

# Sustainability Report and Public Accountability Statement

# 2020





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## Caution Regarding Forward-looking Statements

This report contains forward-looking statements which are made pursuant to the “safe harbour” provisions of Canadian provincial securities laws and the U.S. *Private Securities Litigation Reform Act of 1995*. The forward-looking statements in this report include statements with respect to Manulife’s Climate Action Plan and journey to net zero. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include factors identified in the “Caution regarding forward-looking statements” in our 2020 Annual Report and elsewhere in our filings with Canadian and U.S. securities regulators.

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



# About Manulife



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

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

We have a storied history dating back more than 130 years in Canada, 120 years in Asia, and 155 years in the U.S. We have more than 37,000 employees and over 118,000 agents, serving more than 30 million customers across the world. Throughout our 150+ year history, we have provided products and services that improve outcomes and provide financial security for our customers and partners. We've been driven to create positive change and have stood alongside our communities during good times and bad. We remain committed to being a catalyst for change, pursuing our mission, and taking action to make a positive environmental and social impact.

The world has changed significantly in the last 150 years—and we've changed with it. As the needs of our customers, communities, and our environment have evolved, so have we. As we move forward together, our mission and values will drive us to continue improving outcomes and making our world a better, healthier, more equitable place to be.

## Our values

Our values represent how we operate. They reflect our culture, inform our behaviours, and help define how we work together.

### Obsess about customers

We predict their needs and do everything in our power to satisfy them.

### Do the right thing

We act with integrity and do what we say.

### Think big

Anything is possible. We can always find a better way.

### Get it done together

We're surrounded by an amazing team. Do it better by working together.

### Own it

We feel empowered to make decisions and take action to deliver our mission.

### Share your humanity

We build a supportive, diverse, and thriving workplace.



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# A Message from Roy Gori, President and Chief Executive Officer



## Dedicated to driving positive change

Our mission, **Decisions made easier. Lives made better**, acts as a guide for everything we do. It inspires our global team to build a business that benefits all stakeholders and has a positive social and environmental impact. Alongside our values, our mission drove our decision-making throughout one of the most challenging periods many of us have ever faced. COVID-19 has brought heartbreak and loss to people around the world. At the same time, it has reminded us of the power of community and the importance of preparing for the future.

The pandemic has shone a light on the disparities and fragilities that exist in our world. It has posed threats to the economy, to public health, and to the livelihoods of the communities in which we live, work, and raise our families. Climate change also presents serious threats, and the events of the past year have heightened the need for companies to sharpen their focus on building a greener, better future for all. Manulife is committed to playing its part.

## Our journey to net zero

We recently announced commitments to help further combat climate change, signifying our role as an active contributor in the transition to a world where zero carbon emissions is a reality. This journey to net zero builds on our mission to help people make their decisions easier and lives better. When we achieve these ambitions and lower our impact, we move closer to fulfilling our mission and giving our customers the confidence to plan for the future.

<sup>1</sup> As at December 31, 2020.

We have set emissions reduction targets for our own investments and for our business operations. **We have also committed to the Science Based Targets initiative (SBTi).**

We recognize the link between environmental and financial stewardship. **We're proud that our vast natural resource holdings have enabled us to realize net zero Scope 1 and 2 carbon emissions since 2019**, and we are uniquely positioned in our sector to accelerate the use of natural solutions in the fight against climate change. We are actively incorporating climate change considerations into all our decision-making, including how we manage our operations, how we make investment decisions, and how we develop and offer financial products and services.

- 1. Our Operations.** While we are proud to have achieved net zero carbon emissions in our operations, **we are committed to reducing absolute Scope 1 and 2 emissions 35% by 2035.**
- 2. Our Investments. We will continue to grow our green investment portfolio, which currently totals \$39.8 billion,**<sup>1</sup> to support a net zero future, including renewable energy and energy-efficient buildings. We are committed to steering our investment portfolio to be net zero by 2050. To drive our journey, we are taking a sector-based approach, focusing first on the heavy emitting industries, such as power generation, and within the next year, we will establish near-term emissions reduction targets. To ensure this work achieves real climate benefits, we are committed to formal third-party validation of our investment and operations targets by the SBTi.



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**3. Our Products and Services.** Our third commitment is to provide nature-based solutions to mitigate climate change, through our sustainably managed forests and farms. We're in a unique position to provide nature-based solutions and will accelerate the development of products that amplify the benefits of timberland and farmland and capture even more carbon per dollar invested. The products and services Manulife offers can empower customers to make their own sustainable choices and build resilience in the face of climate change.

As a global life insurer and asset manager, we offer innovative products that provide financial security and protection and, through our behavioural insurance solutions, motivate people to live healthier, more active lives. We understand the connection between our environment and human health and are proud to offer our investment clients "sustainability as standard," considering sustainability in all our investments made on their behalf.

In making these three clear commitments on climate, we are continually challenging ourselves to take a leadership role, setting a robust plan for our investments and operations, and committing to providing products and services that are part of the global solution.

### Building on solid foundations

Our progress against these new goals will be helped significantly by the strong foundations we've laid in recent years. In 2020, for example, we took meaningful steps to reduce our environmental footprint, support the transition to a net zero emissions economy, and invest in climate change mitigation and resilience. One such step was our investment in solar systems, partnering with one of the leaders of residential solar installations in the United States, which installed 38,000 residential solar systems in 2020, totalling approximately 272 MW of renewable generation capacity in the country.

<sup>1</sup> <https://www.unpri.org/the-pri-leaders-group/4771.article>

Through continued investments in our real estate operations last year, we achieved green building certifications for over 80% of our global portfolio managed by Manulife Investment Management. The Global Real Estate Sustainability Benchmark (GRESB) Assessment gave Manulife Investment Management's real estate portfolio a rating of 5 stars, ranking it in the top quintile of GRESB participants and second amongst our peers. In addition, both of our Canadian real estate funds achieved 100% green building certification across their portfolios.

Importantly, Manulife Investment Management continued to be an active member of Climate Action 100+, an investor-led initiative that encourages reduction of greenhouse gas emissions by the world's biggest polluters and now includes more than 400 asset managers from around the world. To further bolster our efforts, our global ESG team drove the implementation of our Sustainable Investing agenda, which included rolling out global education initiatives on ESG and climate change, identifying and developing sustainable investing best practices, and supporting investment teams to develop tools and methodologies for ESG integration across investment life cycles. The world's leading proponent of responsible investment, the Principles for Responsible Investment, included Manulife Investment Management in their PRI Leaders' Group 2020,<sup>1</sup> recognizing our efforts to advance the Leaders' Group theme for 2020: climate reporting.

### Caring for our communities

We strengthened our commitment to our communities during an incredibly challenging time, continuing to drive positive social change and providing assistance when people needed it most. In 2020, our total corporate donations amounted to \$21 million. We made community contributions focused on several critical fronts, including food security for the most vulnerable, supporting the well-being of health care workers, and enabling mental health support through digital programs. We enabled economic opportunities for women and youth



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through skills development and turned wellness sponsorships, including the Manulife Ride for Heart and Manulife Danang International Marathon, into virtual fundraising events. In addition, we committed to invest more than \$3.5 million over the next two years to promote diversity, equity, and inclusion through expanded hiring commitments, education, and community support for organizations helping Black, Indigenous, and People of Colour.

For the 13th consecutive year, our U.S. team supported the Dr. Martin Luther King (MLK) Scholars program, investing more than \$1.5 million in hiring or funding summer jobs, leadership development forums, and digital financial capability training for more than 600 Boston-based teenagers. In response to the pandemic, we pivoted the entire program to be virtual and added mental wellness resources, which were accessed by nearly 400 Boston youth across the city.

In Canada, through our sponsorship of the Lift Off to Higher Education program, we supported 2,185 students in their efforts to build financial literacy skills and learn about different paths of education. And, for the fourth year in a row, in the Philippines we offered our Peso Smart program, a year-long financial literacy program designed to teach public school students the basics of saving, budgeting, and investing.

## Committed to progress

We recognize there is more work to be done and we are dedicated to taking concrete actions that improve outcomes for all of our stakeholders. Making sustainable business decisions is more than just the right thing to do—it creates long-term value for our stakeholders and our company. Continuing to build upon our diverse and inclusive culture, and creating a workplace where everyone feels empowered be their true selves, is crucial to our efforts. We know that developing impactful solutions to society's biggest challenges, such as climate change, requires diverse thinking.

At Manulife, we are excited about the work ahead as we support the transition to a net zero emissions economy and continue to drive measurable social impact across our business.

**Roy Gori**

President and Chief Executive Officer



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To reduce our environmental footprint, our sustainability report is only available in digital format.

## Scope

The Sustainability Report and Public Accountability Statement outlines our management approaches, performance, and achievements related to our ESG priorities. The information contained in this report was obtained through stakeholder consultation, internal management review, and a materiality assessment conducted for Manulife in 2019.

## Audience

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

## Boundaries

This report is in the respect of the financial year ended December 31, 2020. All facts and figures are as of December 31, 2020, unless stated otherwise. This report includes information from our operations across Canada, Asia, and Europe, and John Hancock in the United States. The information in this report is consolidated unless stated otherwise.

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

- First North American Insurance Company
- Manulife Investment Management Limited

- Manulife Securities Incorporated
- Manulife Securities Investment Services Inc.
- Manulife Investment Management (North America) Limited
- Manulife Securities Insurance Inc.
- Manulife Investment Management Distributors Inc.
- Manulife Assurance Company of Canada

The 2020 Manulife Bank Public Accountability Statement, also included in this report, is published by, and in respect of, Manulife Bank of Canada and its prescribed affiliate, Manulife Trust Company of Canada.

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

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

## About this report

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

### Corporate:

- Manulife's [2020 Annual Report](#)
- Manulife's [2021 Management Information Circular](#)



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## Highlights

We exceeded our 2020 BIPOC 25% new graduate hiring target in North America, with hiring rates of **40%** in Canada and 37% in the U.S.

**\$39.8 billion**  
Manulife's green investment portfolio

**81%** of Manulife's real estate investment portfolio\* is certified to a green building certification

\* Includes corporate real estate and third-party assets.

**\$21 million** directly donated to local communities around the world

**2 new sustainable investing strategies**

launched (Sustainable Asia Bond Strategy and Global Climate Pooled Fund\*) offering sustainable investment options to our customers\*\*

\* Developed in 2020 but launched in February 2021.

\*\* Not all investments available to all investors in all jurisdictions.

## 2020 ESG rankings<sup>1</sup>

Rating	2020
 MEMBER OF <b>Dow Jones Sustainability Indices</b> In Collaboration with RobecoSAM	55 73rd percentile
 MSCI ESG RATINGS AA	AA
 CDP DRIVING SUSTAINABLE ECONOMIES	B-
 SUSTAINALYTICS	ESG Risk Level: Low

- The use by Manulife Financial Corporation of any ESG ranking agency research or affiliate data, and the use of logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Manulife Financial Corporation by the above rating agencies and indices. Services and data are the property of the above rating agencies and indices or its information providers, and are provided 'as-is' and without warranty. Names and logos are trademarks or service marks of the above rating agencies and indices.
- As of September 2020, Manulife Financial Corporation is a member of the DJSI North America Index. The regional index includes the top 20% most sustainable market caps, per industry, based on their sustainability scores.
- As of March 2021, Manulife Financial Corporation received an MSCI ESG Rating of AA.
- As of January 2021, Manulife Financial Corporation received a CDP Climate Change score of B- which represents a management level disclosure.
- Visit their website for a full discussion of the rating/scoring methodology.



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## Sustainability governance

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

Oversight of our ESG framework is part of the mandate of our Board of Directors' Corporate Governance and Nominating Committee (CGNC). This Committee reviews the progress made on our sustainability strategy and stays informed of ESG trends, risks, and opportunities through management reporting. Members of the Committee include the Chairman of the Board and six independent Board members. In 2020, our CGNC met five times.

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

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



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## Sustainability governance

### Board of Directors



### Executive Sustainability Council: Oversees ESG and sustainability strategy and disclosures

Meets monthly



### Sustainability Centre of Expertise: Discusses and aligns on sustainability-related matters

Meets monthly



**In 2019, we established the Climate Change Taskforce to execute on our Climate Action Plan.**

### Climate Change Taskforce: Develops and drives Climate Action Plan

Meets weekly





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## Materiality assessment and stakeholder engagement

In 2019, we conducted a materiality assessment to deepen our understanding of stakeholders' expectations regarding Manulife's sustainability strategy and performance. In 2020, we continued to assess the relevancy of these material topics with our key stakeholders. Their feedback affirms that we are on the right track and continues to provide insight into how we can actively address key topics through our business and operations.

