusion. **Outcome:** The company committed to reviewing CDP reporting, planning steps toward IFRS S2 adoption, and continuing improvements in sustainability disclosure and social-impact practices, with further engagement ongoing.
Strengthening sustainability disclosure and governance at a major digital services company	Listed equity	People, Sustainability and governance	Asia-Pacific	**Issue:** A major Asian food-delivery and services platform demonstrated gaps in sustainability transparency and data comparability despite recent disclosure improvements, particularly in areas such as rider safety, insurance coverage, hygiene standards, governance practices, and AI risk management. **Action:** We continued our ongoing engagement by encouraging clearer reporting on safety metrics, insurance and pension participation, rider satisfaction, governance structures, and responsible AI oversight, aligned with regulatory expectations and stewardship best practices. **Outcome:** The engagement aims to drive stronger accountability, protect vulnerable stakeholders, and reinforce governance and AI risk management standards, and remains ongoing as we monitor the company's responsiveness to recommended sustainability disclosure enhancements.

Case study title	Asset class	Theme	Region	Description
Strengthening sustainability and data governance in the digital travel sector	Listed equity	Climate, People, Sustainability and governance	Asia-Pacific	**Issue:** A major online travel services platform faced gaps in sustainability disclosure related to environmental impacts, customer data protection, and governance oversight, limiting transparency for investors. **Action:** We engaged to encourage more comprehensive reporting on carbon emissions, sustainable travel efforts, data-protection measures, and strengthened board-level sustainability oversight, including regular training for senior management. **Outcome:** The company outlined plans to improve carbon-footprint disclosure, expand sustainable-travel initiatives, and enhance sustainability governance, demonstrating constructive responsiveness and continued progress in its sustainability program.
Supporting community recovery following Maui wildfires	Listed equity	People	North America	**Issue:** The 2023 Maui wildfires created significant social and governance challenges for a Hawaiian bank holding company, including pressures on community support, rebuilding, and employee well-being. **Action:** Our equity team engaged through virtual meetings and email dialogues to understand the company's response and evaluate initiatives related to tourism recovery, housing stability, and financial resilience. **Outcome:** The company demonstrated strong community involvement through donations, relief programs, mortgage stabilization, and construction financing, reinforcing its social responsibility and strengthening customer loyalty.
Leveraging data to enhance engagement	Listed equity, fixed income	Sustainability and governance	Global	**Issue:** Manulife IM sought stronger, comparable data to assess issuers' climate, water, and forest-related risks and better understand deforestation exposure across global supply chains. **Action:** We used CDP's Forests Champions program tools to analyze issuer disclosures and apply these insights in focused engagements on certification, grievance processes, commodities exposure, revenue dependencies, and traceability. **Outcome:** This data-driven approach enabled more targeted and effective company engagements, helping us identify gaps, encourage improved oversight, and strengthen sustainability risk management discussions.
Using AI to enhance sustainability research	Listed equity, fixed income	Sustainability and governance	Global	**Issue:** Investment teams faced challenges in efficiently acquiring, organizing, and analyzing sustainability data for thousands of global issuers. **Action:** We developed an AI Research Assistant built on our sector-based materiality framework that scans multiple sources, maps data to defined indicators, and evaluates ESG factors using more than 100 AI-driven prompts. **Outcome:** The tool has substantially reduced research time, improved global consistency, and enabled analysts to better identify engagement priorities, integrate sustainability insights into valuations, and make more informed investment decisions.
Evolving ESG integration practices in senior loans	Private credit	Sustainability and governance	North America	**Issue:** Private credit markets increasingly require sustainability integration in underwriting, but investors lacked a consistent way to assess material ESG risks and value-creation opportunities across sectors. **Action:** The senior loans team partnered with the sustainable investing team to build a proprietary materiality assessment tool using sector insights and leading frameworks such as SASB to generate tailored disclosure topics and due diligence questions. **Outcome:** The enhanced process strengthened collaboration, highlighted material sustainability risks for sponsors, and delivered actionable insights that improve risk management and support potential value creation.
Advancing shared ownership in private equity	Private equity	People	North America	**Issue:** Employees across many companies lack access to broad-based ownership programs that support wealth creation and long-term alignment. **Action:** We formed a multi-year partnership with Ownership Works, joining its Limited Partners' Leadership Council and engaging GPs to promote the business case and implementation considerations for employee ownership. **Outcome:** The partnership has raised awareness, facilitated new connections, and expanded understanding of employee-ownership benefits across our strategic investment partners.
Advancing affordable housing in the U.S.	Real estate	People	North America	**Issue:** Demand for income-restricted housing significantly exceeds supply, creating affordability pressures for low- to middle-income renters and limiting access to essential housing. **Action:** In 2025, Manulife Investment Management launched a US$1 billion affordable-housing joint venture with TruAmerica, acquiring a 51-property, 6,000-unit portfolio focused on long-term affordability. **Outcome:** The large-scale, mission-aligned platform strengthened access to essential housing while delivering resilient occupancy, durable cash flow, and strong return potential for investors.