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

Stakeholder group	Ways we engage	Sustainability topics of interest to stakeholders
Consumers/ customers	<ul style="list-style-type: none"> <li>Net Promoter System</li> <li>In-person working sessions</li> <li>Human-centred design</li> </ul>	<ul style="list-style-type: none"> <li>Protecting customer data and privacy</li> <li>Ethical operations</li> <li>Providing products and services that are in customers' best interest</li> <li>Helping customers make informed decisions</li> <li>ESG integration in products</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Annual global employee engagement survey</li> <li>Annual mid-year engagement action check-in survey</li> <li>MFCentral – global employee intranet and resource centre</li> <li>Ongoing polling and surveys and Voice of the Employee (VOTE) group polling and testing</li> <li>Executive led Town Halls and Ask Me Anything sessions</li> <li>Diversity and Inclusion Council</li> <li>Employee resource groups</li> </ul>	<ul style="list-style-type: none"> <li>Protecting employee data and privacy</li> <li>Operating ethically</li> <li>Ensuring the health and well-being of employees</li> <li>Respecting human rights</li> </ul>

Stakeholder group	Ways we engage	Sustainability topics of interest to stakeholders
Shareholders/ investors	<ul style="list-style-type: none"> <li>Shareholder engagement</li> <li>Annual meeting</li> <li>Investor events and presentations</li> <li>Webcasts</li> <li>Investor Relations website</li> <li>Annual Report and Management Information Circular</li> <li>Meetings, phone calls, and e-mail correspondence</li> <li>Quarterly earnings results and earnings calls</li> </ul>	<ul style="list-style-type: none"> <li>Protecting customer data and privacy</li> <li>Operating ethically</li> <li>Corporate governance</li> <li>Human capital development</li> <li>Diversity and inclusion</li> <li>Climate change</li> <li>Responsible investment</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>Mandatory local and regional reporting requirements</li> <li>Voluntary reporting and engagement on key issues</li> <li>Questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Climate change risk governance</li> <li>ESG integration into risk management</li> <li>Climate change in relation to investments</li> </ul>
Civil society/ NGOs	<ul style="list-style-type: none"> <li>Ongoing dialogue with local and regional non-governmental organizations</li> <li>Partnerships</li> <li>Industry working groups</li> <li>Funding research projects</li> <li>Conferences and forums</li> </ul>	<ul style="list-style-type: none"> <li>Protecting customer data and privacy</li> <li>Operating ethically</li> <li>Investing policyholder assets in a sustainable manner</li> <li>Developing investment products that provide environmental or social benefits</li> <li>Access to finance for underserved populations</li> </ul>
Suppliers/ vendors	<ul style="list-style-type: none"> <li>Ethics</li> <li>Data privacy and cyber security</li> <li>Employee well-being</li> <li>Health and safety</li> <li>Fair and inclusive workplace</li> <li>Solvency and economic value</li> <li>Innovation and digitization</li> <li>Supplier diversity program</li> <li>One-on-one meetings</li> </ul>	<ul style="list-style-type: none"> <li>Ethical supply chain</li> <li>Supplier diversity</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Philanthropic partnerships</li> <li>Sponsorship of community events</li> <li>Volunteerism</li> </ul>	<ul style="list-style-type: none"> <li>Being a good corporate citizen</li> <li>Meeting the needs of local communities</li> </ul>



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## Pillars of our sustainability strategy

Based on the insights gathered from our materiality assessment, we have developed four pillars for our sustainability strategy and identified two focus areas that cut across the pillars—namely, climate change and health and well-being:

### Our customers and shareholders

Manage our ESG risks and opportunities to benefit our customers, shareholders, and employees, and operate in an ethical manner.

### Our environment

Reduce the impact of our operations on the physical environment and support the transition to a net zero emissions economy.

### Our people

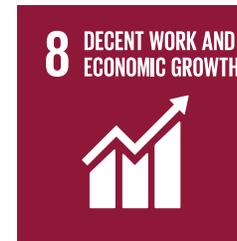
Invest in the health and well-being of our employees and continue building a diverse and inclusive workplace.

### Our communities

Create measurable social impact by investing in the health and well-being of our communities.

## Supporting the Sustainable Development Goals (SDGs)

Through our sustainability strategy and goals, we are well-positioned to contribute toward six SDGs:





# Governance

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## In this section:

- Governance and Ethical Business
- Responsible Supply Chain
- Public Policy

Ranked in the top 3 on the *Globe and Mail's* [annual ranking](#) of corporate boards.

Refreshed and released [Global Human Rights Statement](#) and [Vendor Code of Conduct](#).



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# Governance and Ethical Business



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## Our approach

We believe that strong corporate governance is critical to the long-term success of our company, shareholders, and customers, fostering responsible decision-making and accountability within our organization and helping to inspire public trust.

### Governance policies and practices

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

- Other than the CEO, all of our directors are independent, and all members of the Board's standing committees are independent.
- Directors reflect a mix of certain competencies, experience, and personal qualities to ensure proper oversight and effective decision-making. The Board routinely reviews its size and makeup with the CGNC and may appoint new directors to the Board between annual meetings.
- The Board has a long-standing diversity policy that covers age, gender, ethnicity, disability, sexual orientation, and geographic representation.
- While independent directors meet regularly with senior management, they also hold in camera sessions at every Board and committee meeting without management present to facilitate open and candid discussion.
- The CGNC reviews the Board mandate annually. The Board's mandate, committee charters, and position descriptions for the Board Chair, committee chairs, individual directors, and the CEO, are posted on [manulife.com](http://manulife.com).

# 46%

of our independent directors are women—meeting a goal of 30% since 2013. We also aimed to achieve gender parity among the independent directors—a goal we achieved in 2020

# 46%

of nominated independent directors are women

# 5 of 7

new directors appointed to the Board in the last four years have been women

# 8%

One of the nominated independent directors is a member of a racially/ethnically diverse group



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Our Board of Directors is responsible for risk oversight, supported primarily by its standing Risk Committee, which oversees the management of our principal risks, and our programs, policies, and procedures to manage those risks. Board members receive ongoing education through presentations and information packages about emerging issues and topics relevant to our business and operations and the regulatory environment to enhance their understanding of the subject.

Manulife's CEO is directly accountable to the Board for our results and operations, and all risk-taking activities and risk management practices required to achieve those results. The CEO is supported by the Chief Risk Officer (CRO) and the Executive Risk Committee. Together, they shape and promote our risk culture, guide risk-taking throughout our global operations, and strategically manage our overall risk profile.

Our CRO oversees the execution of individual risk management programs—such as information security—across the enterprise and has the authority to act independently and access necessary resources and information. The CRO is supported by the heads of each risk oversight function, as well as business segment CROs, who have independent risk oversight of principal risks within their respective segments.



Manulife's ESC is responsible for the climate strategy and related risk management and disclosures. The Manulife Climate Change Taskforce, which consists of representatives from multiple businesses and functional areas and is led by the CSO, drives the development of the climate strategy, risk management activities on climate-related matters, performance tracking, and disclosures.

ESG risks may impact our investments, underwriting, or operations, and may create financial, operational, legal, reputational, or brand value risks for Manulife.

The CGNC oversees Manulife's ESG framework. Manulife's ESC, which consists of members of the ELT and the CSO, is responsible for ESG-related strategy and disclosures. It meets monthly and provides quarterly updates to the CGNC. The Council is supported by a Sustainability Centre of Expertise that consists of representatives from multiple businesses and functional areas and includes a Climate Change Taskforce.

Refer to [page 9](#) for details on governance of sustainability at Manulife. Refer to [page 50](#) for details on climate risk at Manulife.



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## Compensation philosophy

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

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

Executives also have performance goals linked to ESG metrics such as diversity, equity, and inclusion, employee engagement, and leadership accountability. Members of the executive team currently have performance goals linked to diversity, equity, and inclusion, employee engagement, and leadership accountability. Beginning in 2021, goals linked to Manulife's Climate Action Plan will also be included.

### Learn more

- Detailed information on our executive compensation approach is available in our [2021 Management Information Circular](#).

## Five principles guide every compensation decision





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## Ethics and compliance culture

With a long tradition of uncompromising dedication to the highest standards of business conduct, Manulife has a reputation for integrity and honesty. This reputation is among our most valuable assets as an organization.

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

Our employees and all members of Manulife’s Board of Directors receive training and must certify their compliance with the Code annually, be well-versed in its provisions, and conduct themselves according to both the letter and the spirit of those provisions. They are also required to comply with all relevant laws and regulations, as well as internal policies, standards, and guidelines, which include those outlined in the chart on [pages 21–22](#). In addition to providing compulsory and supplemental training that includes annual mandatory training on the Code, we run specialized employee communication campaigns to reinforce our well-established culture of compliance. These campaigns cover topics such as fraud, cyber security, risk awareness, data privacy, and security.

Our employees may report any compliance concerns to their managers, their segment Chief Compliance Officer, a member of the Law department, the Global Functions Compliance team, or a member of the Human Resources department.

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

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

While the Ethics Hotline is intended primarily for employees, external stakeholders may also use it to report suspected unethical, unprofessional, illegal, or fraudulent activity. The Chair of the Audit Committee is immediately notified of any auditing or accounting concerns received through the hotline. All items received through the hotline are reported to the Audit Committee by the Global Compliance Chief, with all Board members having access to this report.

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



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## Risk management

Achieving our company's goals requires us to pursue activities that involve elements of risk-taking. We need strong risk management processes to ensure that we strike the right balance between taking appropriate risks while safeguarding our business and our customers' interests.

Our approach to risk management is governed by our Enterprise Risk Management (ERM) framework, which sets out a structured process for risk management activities across the enterprise to support our long-term revenue, earnings, and capital growth strategy. The ERM framework is communicated through risk policies and standards, which enable consistent design and execution of strategies across the organization.

Management is responsible for managing risk within the company's risk appetite—which defines the amount and types of risks we are willing to assume in pursuit of our objectives—and has established risk management strategies and monitoring practices. Our approach includes a “three lines of defence” governance model that segregates duties among risk-taking activities, risk monitoring, and risk oversight, and establishes appropriate accountability for those who assume risk versus those who oversee it.

We have a common approach to identifying and assessing the risks to which we are exposed, which can range from macroeconomic risks to strategic, market, credit, product, and operational risks.

We evaluate all potential new business initiatives, acquisitions, product offerings, reinsurance arrangements, and investment and financing transactions on a comparable risk-adjusted basis. Segments and functional groups are responsible for identifying and assessing key and emerging risks on an ongoing basis. A standard inventory of risks is used in all aspects of risk identification, measurement, assessment, monitoring, and reporting.

## Risk governance

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

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

## Financial strength ratings

Rating agency	Rating as at December 31, 2020*
A.M. Best Company	A+
DBRS Morningstar	AA
Fitch Ratings Inc.	AA-
Moody's Investors Service Inc.	A1
S&P Global Ratings	AA-

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



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## Tax governance

Manulife operates in numerous countries around the world, each with its own taxation system and tax rates. Many of these countries, such as the United States, have tax rates that are lower than those of Canada. Consequently, the company's effective tax rate will typically be lower than the Canadian statutory rate of 26.5% and the variability of that rate from year to year depends on the level of our profitability on a country-by-country basis.

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

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

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

Our tax strategy is based on the following principles:

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



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### Taxes paid

Manulife incurred \$2,586 million of taxes paid or payable, to all levels of governments globally, of which \$1,593 million was paid or payable in income taxes and capital taxes and \$993 million in other taxes.

For the period ended December 31, 2020

(C\$ thousands)	Income taxes	Capital taxes	Total income and capital taxes
Federal	\$ 280,174	\$ -	\$ 280,174
Provincial and territorial:			
British Columbia	2,587	-	2,587
Alberta	4,438	-	4,438
Saskatchewan	319	91	411
Manitoba	461	-	461
Ontario	46,557	-	46,557
Quebec	9,683	640	10,324
New Brunswick	340	-	340
Nova Scotia	1,292	3,085	4,377
Prince Edward Island	51	-	51
Newfoundland and Labrador	255	-	255
Yukon	9	-	9
Nunavut	3	-	3
Northwest Territories	35	-	35
Total provincial and territorial	\$ 66,032	\$ 3,817	69,848
Total Canada			350,022
Total US			994,694
Total Hong Kong			74,071
Total Japan			73,908
Total rest of Asia			100,177
<b>Total income and capital taxes</b>			<b>1,592,872</b>
Other taxes <sup>1</sup>			992,648
<b>Total taxes</b>			<b>\$ 2,585,521</b>

<sup>1</sup> Other taxes include property taxes, business taxes, payroll taxes, premium taxes, investment income taxes, and commodity taxes.

### Notable advancements

#### Strengthening our policies and commitments

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

#### Enhancing governance of sustainability

2020 was an important year for sustainability at Manulife. We took several steps to strengthen governance and support decision-making to better achieve our ambitions. This included hiring our first Global Chief Sustainability Officer to lead our global sustainability mandate. Our CEO officially joined the Executive Sustainability Council. The Climate Change Taskforce was also established to drive the renewal and execution of our commitments on climate change.