Case study title	Asset class	Theme	Region	Description
Corporate real estate electrification	Real estate	Climate	North America	**Issue:** Manulife's corporate use properties will require regular capital investment for replacement of end-of-life heating systems which are a significant consumer of building energy and a source of emissions in the portfolio. With long equipment lifecycles of 20+ years, choices made today create conditions that lock in energy use and emissions long term. While there are high-efficiency low-carbon alternatives available, their higher upfront costs make adoption challenging. **Action:** As the asset manager, Manulife IM has engaged consultants and engineers to develop detailed plans to decarbonize its properties, with a focus on end of life fossil fuel equipment. With the long hold nature of Manulife's corporate office assets, a strategy was developed to execute decarbonization by leveraging end-of-life HVAC replacement to support building electrification. **Outcome:** It's anticipated these assets will see significant energy efficiency and emissions over the next 5-7 years as measures move into feasibility and construction.
Biomass recovery and sale to green power producer	Timberland	Climate	Asia-Pacific	**Issue:** Forestry harvesting creates large amounts of woody debris that increase safety risks, slows down remounding and replanting, and releases greenhouse gas emissions when burned. **Action:** A biomass recovery system was trialed in our Australia operations that collects, chips, and transports this debris to central processing hubs for grinding and screening. The team built supply relationships with a purchaser who uses the biomass to produce green power that can be used in place of fossil fuels. **Outcome:** Trials recovered upwards of 30.0 GMt/ha of biomass, which was sold into renewable energy and mulch markets while reducing onsite burning. Site preparation became faster, and remounding improved in wet areas. Further trials are ongoing to understand cost impacts at scale and ensure the program can meet the feedstock requirements of local buyers.
Embracing drone technology for resilient forestry	Timberland	Climate	Global	**Issue:** Certain silvicultural activities—such as spray application and forest health monitoring—are resource-intensive and can create environmental and operational challenges, prompting a need for more efficient and lower-impact approaches. **Action:** We integrated drone technology into select silvicultural practices to enable highly targeted applications and rapid data collection, complementing traditional forestry methods. **Outcome:** This innovation has reduced fuel use and greenhouse gas emissions, improved real-time forest monitoring, and strengthened our ability to manage forests sustainably while enhancing long-term resilience.
Experiencing responsible forestry firsthand	Timberland	Nature, People	Asia-Pacific	**Issue:** Stakeholders lacked clear visibility into how responsible forestry practices, certification standards, and partnership-based stewardship were being applied on the ground at Woodhill Forest. **Action:** We collaborated with Matariki Forests and Ngā Maunga Whakahii o Kaipara to host an FSC® Forest Walk, providing customers and supply chain partners firsthand insight into how certified management supports biodiversity, water quality, Indigenous rights, and long-term landscape resilience. **Outcome:** The event, supported by a shared video, strengthened understanding of our partnership-driven stewardship approach and demonstrated how certified forest management sustains natural capital while supplying responsible fiber to domestic and international markets.
Investing in environmental education through Project Learning Tree	Timberland, agriculture	Nature	North America	**Issue:** Future natural-resource professionals need stronger early-stage environmental education to build stewardship skills and support long-term sustainable management of natural assets. **Action:** We partnered with Project Learning Tree to deliver hands-on environmental education—including university workshops, elementary lessons, and field-based learning—to more than 90 students and emerging educators across Texas and Louisiana. **Outcome:** This partnership strengthens future talent pipelines, deepens community relationships, and supports long-term stewardship and operational resilience by fostering a generation that values natural capital.
Piloting Nature Metrics and shaping framework development	Timberland, agriculture	Nature	Global	**Issue:** Measuring nature is inherently complex, and emerging frameworks like the Nature Positive Initiative (NPI) and TNFD require testing to ensure they can credibly capture ecosystem dynamics—particularly in forestry, where cyclical management challenges simple "baseline and improve" approaches. **Action:** We participated in the 2025 NPI State of Nature Metrics Pilot with the WBCSD cohort, using a high-level, existing data approach to test draft terrestrial ecosystem metrics and provide feedback on feasibility, context dependence, scaling challenges, and biodiversity data gaps. **Outcome:** Our early engagement helps shape credible, comparable nature reporting frameworks and strengthens readiness for future regulatory and market expectations, supporting greater transparency, better risk management, and long-term value creation for clients.

The case studies shown here are for illustrative purposes only, do not represent all of the investments made, sold, or recommended for client accounts, and should not be considered an indication of the ESG integration, performance, or characteristics of any current or future Manulife Investment Management product or investment strategy.

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Manulife Investment Management

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