#### Learn more

- [Corporate Governance](#)
- [Statement of Corporate Governance Practices](#)
- [Management Information Circular](#)
- [Board Diversity Policy](#)
- [Annual Report – Income Taxes](#)
- [Manulife Statistical Information Package – Q4, 2020](#)
- [Code of Business Conduct and Ethics](#)
- [Vendor Code of Conduct](#)
- [Business continuity in action](#)



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**Select Manulife policies, standards, and guidelines related to sustainability**

Policy/statement	Topics covered
Anti-Fraud Policy	<ul style="list-style-type: none"> <li>• Identification and assessment of fraud risk exposure</li> <li>• Fraud risk prevention and mitigation</li> <li>• Detection, documentation, escalation, preliminary inquiry, and investigation of fraud</li> </ul>
Anti-Money Laundering and Anti-Terrorist Financing Policy	<ul style="list-style-type: none"> <li>• Know your customer</li> <li>• Payment acceptance</li> <li>• Self-assessment program</li> <li>• Documented ongoing training program</li> <li>• Quality assurance testing</li> <li>• Large cash and suspicious transaction reporting process</li> </ul>
Charitable Contributions	<ul style="list-style-type: none"> <li>• Fundraising activities</li> <li>• Registered charity contributions</li> <li>• Trade associations, business groups, and public policy engagements</li> </ul>
<u>Code of Business Conduct and Ethics</u>	<ul style="list-style-type: none"> <li>• Why ethics matter</li> <li>• Ethics in the workplace</li> <li>• Ethics in your business relationships</li> <li>• Conflicts of interest</li> <li>• Handling information</li> <li>• Ethics and the law</li> </ul>
<u>Corporate Privacy Principles Statement</u>	<ul style="list-style-type: none"> <li>• Information we collect</li> <li>• How we use personal information</li> <li>• Safeguards</li> <li>• Our privacy commitment</li> </ul>
Global Discrimination, Harassment, and Workplace Violence Policy	<ul style="list-style-type: none"> <li>• Our workplace</li> <li>• Discrimination</li> <li>• Harassment</li> <li>• Workplace violence</li> <li>• Reporting</li> <li>• Investigations and outcomes</li> <li>• Support</li> <li>• Local standards and reporting bodies</li> </ul>
Global Hiring Policy	<ul style="list-style-type: none"> <li>• Global Hiring Guiding Principles</li> <li>• Responsibilities</li> <li>• Communication and implementation</li> </ul>

Policy/statement	Topics covered
Enterprise Risk Policy	<ul style="list-style-type: none"> <li>• Risk appetite</li> <li>• Risk culture</li> <li>• Risk identification, measurement, and assessment</li> <li>• Management strategies and controls</li> <li>• Reputation risk</li> <li>• Communication and implementation</li> </ul>
Environmental Risk Policy	<ul style="list-style-type: none"> <li>• Environmental risk identification, measurement, and assessment</li> <li>• Environmental risk management strategies and monitoring</li> <li>• Roles and responsibilities</li> <li>• Compliance responsibilities</li> </ul>
<u>Global Human Rights Statement</u>	<ul style="list-style-type: none"> <li>• Commitment to respecting and protecting human rights</li> <li>• Ethics Hotline</li> </ul>
Global Privacy Risk Management Policy	<ul style="list-style-type: none"> <li>• First Line of Defence – Controls and Operations Management</li> <li>• Second Line of Defence – Compliance Advice</li> <li>• Third Line of Defence – Audit Services</li> <li>• Compliance responsibilities</li> </ul>
Global Procurement and Vendor Policy	<ul style="list-style-type: none"> <li>• Procurement initiatives</li> <li>• Legal, contracting, and records management</li> <li>• Contingent workers</li> <li>• Supplier diversity</li> <li>• Global Vendor Management Program</li> <li>• Monitoring of heightened and stable risk vendors</li> <li>• Monitoring and reporting responsibilities</li> </ul>
Global Health and Safety Policy	<ul style="list-style-type: none"> <li>• Commitment</li> <li>• Roles and responsibilities</li> <li>• Local standards</li> <li>• Compliance responsibilities</li> </ul>
Global Time Off and Leaves Policy	<ul style="list-style-type: none"> <li>• Commitment</li> <li>• Process</li> <li>• Roles and responsibilities</li> <li>• Compliance responsibilities</li> </ul>
Global Records and Information Management Policy	<ul style="list-style-type: none"> <li>• Roles and responsibilities</li> <li>• Compliance and reporting</li> </ul>



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Policy/statement	Topics covered
Insider Trading and Reporting Policy	<ul style="list-style-type: none"> <li>• Definitions</li> <li>• Restriction on trading with material non-public information</li> <li>• Insider trading windows</li> <li>• Speculative trading prohibited</li> <li>• Insider liability</li> </ul>
<u>Vendor Code of Conduct</u>	<ul style="list-style-type: none"> <li>• Legal and regulatory compliance responsibilities</li> <li>• Ethical business practices</li> <li>• Privacy and information security</li> <li>• Human rights and fair employment and labour practices</li> <li>• Anti-slavery and human trafficking</li> <li>• Drug-free workplace</li> <li>• Health and safety</li> <li>• Environmental protection and conservation</li> </ul>
Tax Strategy	<ul style="list-style-type: none"> <li>• Tax planning and management of tax risks</li> <li>• Appetite for tax risk</li> </ul>
Global Accommodation and Accessibility Policy	<ul style="list-style-type: none"> <li>• Commitment</li> <li>• Process</li> <li>• Local standards</li> <li>• Compliance responsibilities</li> </ul>
Canadian Customer Complaint Management Standard	<ul style="list-style-type: none"> <li>• Complaint handling standards</li> <li>• First Line of Defence</li> <li>• Second Line of Defence</li> <li>• Third Line of Defence</li> <li>• Compliance</li> </ul>
Board Diversity Policy	<ul style="list-style-type: none"> <li>• Covers age, gender, ethnicity, disability, sexual orientation, and geographic representation</li> <li>• Board gender diversity target and aspiration to gender parity</li> <li>• Use independent search firm for director recruitment</li> </ul>



Governance

# Responsible Supply Chain



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## Our approach

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

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

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

The vendors who provide Manulife with services or products are expected to adhere to the requirements of our [Vendor Code of Conduct](#):

- Uphold all applicable laws and regulations at all times, including anti-money laundering, anti-trust, and anti-corruption laws.
- Comply with all privacy and non-disclosure agreements and ensure that all information and data provided by Manulife to a vendor remain confidential and secure.
- Respect the dignity and human rights of all workers, and make a commitment to fair employment and labour practices, including providing protection against workplace harassment, abuse, discrimination, and violence.
- Comply with all applicable anti-slavery and human trafficking laws, statutes, regulations, and codes, and apply due diligence in their supply chain to ensure no slavery or human trafficking is involved.
- Provide healthy and safe workplaces for their employees and have practices in place to minimize or eliminate any hazards.
- Proactively minimize or mitigate the environmental impacts associated with their business activities through documented policies and procedures.



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## Continually improving on our responsible supply chain

### Integration of ESG into RFPs

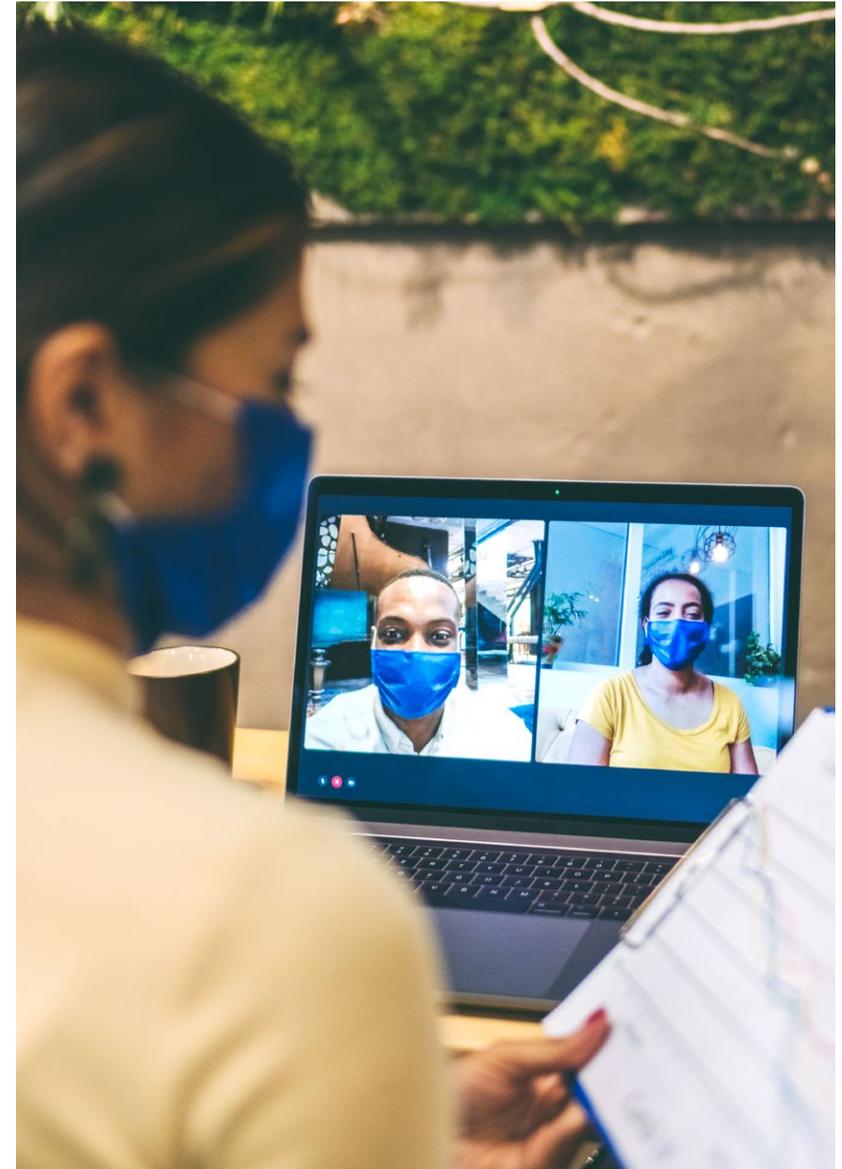
ESG questions were added to Manulife's Requests for Proposals (RFPs) as part of our overall vendor management and engagement processes. Category managers were also trained on the importance of integrating these ESG considerations into their RFP process and the types of responses we would deem acceptable by suppliers participating in an RFP.

### Supplier engagement

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

### Enhancing supplier diversity

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





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## Our approach

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

### Direct engagement

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

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



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## Political contributions

Our company's general policy is that we will not make any political contributions. In the United States, federal law prohibits corporations from contributing to candidates; however, it does allow corporations to establish Political Action Committees (PACs), funded by voluntary contributions from eligible employees. The John Hancock Political Action Committee (JHPAC) is organized by employees of John Hancock and its subsidiaries. It is a voluntary association of individuals formed in order to make their collective voice heard in the political process. Because corporations are permitted to pay the administrative costs of a PAC, every dollar contributed to JHPAC is distributed to candidates for elected office. An overview of the JHPAC is available on the Federal Election Committee [website](#). John Hancock does not operate or contribute to any "Super PACs" and does not operate any PACs at the state level.

## Industry memberships

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

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

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



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## In this section:

- Products and Services
- Customer Centricity
- Cyber Security and Data Privacy

In 2020, we achieved an **rNPS score of 12**, which was an 11-point improvement from the 2017 baseline and **four points better than in 2019**.

**30 million customers** served worldwide.



# Employee Reflections on 2020

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*“At a time when our customers really needed us to be available to them, we were there. And it showed in our net promoter scores and response rates.”*

**Mike Dallas**, SVP, Global Head of Employee Experience, Manulife

## Accelerating our digital agenda to support customers and employees during COVID-19

It's fair to say that living up to our commitment to make our customers' decisions easier and lives better looked quite a bit different in 2020. With the pandemic heightening customers' concerns about their health, well-being, and financial security, many of them turned to us for help—and we were there for them.

Guided by our values, we committed to protecting the health and safety of our employees, customers, and communities, and to staying relentlessly focused on ensuring customers were supported and informed. Robust business continuity plans and our ongoing digital transformation helped us keep our promise.

“Each year, we review our business continuity plans to ensure they're up to date, and we had just completed the latest review when the pandemic hit,” says Mike Dallas, SVP, Global Head of Employee Experience, Manulife. “We had also made key strategic investments in our network, equipment, and tools over the last few years that allowed us to shift customer support operations from Asia to North America and back as the pandemic spread to different regions, and to move 95% of our employees to work from home, without skipping a beat.”

These investments in technology also enabled us to accelerate the launch of new digital capabilities. Cross-functional teams came together quickly, using the latest web-based collaboration tools, to act on priority issues. For example, with regulators showing greater flexibility in allowing us to interact electronically with our customers, new virtual face-to-face solutions were developed, approved, and implemented in record time.

As a result of these efforts, a large majority of our products are now available for sale without physical contact, and customer adoption of our digital capabilities continued to increase in 2020.

Keeping our computer systems secure and our customers' data safe remained a top priority throughout. Not only do we use industry-leading technologies and perform regular system monitoring and updates, but, as part of our response to COVID-19, we stepped up security awareness communications for our employees, including training them on how to secure their home networks and devices.

“We're proud of our response,” says Mike. “At a time when our customers really needed us to be available to them, we were there. And it showed in our net promoter scores and response rates.”



Customers

# Products and Services



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Around the world, more than 30 million customers trust Manulife with their financial future. We are a market leader in financial protection and wealth management, with a diverse suite of products and services to meet the current and future needs of individuals, groups, and institutions.

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

Our diverse range of products and services by market includes:

### In Canada

- Annuities
- ESG funds\*
- Exchange-traded funds (ETFs)\*
- Financial planning & advice\*
- Group life, health & disability insurance
- Group retirement savings plans\*
- Guaranteed interest certificates (GICs)
- Individual life, health & travel insurance
- Individual retirement savings plans\*
- Institutional pooled funds\*
- Mortgage creditor insurance
- Mutual funds\*
- Outsourced chief investment officer (OCIO)\*
- Retail banking
- Segregated funds
- Separately managed accounts (SMAs)\*

### In the U.S.

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

### In Asia

- Annuities
- Creditor insurance
- Education savings plans
- ESG funds\*
- Group life & health insurance
- Group retirement savings plans\*
- Individual life & health insurance
- Individual retirement savings plans\*
- Investment-linked products
- Mutual funds\*
- Segregated investment mandates\*

### In Europe

- Alternative Investment Funds (AIFs)
- ESG funds\*
- Institutional segregated accounts\*
- Undertakings for the Collective Investment in Transferable Securities (UCITS)\*

### Our investment capabilities

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

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



Customers

# Customer Centricity



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Delivering great customer experiences starts with listening closely to our customers, learning from their signals and cues, and responding quickly with action. We've introduced a number of new methodologies and practices that support continuous two-way dialogue with customers, generate rich insights, and enable us to act. Robust listening posts and action management processes help us zero in on the customer experience, and ideally convert customers into Manulife advocates.

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

We've also implemented quarterly surveys and reviews of relationship NPS (rNPS) scores, which are more holistic measures of our customers' advocacy towards Manulife. These scores, in conjunction with the interaction-based NPS and our other listening-post data, are carefully reviewed and then used to inform our investments in improving the customer experience; for example, prompting us to modify a product or add a service.

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

We have an ambition of improving our enterprise rNPS score by 30 points, from the 2017 baseline, and have made significant progress.

In 2020, we achieved a

**12** on our rNPS score, which was an 11-point improvement from the 2017 baseline and four points better than in 2019.



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## Behavioural insurance

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

Whereas traditional insurance policies are priced based on a limited snapshot of a customer's data (e.g., age, smoking status, gender, basic health indicators) at the point of purchase, this new type of insurance provides financial protection *and* rewards customers with premium savings and other benefits when they make healthy lifestyle choices. The popularity of wearable devices enables a seamless digital experience and the easy interconnectivity used to reward healthy actions.

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

The challenges presented by the COVID-19 pandemic reaffirmed our belief in the critical importance of behavioural insurance. Research has shown that baseline health is an enormous determinant of how well individuals will handle the COVID-19 virus. What's more, the pandemic has reminded people of the value of insurance. In surveys conducted in 2020:

- 67% of Americans said the pandemic had been a wake-up call for them to examine their finances—and 30% of them said life insurance was a top topic.
- 24% of Canadian adults who didn't have life insurance prior to the pandemic reported either purchasing or considering purchasing coverage after the onset of COVID-19.
- 62% of insurance customers participating in the Manulife Asia Care Survey in May 2020 were looking to increase their insurance in the next six to 18 months.

Companies that consistently delight their customers outperform their competitors; this is as true in our industry as it is in any other. We need to anticipate and

prioritize our customers' needs, and work to continuously delight them, in order to create long-term sustainable value.

## Customer complaint resolution

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

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

1. Let us know by contacting their advisor or the customer service team at our head office so it can be dealt with through the normal course of business.
2. Talk to customer service management if their complaint isn't resolved by speaking with their advisor or a customer service representative.
3. Ask for a further review by the customer experience care team if necessary.
4. Escalate the concern to the Ombuds Office for an independent investigation if need be.
5. Pursue external recourse if they remain dissatisfied. The [manulife.ca](http://manulife.ca) website provides contact details for relevant federal and provincial regulatory agencies, including the OmbudService for Life & Health Insurance.

### Complaint resolution

Customer satisfaction and complaint resolution <sup>1</sup>	2020	2019	2018
Cases investigated by Manulife's Ombuds Office	<b>307</b>	292	319
Cases investigated <sup>2</sup> by an independent complaint resolution body or regulator	<b>76</b>	65	28
Cases investigated <sup>2</sup> that resulted in a recommendation different from Manulife's position	<b>0</b>	0	0

- 1 Canadian segment insurance products and services and Manulife Investment Management guaranteed products.
- 2 Represents cases externally investigated by (1) the OmbudService for Life and Health Insurance; (2) Ombudsman for Banking Services and Investments; or (3) Autorité des marchés financiers.



Customers

# Cyber Security and Data Privacy



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## Our approach

Information risk is a top enterprise risk management concern, similar to financial or credit risk. We seek to protect our data and that of our customers. As a result, this is a key area of focus at meetings of the Board's Risk Committee, including engagement at least quarterly with the Chief Information Risk Officer on information risk strategies, goals, and ad hoc topics, including industry trends.

### Information and cyber security

Managing information and cyber risks is a coordinated effort across the business, executed through the following programs and policies:

- **Enterprise-wide information security program.** Overseen by our Chief Information Risk Officer, the program establishes the company's information and cyber-security framework, including governance, policies, and standards, and appropriate controls to protect information and computer systems. These policies and standards are modelled after the ISO 27001 standard, and we use the National Institute of Standard and Technology (NIST) security framework and other industry standards as key references.

- **Vulnerability management program.** Consisting of automated vulnerability scanning of Manulife's networks and endpoints, we use industry-leading vulnerability scanning technology, application security vulnerability assessments, and infrastructure analysis by in-house and external testers.
- **Information risk policies and standards.** Dedicated staff, who are part of our information risk management function, develop and maintain our information risk policies and standards. They follow a robust review and update process to ensure the policies and standards remain current and respond to the latest technological changes. This process considers and incorporates the needs and expectations of our customers and other external stakeholders. The documents are held in an online database with an alerting system to manage review time frames.
- **Information risk training, awareness, and reporting.** Employees participate in mandatory annual security awareness training and can access related policies, standards, and procedures at any time through a centralized website. Global communication campaigns about protecting information are conducted quarterly. Risk management behaviours are formally included in the employee annual performance review process. Employees can escalate any concerns about information security through a variety of means, including a simple tool called **Raise**.



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## Data privacy

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

Manulife's [Statement of Corporate Privacy Principles](#) sets out the principles that guide our approach to handling personal information. In many countries in which we do business, our corporate privacy policies are supplemented by more detailed policies that reflect the requirements of those countries and are posted on our corporate website.

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

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

As part of our enterprise-wide information protection program, privacy and information risk management teams work collaboratively to integrate the programs that are focused on protecting information within the Manulife environment. Protocols are in place to ensure privacy concerns are quickly identified, investigated, and addressed.

Every business segment and corporate function appoints employees who are responsible for monitoring privacy compliance and helping to ensure personal information is protected. These employees stay abreast of global trends in information protection, privacy legislation, and emerging technology to help ensure our programs stay up to date. Privacy risks and related controls are assessed at least annually, through a process overseen by the Global Chief Privacy Officer.

Every employee receives training at least annually on handling and protecting personal information. Quarterly awareness campaigns highlight information protection risks and deliver simple, action-oriented communications and videos for employees. Ad hoc simulated phishing email messages educate employees on how to recognize and address suspicious emails. Instructions for employees about handling personal information are also included in the Code of Business Conduct and Ethics, Global Privacy Risk Management Policy, and Information Security Policy.

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

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

- The nature of information captured
- How the collected information is used
- Option for them to decide how their private data is collected, used, retained, and processed
- How long the information is kept on corporate files
- How the information is protected
- Our third-party disclosure policy



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### Business continuity in action

Manulife's business continuity and disaster recovery program ensures that key business functions can continue normal operations in the event of a major disruption. The program covers continuity of critical business processes and systems (e.g., networks, desktop computers, and business operations) and the recovery of systems promptly after interruption.

To ensure preparedness, we conduct call notification exercises semi-annually and alternate work site recovery tests annually. Disaster recovery tests of our critical systems are also conducted annually.

Having conducted our annual tabletop crisis simulation exercise in early 2020, we were well positioned to activate aspects of our business continuity program when the COVID-19 pandemic struck. With employees working from home for most of 2020, appropriate technical and administrative controls were put in place to protect the privacy and confidentiality of the information in our care.

With work-from-home capabilities and procedures already set up and being followed by many of our employees in both North America and Asia, the shift to having 95% of our employees work remotely was seamless—although we did accelerate planned remote access infrastructure capacity improvements.

A dedicated COVID-19 communication centre was created to maintain a steady flow of communications with employees. Updates covered topics such as how to protect company information and, in the midst of increased domestic online activity, how to protect yourself and your family from information fraud. We also issued communications on working securely and effectively from home, using a variety of channels to reach all audiences.





# Sustainable Investing



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### In this section:

- Asset Management
- Asset Ownership

The UN Principles for Responsible Investment included Manulife Investment Management in their **PRI Leaders' Group 2020**, recognizing our efforts to advance the Leaders' Group theme for 2020: climate reporting.<sup>1</sup>

Our forests and farms **removed -1.38 megatonnes of CO<sub>2</sub>** from the atmosphere in 2020.<sup>2</sup>

<sup>1</sup> <https://www.unpri.org/the-pri-leaders-group/4771.article>

<sup>2</sup> Manulife General Account assets only.



# Employee Reflections on 2020

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*“With COVID-19, we’re experiencing a shock like we’ve never felt before. The impact on people and economies has been massive, and it has illuminated the importance of tackling issues that seemed too far off to worry about before.”*

**Peter Mennie**, Global Head of ESG Integration and Research, Manulife Investment Management, Public Markets

## What COVID-19 could mean for sustainable investing

While momentum for sustainable investing has been building in recent years, the COVID-19 pandemic is likely to accelerate this trend.

“With COVID-19, we’re experiencing a shock like we’ve never felt before. The impact on people and economies has been massive, and it has illuminated the importance of tackling issues that seemed too far off to worry about before,” says Peter Mennie, Global Head of ESG Integration and Research, Manulife Investment Management, Public Markets. “I expect that when investors are thinking about climate change or threats to biodiversity, they’ll now be more inclined to see them as events that can actually happen and affect them.”

COVID-19 has not only brought into sharp relief the interconnectedness of people and nature, it has also laid bare vulnerabilities and social inequity around the world. As a result, where sustainable investing used to focus mostly on environmental issues, there’s now a greater emphasis on social issues like Diversity, Equity, and Inclusion (DEI), and worker health and safety.

Governance practices have also come to the fore, with investors more interested in what companies are doing to ensure they’re able to weather any potential future shock or disruption.

COVID-19 has awakened many to the fact that ESG issues can pose a material risk to investments. After this, how could any long-term investor not consider ESG issues in his or her investment process? Climate change, in particular, could have even more severe consequences.

At the same time, Manulife Investment Management has seen increased interest in the opportunities presented by sustainable investing. Current and prospective clients are asking about the role Agriculture and Timber assets can play in removing carbon dioxide from the atmosphere, tackling nature loss, or helping build societal resilience. More and more investors want their portfolio to make a positive social and environmental impact.



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## Our approach

We believe that in order to deliver strong risk-adjusted returns, we must consider ESG-related risks and opportunities in our investment process, whether managing assets for our clients or ourselves. Once invested, we also believe that a strong stewardship program is essential to encourage investee companies to improve their sustainability profile and remain positioned for long-term success.

Each of our investment teams has responsibility for its own investment process, from research through implementation. Our ESG team works alongside investment teams to help them continue to integrate ESG into their investment process in an optimal way given their investment approach. Across the firm, the investment teams, in conjunction with the heads of each asset class, are also responsible for continually strengthening their sustainable investing approach and having oversight and accountability for the portfolios.

Once an investment is made, as good stewards we continue to have an ongoing role working with the company to encourage progress on sustainability issues as well as other risks. Alongside this, we believe it is important to work with other investors and organizations to encourage change, and promote improved standards and more consistent disclosures.

## Asset management

Serving individual investors and institutional clients – **Manulife Investment Management**, the unified global brand for Manulife's third-party Global Wealth and Asset Management (GWAM) business which serves individual and institutional investors through three lines of business: Retirement, Retail, and Institutional Asset Management in Public Markets and Private Markets.

## Asset ownership

Managing our own portfolio of investments – **Manulife's General Account** consists of our company's own assets, which support our policyholder liabilities. Key activities related to our General Account include renewable energy investments and commitments under the Equator Principles.



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## Sustainable investing ESG factors

While the scope of ESG factors relevant to investing continually evolves, we believe that the following are most relevant to investments being made by Manulife:



### Environmental

- Climate change
- Pollution/waste
- Natural resources utilization
- Biodiversity
- Water
- Climate risk



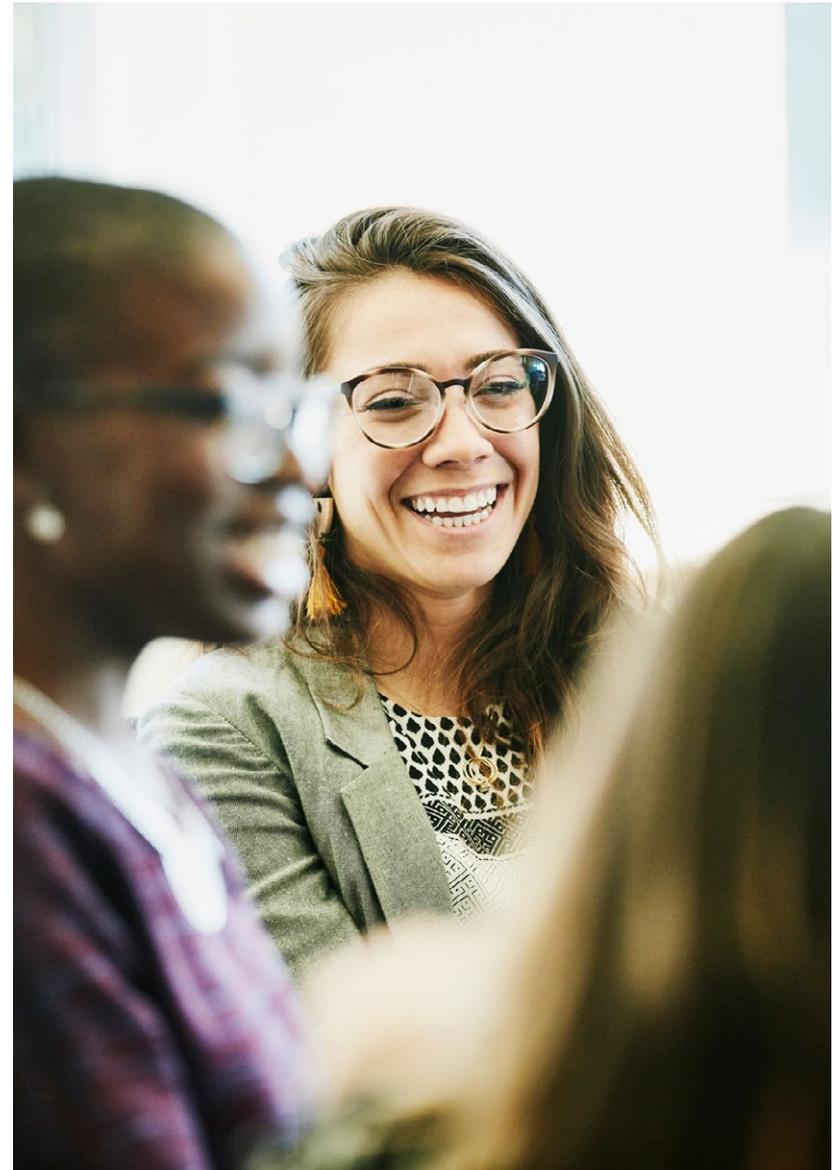
### Social

- Health and safety
- Labour relations
- Diversity
- Human rights
- Respect for the community
- Population demographic shifts
- Respect for indigenous peoples



### Governance

- Board structure, diversity, and oversight
- Executive compensation: structure, performance metrics, and oversight
- Minority shareholder rights protection
- Capital management, dividend payouts, and dilution
- Corporate actions (e.g., M&A) and corporate strategy
- Supply chain oversight and management
- Technological innovation and disruption
- Cyber security and privacy
- Resiliency of infrastructure
- Significant ESG-related controversies
- Quality of ESG disclosure and transparency





# Sustainable Investing Asset Management

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## Serving individual investors and institutional clients

At Manulife Investment Management, our [Sustainable Investing and Sustainability Risk Statement](#) guides our approach to sustainable investing. Our Sustainable Investing and Risk Statement aligns with our fiduciary responsibilities as a manager of client capital and reflects our commitments as a signatory to the Principles for Responsible Investment and other stewardship codes that apply in different jurisdictions. We have a flexible framework that supports implementation across different asset classes and investment teams and applies to our public and private markets businesses.

As a steward of financial assets across 17 distinct geographies, we think about stewardship as a basic condition of what it means to be a responsible investor and best serve our clients. To us, being a good steward in the financial markets means focusing on the long term, prioritizing the sustainability of our investments and operations, and expanding the view of what matters beyond financial value. Financial value can only exist in conjunction with a network of other values, and to these we hold ourselves accountable, as we do to our clients and the communities in which we live and work.

Stewardship efforts begin with our investment teams, who consider ESG factors when making many investment decisions. Stewardship then flows through to engagement with the companies in which we invest and, in the case of equities, proxy voting to influence the adoption of best practices. In some instances, we use other tools such as collaborative engagement and proxy voting, where direct issuer engagement does not achieve the desired outcomes.

### Learn more

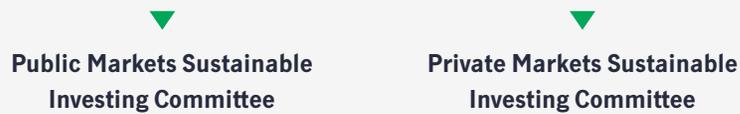
- [Manulife Investment Management 2020 Sustainable and Responsible Investing Report](#)
- [Manulife Investment Management 2020 Real Estate Sustainability Report](#)
- [Manulife Investment Management 2021 Stewardship Report](#)
- [Hancock Natural Resource Group 2020 Climate Report](#)



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**Governance of sustainable investing at Manulife Investment Management**

Manulife Investment Management has established a governance structure to oversee its teams' sustainable investing activities and support the implementation of the Sustainable Investing and Risk Statement in alignment with the firm's overall strategy and business priorities.



The heads of the Public Markets and Private Markets businesses chair their respective sustainable investing committees to enable regular decision-making oversight of the sustainable investing agenda appropriate to specific asset classes. These committees comprise senior interdepartmental experts across the functional support areas alongside heads of asset classes and representatives of the ESG team.

**Dedicated sustainability and ESG professionals**

These specialists support the implementation of the Sustainable Investing Statement through activities such as identifying and developing sustainable investing best practices, supporting investment teams to develop tools and methodologies to adopt sustainable investing best practices across the investment life cycle, and leading the firm's participation in external initiatives or collaborative engagements.

They work closely with portfolio managers and investment analysts around the globe. Through this coordinated approach, sustainable investing business plans and goals are disseminated and the firm's approach to ESG is further developed by the investment teams.

Sustainability priorities are woven into the operations of our Private Market assets, with philosophical similarities in how we manage our investments across asset classes. For example, in agriculture and timber and real estate:

- As the world's largest institutional timberland investment manager and one of the largest farmland investment managers, our operations can contribute directly to solutions for a variety of global challenges. Forests and farms are natural sinks that can biologically remove carbon dioxide from the atmosphere. We also focus on protecting and enhancing biodiversity and bringing rewarding employment opportunities to rural communities.
- Tenants in our buildings want healthy and efficient workspaces. Their employees care about their personal wellness and are increasingly interested in tackling the pressing issues facing society. Forward-thinking investors seek to own buildings that are designed and built to last and align themselves with a property manager that stays ahead of risks and opportunities. For these reasons, sustainability is a cornerstone of our approach to real asset operations.

Throughout the investment life cycle of these asset classes, as well as in our infrastructure, private equity, and credit portfolios, we continuously engage with our co-investors, investees, and business partners to encourage best practices. We also monitor ESG-related data to help ensure the efficacy of our approach.

Manulife Investment Management's stewardship practices also carry over to initiatives that address systemic issues. We take part in various collaborations intended to ensure the resilience and strength of the economic, regulatory, environmental, and social systems in which our investments operate.



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## Agriculture and Timber

### Using new technology in forest carbon mapping

We've been producing property-level carbon reports for our timberland investors since 2008. Rapidly growing interest in carbon reporting from investors and companies alike, combined with significant advances in remote sensing technologies over the past decade, created an opportunity to build a world-class forest carbon accounting methodology and system.

Unlike the previous century of constructed forest inventories based on field sampling, the new system uses light detection and ranging (LiDAR) technology, which measures a tree's reflection of light and enables high-resolution mapping, in many cases, of individual trees. From the LiDAR forest inventories, carbon calculations can be performed directly and then seamlessly fed into client- and property-level reports that support third-party verification. As we roll out LiDAR globally, we anticipate being able to measure forest carbon sequestration with unparalleled accuracy.

### Conducting climate scenario analyses

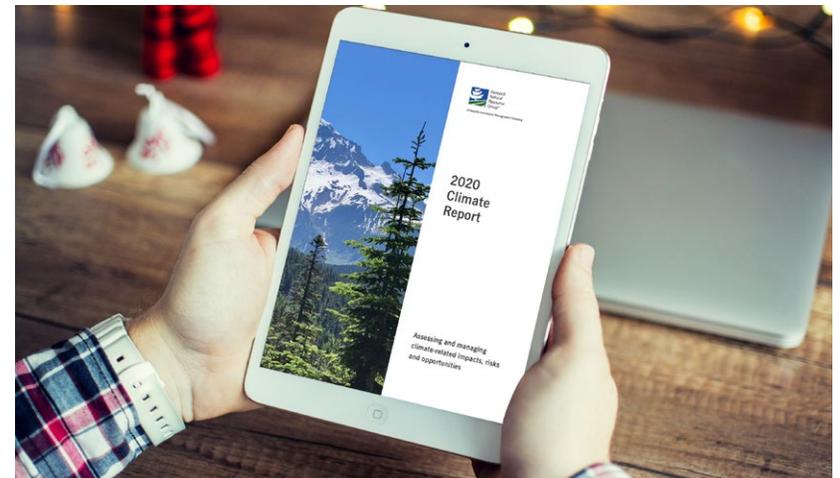
We pride ourselves on producing food and fibre sustainably and, in December 2020, released our inaugural [Climate Report](#), which is aligned with the TCFD recommendations. While the TCFD recommends that companies disclose the resilience of their business strategy, scientific information on how climate change affects biological assets—and how these assets impact climate change—has historically lagged other sectors due to its complexity. We are closely following developments in this space and anticipate using sector-appropriate climate scenario analyses as they become available.

1 Sensitive lands are lands with high environmental or social values that have been sold to public agencies or conservation organizations, or upon which we have placed conservation easements, for the purpose of conserving them into perpetuity.

**5.8 million** acres of forest and farms were managed by our natural resources group

Over **472,000** acres of forests and farms were protected by our Sensitive Lands Program<sup>1</sup>

**100%** of our timberland business was managed to third-party sustainability standards, including Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC)





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To deepen our understanding of the climate-related risks and opportunities for our Agriculture and Timber assets, we conducted our own analysis of the potential impacts under both high- and low-carbon scenarios. The table below presents the results of our California agriculture case study scenario analysis as an example of the types of granular analyses we conduct to understand the risks and opportunities posed by climate change and the policy response to it.

**Scenario Analysis Insights: California Agriculture<sup>1</sup>**

High-Carbon Scenario	
Physical Impacts	Business Impact
Increased average temperatures (global mean increase of 3.7°C by 2100)	<ul style="list-style-type: none"> <li>The impact of warmer winters on bee colonies to be monitored.</li> <li>The greatest potential impact of increased average temperatures is on chill hours. Increased warming and fewer chill hours may require moving northward.</li> </ul>
Increased wildfire risk	<ul style="list-style-type: none"> <li>Risk of smoke-tainted vineyards.</li> <li>Risk of smoke blocking out sunlight and impacting almond drying rates.</li> </ul>
Changes to natural areas and biome shift	<ul style="list-style-type: none"> <li>Risk of biome shift is more likely to be felt by the ecosystem surrounding farmland, rather than directly on the assets. These impacts would need to be monitored.</li> </ul>
Changes in precipitation, water availability, and quality <ul style="list-style-type: none"> <li>Increased variability in availability</li> <li>Earlier snowpack melt</li> <li>Aquifer depletion</li> <li>Increased precipitation</li> <li>Increase in the intensity of rainfall</li> </ul>	<ul style="list-style-type: none"> <li>Crops will require increased amounts of water. Snowpack is an important natural water reservoir that may become depleted.</li> <li>More intense storms may result in precipitation being washed out to sea rather than seeping into the ground, thus preventing aquifer replenishment.</li> <li>Water stress is likely to increase. In severe cases, insufficient water may require transitioning some assets to areas with more water.</li> </ul>
Mean global sea level rise of 0.63 m by 2100	<ul style="list-style-type: none"> <li>Little to no impact on current assets; may increase salination of some aquifers. To be monitored.</li> </ul>
Transition Impacts	Business Impact
Increased likelihood of regulatory developments affecting water use	<ul style="list-style-type: none"> <li>Water regulation will likely become prevalent in California over the coming decades. This may increase operational costs but may also present water banking opportunities.</li> </ul>
Low-Carbon Scenario	
Transition Impacts	Business Impact
Carbon pricing (\$100/tCO <sub>2</sub> by 2030 and \$140/tCO <sub>2</sub> by 2040 in advanced economies)	<ul style="list-style-type: none"> <li>Risk of higher operational costs from carbon pricing, which may be passed onto consumers, depending on price pressures (e.g., substitution-related price ceilings).</li> <li>Opportunity for monetizing soil carbon sequestration as carbon prices rise.</li> </ul>
Renewable energy (increased deployment, including of bioenergy)	<ul style="list-style-type: none"> <li>Increased biofuels demand presents opportunity to expand into new crops and serve a new market.</li> <li>Projected reduction in renewable energy prices could present opportunity to install on-site microgrids to reduce energy costs.</li> </ul>

<sup>1</sup> For illustrative purposes only. Scenarios and impacts may vary depending upon different factors and variables in the analysis.



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## Real Estate

In 2020, when the World Health Organization (WHO) declared COVID-19 a public health emergency, our global real estate asset management team quickly pulled together a task force responsible for reviewing our policies and procedures. We then implemented new protocols that were aligned with local government orders and public health authorities.

With the help of Dr. Joseph Allen, an expert in healthy buildings, and his firm 9Foundations, Inc., we developed a Return to Office playbook. This playbook defines our recommended measures, policies, and procedures to ensure the safe and ongoing return of employees, customers, and partners to our spaces. Dr. Allen and his team provided observations and recommendations to ensure that the content in our playbook is aligned with industry best practices, and occupational health and safety fundamentals.

## Private Equity and Credit

Our private equity response to the COVID-19 pandemic was swift; we immediately increased the cadence of communication with general partners and pivoted to considering investment opportunities that responded to situations created by the pandemic.

To better understand the potential impact on our investments, we performed a spotlight analysis, which rated each investment either red (high exposure), yellow (moderate exposure), or green (low exposure). The analysis also identified any changes to the investment's status, business description, liquidity, or credit rating.

In our mortgage portfolio, we triaged our investments to identify areas where payment relief could be provided to borrowers. We sought to protect capital while serving our customers during a period of hardship resulting from pandemic impacts and measures.

## Infrastructure

Renewable energy is a target sector for our infrastructure group. As an investor, we see the potential for attractive risk-adjusted returns as nearly all portfolio revenues are generated from long-term contracts that offer customers an energy cost savings value proposition. We also see this as an opportunity to support society's transition to cleaner energy.

In 2020, we invested in some 38,000 residential solar systems, totalling about 272 MW of renewable generation capacity, through a partnership with one of the largest installers of residential solar installations in the United States. Having built a relationship with this company over the past several years, we worked directly with them to structure and commit to up to \$125 million to its portfolio. The investment will be deployed throughout 2021 as solar systems are installed on houses.



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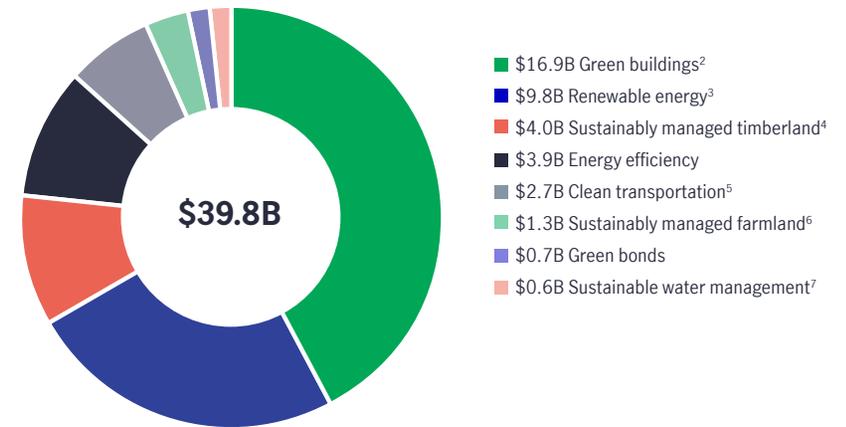
## Managing our own portfolio

The Manulife General Account maintains its own ESG Guidelines for its investment mandates, which include requirements to:

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

Manulife is proud to hold \$39.8 billion in green investments that support a net zero future, such as renewable energy and energy-efficient buildings—a portfolio that continues to grow. Guided by the International Capital Market Association principles, we have added two new categories to our green investments in 2020: clean transportation and sustainable water management. We have also added green commercial mortgages to the green building category.

## Manulife's \$39.8 Billion Green Investments<sup>1</sup>



- 1 Manulife General Account assets only, no third-party investments. Private debt and equity investments. As at December 31, 2020.
- 2 Includes direct equity and commercial mortgages that finance green buildings certified to Leadership in Energy and Environmental Design (LEED®), Building Owners and Managers Association (BOMA BEST®), and ENERGY STAR® and green commercial mortgages.
- 3 Includes sources such as wind, solar, geothermal, hydro, and biomass.
- 4 Includes sustainably managed timberland certified to Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC).
- 5 Includes projects such as electrified and mass public transit.
- 6 Includes sustainably managed farmland certified to the Leading Harvest Standard.
- 7 Includes projects such as water recycling and purification.



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The Equator Principles (EPs) is a risk management framework adopted by financial institutions for determining, assessing, and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence and monitoring to support responsible risk decision-making. As part of our commitment, we report at least once a year on our implementation of the principles, as per the following chart.

## Equator Principles

Total projects reviewed by category	Category		
	A Significant impact	B Limited impact	C No/Minimal impact
<b>By region</b>			
Americas	–	3	8
Europe, Middle East, and Africa	–	–	–
Asia Pacific	–	–	–
Other	–	–	4
<b>Total by region</b>	<b>–</b>	<b>3</b>	<b>12</b>
<b>By sector</b>			
Agriculture	–	–	5
Forestry	–	–	2
Infrastructure	–	–	2
Power and utilities	–	3	2
Other	–	–	1
<b>Total by sector</b>	<b>–</b>	<b>3</b>	<b>12</b>
<b>Independent review</b>			
Yes	–	3	2
No	–	–	10
<b>Total by review</b>	<b>–</b>	<b>3</b>	<b>12</b>
<b>By country designation</b>			
Designated countries	–	3	12
Non-designated countries	–	–	–
<b>Total by country designation</b>	<b>–</b>	<b>3</b>	<b>12</b>

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

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

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

Independent review by an environmental consultant is required for Category A projects, and Category B projects as deemed appropriate. An independent review consists of the review of environmental and social assessment documentation from the project.



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## Green bonds

We were the first global life insurer to issue a green bond in 2017. With two issuances to date, our total outstanding green bond issuance amount is now over \$1 billion. The environmental benefit of the General Account's low-carbon investments that underpin our green bond issuances amount to 150,000+ tonnes of CO<sub>2</sub> avoidance. Sample investments include solar and wind energy in the U.S. and Canada as well as sustainably managed forests.

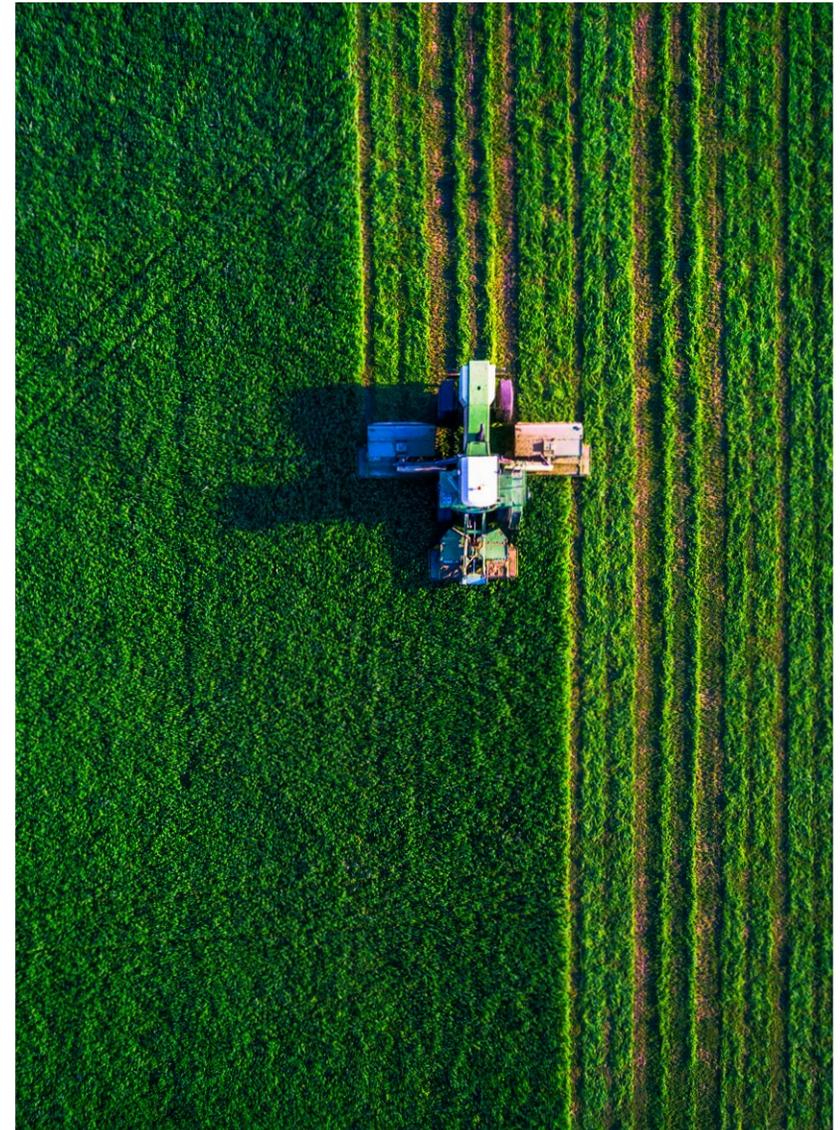
In addition to being the first global life insurance company to issue a green bond, Manulife also purchases green bonds for its general account. As of December 31, 2020, the market value of green bonds purchased was \$0.7 billion.

## Partnerships

In 2020, Manulife financed the Innalik Project, a 7.5 MW run-of-river hydroelectric facility in Inukjuak, Québec, which will soon replace a remote, off-grid community's reliance on diesel fuel.

We provided a loan to the 50/50 partnership that a local Inuit-owned company, Pituvik Landholding Corporation, signed with Innergex, an independent Canadian renewable power producer. This partnership ensures economic and social benefits flow through to Inuit beneficiaries and all community residents as revenues are reinvested into the community to generate a range of improvements.

Among its benefits, the project is expected to provide more than 200 person-years of employment during construction and improve air quality by eliminating 700,000 tonnes of greenhouse gases over 40 years.





# Environment and Climate Change



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## In this section:

- Climate Change
- Environmental Performance

Developed our **Climate Action Plan** which details our commitment to climate change across our operations, investments, and products & services.

**100% of our timberland** is managed to third-party sustainability standards.



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*“We believe it’s possible to manage interactions between humans and nature sustainably to minimize the risks.”*

**Brian Kernohan**, Chief Sustainability Officer, Manulife Investment Management, Private Markets

### **Integrating people and planet in our insurance and investments**

If the world needed a reminder of the interdependence of humans and nature, it came in 2020 with the COVID-19 pandemic.

“The scientific community has been warning for years that something like this was coming,” says Maria McGowan, AVP, Global Underwriting and Claims Risk Management at Manulife. “Population growth, expanding industrial processes, and human encroachment on natural wildlife have led to significant declines in biodiversity and increased the probability of dangerous viruses, like COVID-19, being transmitted from animals to humans.”

Escalating climate change is compounding the issue, forcing disease-hosting species out of their traditional habitats and into closer contact with humans.

According to the experts, if society continues to push planetary boundaries, pandemics and natural disasters are going to happen with greater intensity and frequency. As an insurer, Manulife is increasingly taking this into account in its risk management processes, including underwriting. We’re actively analyzing the potential impact of climate change on mortality and morbidity assumptions of our life and health insurance business.

Through Manulife Investment Management’s Agriculture and Timber businesses, we’re also at the forefront of mitigation efforts. Their core activities—sustainably managing forests and farms—offer natural climate solutions. Forests and farms are natural sinks that can biologically remove carbon dioxide from the atmosphere, which have the potential to provide an estimated 37% of the CO<sub>2</sub> mitigation<sup>1</sup> required over the next decade to stabilize global warming to below 2°C.

Because our Agriculture and Timber businesses also impact nature, we pursue third-party sustainability certifications and implement programs to promote the long-term health of our assets and protect biodiversity. This includes, for example, protecting wetlands, rivers and streams, creating pollinator habitats, working with partners to enhance migratory bird habitats, and conserving habitats for wide-ranging predator species on our clients’ properties.

“We believe it’s possible to manage interactions between humans and nature sustainably to minimize the risks,” says Brian Kernohan, Chief Sustainability Officer, Manulife Investment Management, Private Markets. “We just need to do it carefully and in recognition of the issues that society has tended to ignore over the last century. The COVID-19 pandemic has shown us the massive cost of failing to do so.”

<sup>1</sup> <https://www.pnas.org/content/114/44/11645>



## Environment and Climate Change

# Climate Change



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## Our approach

We recognize the threats posed by climate change to our business, to public health, and to the livelihoods of the communities in which we operate. As a global financial services company, we are taking steps to reduce our environmental footprint, support the transition to a low carbon economy, and invest in climate change mitigation and resilience. Because we also hold long-term investments, we closely monitor the risks and opportunities posed by climate change. We understand our company's success is ultimately linked to the long-term health and well-being of people and the planet.

### **Our Climate Change Statement outlines our approach:**

We focus on:

- Reducing our environmental footprint
- Supporting the transition to a low carbon economy
- Investing in climate change mitigation and resilience



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Our climate change approach is defined across four areas aligned with TCFD:

**Governance** – The CGNC oversees matters related to climate change as part of the oversight of the Manulife ESG framework. The Board’s Risk Committee also considers climate-related risks and opportunities through the ongoing monitoring and reporting of emerging risks.

Manulife’s ESC is responsible for the climate strategy, risk management, and disclosures. The Manulife Climate Change Taskforce, which consists of representatives from multiple businesses and functional areas and is led by the CSO, drives the development of the climate strategy, risk management activities on climate-related matters, performance tracking, and disclosures.

**Strategy** – Manulife is a long-term-oriented underwriter and investor. Therefore, long-term climate-related risks and opportunities, including changes in the physical environment and policy and technological changes associated with the transition to a lower carbon economy, are strategically relevant.

The Property and Casualty Reinsurance business is annually priced and forms a smaller part of our underwriting portfolio. It may experience business risks associated with the increased frequency and severity of catastrophic weather events.

Finally, for our third-party Asset Management business, Manulife Investment Management jointly tested a climate scenario risk tool with industry peers convened by the United Nations Environment Programme Finance Initiative (UNEP FI). We have identified this as a business opportunity in enabling clients to invest in decarbonization and we offer diversified investment funds with exposure to low-carbon opportunities.

**Risk management** – The identification and assessment of climate-related risks is communicated through an Environmental Risk Policy, updated in 2020, which sets out an enterprise-wide framework for the management of environmental risks within our business activities. ESG Guidelines for the General Account assets and Manulife Investment Management’s ESG Engagement Policy cover climate change risk factors in investment decision-making. For example, Manulife Investment Management’s public markets team directly engages some of the world’s largest emitters on climate-related risks and opportunities, as well as through the collaborative industry program Climate Action 100+.

We continue to enhance the integration of climate-related risks into our ERM framework to ensure that they are managed in a manner consistent with our common approach to risk management.

**Metrics** – Manulife reports its greenhouse gas emissions in our annual sustainability report and to Carbon Disclosure Project (CDP), a global database of corporate carbon emissions. Disclosures include Scope 1 and 2 emissions from businesses where Manulife has operational control, Scope 3 emissions from business travel, cloud services, and landfill waste, and carbon removals from Agriculture and Timberland business. Emissions are calculated according to the Greenhouse Gas Protocol and are reviewed by a third party using a limited assurance procedure.

As part of the ongoing refinements of Manulife’s ESG framework, we are assessing other relevant climate risk-related metrics and targets.



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## Notable advancements

### Performing climate change stress tests

In 2020, we performed a series of climate change stress tests to gain insight into the impact of climate-related risks on our investment portfolios and to inform capital management. In 2020, this included the Prudential Regulation Authority Scenario A climate stress test that models the immediate and sudden impact of disorderly economic transition to constraining the rise in temperature to less than +2°C. Having stressed the General Account assets with market value shocks ranging from +15% to -65% for various industrial sub-sectors, our capital levels remained well above the minimum regulatory capital requirements.

### Participating in transition working groups

As of November 2020, Manulife is a founding participant in the joint Bank of Canada/Office of the Superintendent of Financial Institutions pilot project that deploys climate change scenarios to understand the risks to the financial system that stem from the transition to a low carbon economy.

### Integrating climate risk into insurance

During 2020, our product and insurance risk management teams laid the foundational framework for research and analysis of the impacts of climate change, such as vector-borne diseases (such as malaria), extreme weather events, and increased temperatures, on morbidity and/or mortality. The research, along with experience data, will help to inform decisions related to underwriting assumptions over the long term.

### Assessing our portfolio footprint

Understanding the complete carbon emission profile of public equities, public corporate bonds, and sovereign bonds within the General Account investment portfolio is critical to understanding the carbon footprint of our investments. In 2020, we worked with a third-party provider, Trucost, to better understand the carbon intensity of our public equity portfolio, using the carbon data and estimations available for 2019 and 2018 for individual equity securities. The weighted average carbon intensity of the public equity portfolio was 216 tonnes of carbon dioxide equivalent per million Canadian dollars revenue.

### Learn more

Manulife Investment Management published its first disclosures aligned with the TCFD recommendations in 2020, which can be found in its [2019 Sustainable and Responsible Investing Report](#) and in its Agriculture and Timber businesses' [2020 Climate Report](#). Manulife also publishes TCFD disclosures through our [Annual Report](#).



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## Climate Action Plan: Our journey to net zero

Our journey to net zero builds on our mission: Decisions made *easier*. Lives made *better*. By addressing climate change, we move closer to fulfilling our mission and giving our customers the confidence to plan for the future. We recognize the link between environmental and financial stewardship. Our vast natural resource holdings have enabled us to realize net zero emissions in our operations, and we are uniquely positioned in our sector to accelerate the use of nature-based solutions in the fight against climate change.

We are actively incorporating climate change considerations into our decision-making, including how we manage our operations, how we make investment decisions, and how we develop and offer financial products and services. As a business deeply rooted in long-term thinking, we are made stronger when our people and planet thrive.



### Operations: Substantially reducing emissions to lessen our footprint

To be an active contributor in the transition to a world where net zero carbon emissions is a reality, we will continue to take action to reduce the carbon footprint of our operations.

- We're proud to share we are **net zero in our operations**, uniquely positioned due to the carbon removals from our substantial owned and operated forests and farmland outweighing emissions.
- Manulife is committing to **reduce absolute Scope 1 and 2 emissions 35% by 2035**. We will take steps such as enhanced efficiency measures, fuel switching, and use of onsite renewables in our buildings to achieve this target.



### Investments: Actively investing for a sustainable future

We acknowledge the important role continued progress on financed emissions will have on our enterprise-wide climate impact.

- We are committed to **steering our investment portfolio to be net zero by 2050**.
- **We will continue to grow our \$39.8 billion in green investments**, such as renewable energy and energy-efficient real estate.
- We are taking a sector-based approach to set short-term targets, focusing first on heavy emitting industries like power generation.
- Manulife has **committed to the Science Based Targets initiative**, which will guide target setting, measurement, and progress reporting.



### Products and services: Contributing to climate change mitigation and resilience

As a global life insurer and asset manager, we understand the connection between our environment and human health. We're in a unique position to provide nature-based solutions to mitigate climate change. That's why we're accelerating the pace of innovation around developing products that both solve investor needs and help create a more sustainable future.

- Manulife Investment Management will continue to give clients sustainable investing options such as the Sustainable Asia Bond strategy and Global Climate Pooled strategy.<sup>1</sup>
- Through our capabilities in timberland and agriculture, we will accelerate development of investment strategies for those interested in nature-based solutions that capture even more carbon per dollar invested.
- We are dedicating significant resources to further analyze the impact of climate on morbidity and mortality.

<sup>1</sup> Not all investments available to all investors in all jurisdictions.



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## Our approach

We take action to minimize our operational footprint, in order to lessen our environmental impact and reduce operating costs, future proofing our business.

### Real estate

Manulife Investment Management's Real Estate platform develops and manages commercial real estate for thousands of customers around the globe. Its over 64 million square foot portfolio includes office, industrial, retail, and multi-family space strategically located in major metropolitan markets. Our employees, in collaboration with our tenants and local communities, work to provide healthy and efficient workplaces—today and into the future.

Our approach to sustainability in real estate is based on responsible property investment and aligns with global standards, including the Global Real Estate Sustainability Benchmark (GRESB). We incorporate ESG considerations into all our investment management and operational practices across the entire real estate value chain, from construction and acquisition of an asset through all aspects of property management. In addition, we've formalized sustainability initiatives for investments, operations, asset management, and leasing. These practices are supported by resources such as our Sustainability in Investment and Due Diligence tool, sustainability clauses in our standard lease, and our Sustainable Building Standards. In cases where third-party managers are responsible for managing properties on our behalf, we require them to adhere to our standard operating practices.

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

### Learn more

- [Manulife Investment Management 2020 Real Estate Sustainability Report](#)



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Target setting in corporate real estate

In 2020, our corporate real estate group developed a proprietary GHG reduction model for our owned and managed properties, in support of Manulife's overall GHG target-setting efforts. The model enables us to:

- Deepen our understanding of current and future real estate GHG emissions.
- Identify reduction opportunities relevant to the owned and leased portfolio.
- Model reduction scenarios, including associated costs.
- Set GHG reduction targets.
- Demonstrate a strong commitment and leadership to GHG reduction and performance.

Reducing carbon also means managing the space we lease. And that means influencing other landlords to green *their* spaces. In 2020, we incorporated sustainability into our leased space selection process. This enables us to choose the best performing properties and to open a dialogue with prospective landlords on how we can collaborate to achieve environmental outcomes. In 2021 we are continuing this momentum by updating our green leasing guidance, so teams can include these collaborative agreements in their leasing documents.

Together, these two corporate real estate initiatives are boosting our ability to meet our total portfolio greenhouse gas reduction target.

19% reduction

in real estate Scope 1 and 2 (location-based) GHG emissions since 2019

81% of our \$14.3 billion real estate portfolio

is certified to sustainable building standards such as LEED, BOMA, and ENERGY STAR



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## Forests and farmland

Our Agriculture and Timberland businesses exist to create value through the sustainable management of natural resource investments. Our foundational principle is that “good stewardship is good business.”

As stewards, we care for what has been entrusted to us. We are stewards of our employees and their families, contractors with whom we work, and the communities in which we operate. We are also stewards of the environment—the water, soil, air, plants, and animals entrusted to our care—which we manage so as to maintain and enhance its ecological health and productivity well into the future.

### Learn more

- [Sustainability Practices](#) at Hancock Natural Resource Group, a Manulife Investment Management company

# 1.19 billion

trees planted by HNRG since 1985

# -1.38 mtCO<sub>2</sub>e

of carbon was removed  
by our forests and farms

Our business is built around our five pillars of sustainable and responsible investing, which are outlined in our [Sustainability Practices](#) at Hancock Natural Resource Group and summarized here:

### Climate stability

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

### Ecosystem resiliency

Healthy ecosystems provide immense value to the vitality of communities and economies. To ensure they thrive for generations to come, we operate in a way that responsibly manages land and protects sensitive lands and biodiversity.

### Watershed protection

Protecting and improving watersheds is vital for the ecosystems and communities that depend on them. We protect sensitive lands, adhere to strict water and land management policies and best practices, and support forest growth.

### People empowerment

We value our people, employees, and contractors and strive to provide them with safe and healthy working environments and the tools, training, and support they need to thrive.

### Community prosperity

We are committed to supporting and strengthening the local and indigenous communities where we operate. We provide employment opportunities and public use of our land, engage with NGOs, and support local causes as part of our community stewardship.



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## Environmental performance: Reporting scope and boundaries

Environmental stewardship performance data reported by Manulife include the following areas:

- **Real Estate – Manulife Investment Management.** We do not include energy, water, waste, or GHG data from properties that are managed by third-party property management firms in this report, as we do not have operational control over these buildings. Further, to avoid duplication, consumption and emission data for leased space used for corporate purposes in Manulife Investment Management-managed buildings is only included in Manulife Investment Management's reporting and is removed from Corporate Real Estate's reporting in this report.
- **Corporate Real Estate – Owned and Leased.** Manulife's Corporate Real Estate are properties that are leased or owned specifically for Manulife corporate use. Our corporate offices include over 8.3 million square feet of office space. Our corporate data also includes off-site data centre emissions.
- **Managed natural resources (Agriculture and Timberland).** Agriculture and Timberland include environmental data from land managed by Manulife Investment Management's Agriculture and Timberland businesses, where we have operational control. We do not include data from land that is managed by third-party property management firms.
- **Wholly owned subsidiaries.** Oil and gas company NAL Resources was one of Manulife's wholly owned subsidiaries until it was divested in January 2021. Historically, NAL Resources has represented close to 70% of Manulife's overall Scope 1 and 2 emissions.

### Energy use – Absolute<sup>1,2</sup>

Entity	2020 (ekWh)	2019 (ekWh)	2018 (ekWh)
Corporate <sup>1</sup>	<b>89,457,726</b>	149,509,086	146,972,174
Real Estate <sup>1</sup>	<b>563,737,348</b>	611,532,975	624,256,225
NAL <sup>3</sup>	<b>1,720,638,365</b>	1,638,164,195	1,789,350,624
HNRG	<b>156,950,948</b>	199,589,142	108,198,829
<b>Total</b>	<b>2,530,784,387</b>	2,598,795,398	2,668,777,852

- 1 Annual fluctuations can be attributed to changes in portfolio size, property occupancy and space use, weather fluctuations, and improved data reporting and data coverage. COVID-19 pandemic policies for remote work contributed to reduced building energy consumption in 2020.
- 2 Some leased spaces (corporate and real estate) use estimated data when actual consumption is not available.
- 3 Updated emissions methodologies in 2020 resulted in updated quantification of energy from steam, contributing to the overall increase in 2020.

### Energy use – Intensity<sup>1</sup>

Entity	Intensity Factor	2020	2019	2018
Corporate <sup>1</sup> (ekWh/sq. ft.)	Square footage	<b>18.7</b>	21.1	16.9
Real Estate <sup>1</sup> (ekWh/sq. ft.)	Square footage	<b>17.5</b>	20.8	20.5
NAL (ekWh/BOE/d)	Barrels of oil equivalent per day	<b>63,727</b>	46,242	45,684

- 1 Annual fluctuations can be attributed to changes in portfolio size, property occupancy and space use, weather fluctuations, and improved data reporting and data coverage. COVID-19 pandemic policies for remote work contributed to reduced building energy consumption in 2020.



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**Absolute GHG emissions**

Emission Source <sup>1</sup>	2020 (metric tonnes of CO <sub>2</sub> e)	2019 (metric tonnes of CO <sub>2</sub> e)	2018 (metric tonnes of CO <sub>2</sub> e)
Scope 1 Emissions	555,933	714,636	705,994
Scope 2 Emissions (location-based)	253,387	331,677	338,196
Scope 2 Emissions (market-based)	241,505	320,941	324,046
Total Scope 1 & 2 Emissions (location-based)	809,317 <sup>2</sup>	1,046,313	1,044,191
Total Scope 1 & 2 Emissions (market-based)	797,434	1,035,577	1,030,040
Total Scope 3 Emissions	479,087	464,091	370,277

- 1 Oil and gas company NAL Resources, representing the majority of emissions and energy use, was one of Manulife's wholly owned subsidiaries until it was divested in January 2021.
- 2 Increasing accuracy in emissions measurement and reporting, COVID-19 pandemic policies for remote work, and purchase and sale of assets throughout the year contributed to a decrease in emissions in 2020.

**Scope 1 & 2 emissions intensity<sup>1</sup>**

Emission Source	Intensity Factor	2020	2019	2018
Corporate (kg CO <sub>2</sub> e/sq. ft.)	Square footage	9.1	7.5	6.0
Real Estate (kg CO <sub>2</sub> e/sq. ft.)	Square footage	4.0	4.9	5.3
NAL (tCO <sub>2</sub> e/BOE/d)	Barrels of oil equivalent per day	22	21	20

- 1 Intensities based on Scope 1 and Scope 2 location-based emissions.

**Scope 3 emissions breakdown**

Source	2020 (tonnes CO <sub>2</sub> e)	2019 (tonnes CO <sub>2</sub> e)	2018 (tonnes CO <sub>2</sub> e)
Business Travel <sup>1</sup>	8,959	25,835	27,396
Paper	5,427	7,360	9,434
Waste <sup>1,2</sup>	1,365	2,782	2,479
Data Centres	985	3,456	4,029
Leased Properties	225,981	239,093	176,920
Contractor Fuel Use <sup>3</sup>	236,370	185,565	150,029
<b>Total</b>	<b>479,087</b>	<b>464,091</b>	<b>370,277</b>

- 1 COVID-19 pandemic policies for remote work contributed to reduced business travel and resource consumption in 2020.
- 2 Data includes actual values for North America (excluding NAL Resources, HNRG, Barbados, and Bermuda) and estimated values for other countries.
- 3 Attributed to Manulife Investment Management Agriculture and Timberland businesses.

**MIM Agriculture and Timberland carbon removals**

	2020	2019	2018
Total Carbon Removals from Agriculture and Timberland (MtCO <sub>2</sub> e) <sup>1</sup>	-2.24 <sup>4</sup>	-3.14	-5.96
Manulife-only Assets	-1.38	-	-
Third-party Assets	-0.86	-	-
Total Manulife Emissions (MtCO <sub>2</sub> e) <sup>2</sup>	+1.28	-	-
Net Manulife Emissions (MtCO <sub>2</sub> e) <sup>3</sup>	0.10	-	-

- 1 Annual CO<sub>2</sub> removals include annual increase in carbon stock within standing forest inventory (biogenic growth), plus carbon stored in wood products harvested during that year. Due to year-on-year variation introduced by forest inventory estimation methodologies as well as harvesting schedules, we report a five-year average of carbon removals.
- 2 Manulife Scope 1 & 2 emissions (location-based), Scope 3 emissions.
- 3 Five-year trailing average, excludes third-party asset removals.
- 4 Total 2020 Carbon Removals from Agriculture and Timberland have been restated from 2.87 MtCO<sub>2</sub>e to 2.24 MtCO<sub>2</sub>e as of June 2021. Manulife conducted an additional GHG inventory review process following report publication and surfaced two calculation errors related to: (1) addition of fixed volume references in the data sheet of one Australian entity and (2) an inaccurate reporting of weighted average age of some plantations in the United States. The revised values reflect these corrections.



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**Waste<sup>1</sup>**

	2020	2019 <sup>1</sup>	2018
Waste Recycled (tonnes) <sup>2</sup>	<b>4,843</b>	6,912	7,030
Diversion Rate	<b>52%</b>	50%	52%

- 1 Includes all Manulife owned and operated buildings, including corporate offices. The majority of waste is reported as actual, with estimation of waste for additional square footage where actual values were not available.
- 2 COVID-19 pandemic policies for remote work contributed to reduced waste in 2020.

**Paper use**

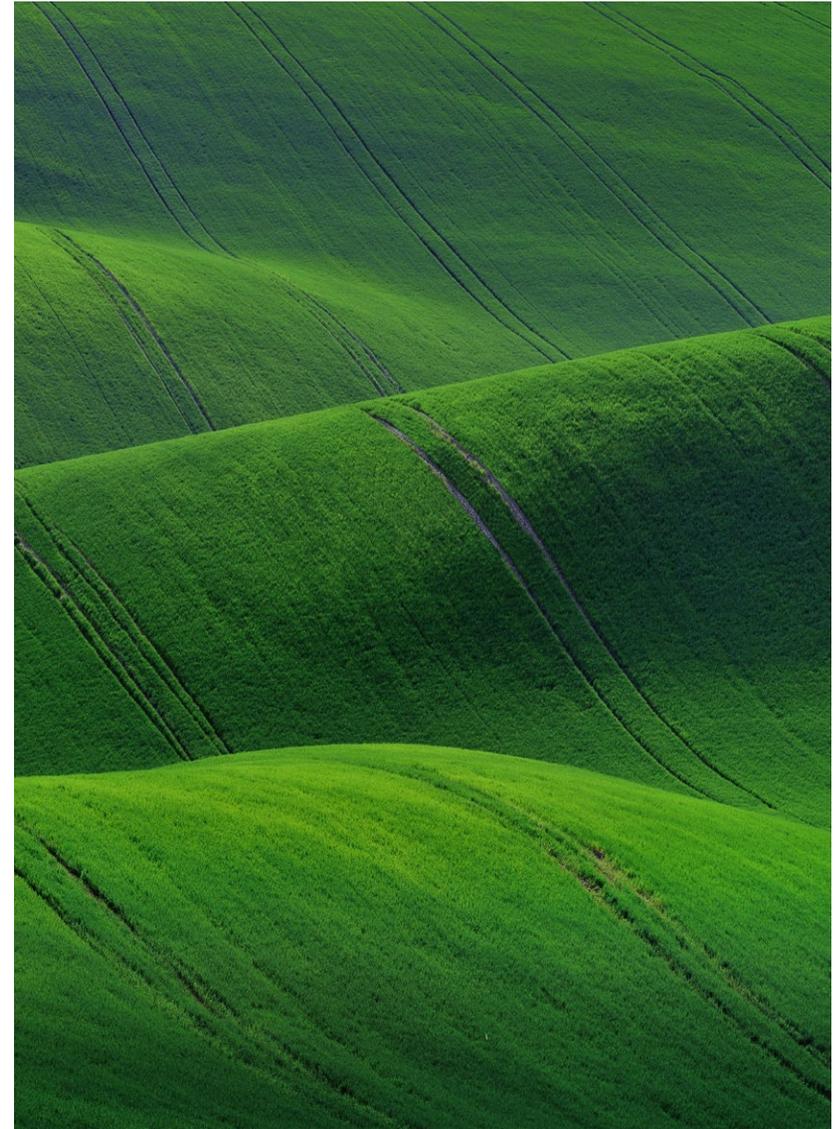
Paper Type	2020	2019	2018
Total Paper Use <sup>1</sup> (metric tonnes)	<b>2,137</b>	2,898	3,713
Office Paper (metric tonnes)	<b>76</b>	159	203
Transactional Paper (metric tonnes)	<b>447</b>	451	594
Non-transactional Paper (metric tonnes)	<b>474</b>	705	912
% Recycled Paper	<b>10%</b>	13%	24%

- 1 Reductions of paper consumption over the last three years can be attributed to a concerted effort to reduce print and digitize wherever possible. COVID-19 pandemic policies for remote work also contributed to reduced consumption in 2020.

**Water use<sup>1</sup>**

	2020	2019	2018
Water Consumption (million m <sup>3</sup> )	<b>1.46</b>	2.0	2.3
Water Use Intensity (m <sup>3</sup> /sq. ft.)	<b>0.039</b>	0.055	-

- 1 Includes all Manulife owned and operated buildings, including corporate offices.





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- Diversity, Equity, and Inclusion
- Employee Health, Safety, and Well-being
- Learning and Development

Of our total agency count in Asia, 68% are women. What's more, **70% of top-performing agents**—members of the Million Dollar Round Table—**are women.**

We have committed more than **\$3.5 million** over the next two years to **promote DEI** in the workplace and our communities.



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*“With 95% of our employees shifting to work from home, the usual lines between their work and home life were blurred, and many people had added responsibilities, like helping their kids with remote learning or supporting elderly parents.”*

**Lily Koliqi**, VP, Global HR Business Partner & HR Strategy & Transformation Leader, Manulife

## Sharing our humanity

The COVID-19 pandemic highlighted the importance of people being kind and caring for one another—and we believe the same holds true for companies. From the beginning, Manulife’s response to COVID-19 was guided by our values and our heartfelt commitment to protect the health and well-being of our employees, customers, and communities.

“While we already had comprehensive benefit programs to support the mental, financial, and physical well-being of our employees, we added to them in 2020, recognizing the strain the pandemic was putting on our people,” says Lily Koliqi, VP, Global HR Business Partner & HR Strategy & Transformation Leader, Manulife.

“With 95% of our employees shifting to work from home, the usual lines between their work and home life were blurred, and many people had added responsibilities, like helping their kids with remote learning or supporting elderly parents.”

We provided financial support for roles where working remotely was not a possibility, and supplemental short-term leave at full pay for those affected by the virus. Increased support for physical, financial, and mental well-being included additional personal days off and bringing in guest speakers—from astronauts to

mental health practitioners to happiness experts, and even a virtual spring training session with the Boston Red Sox trainers—to share tools and strategies on how to stay balanced, healthy, and mentally well.

Dialing up our cadence of communications and touchpoints with all of our staff globally was key to ensuring our teams were cared for, knew how to find resources to help them, and understood they were part of a broader community at Manulife.

According to Lily, “These efforts were very well received. Employee survey scores following our townhall meetings and live *Ask Me Anything* sessions with senior leaders were highly positive. People commented that they appreciated the frequent, direct, authentic style of communication, and that they felt our leaders were more approachable.”

On top of all this, we tried to inject some fun into our routines. Virtual talent shows, book clubs, and a summer camp for employees’ kids all helped our teams cope and be better able to support our customers.



Employees

# Employee Engagement and Recognition



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## Our approach

Our success is largely a result of the knowledge, skills, and passion our employees bring to work every day. That's why building high-performing teams is one of the pillars of our business strategy. We are committed to providing and creating an environment in which our people are engaged, and encouraged to learn and develop, throughout their career with us.

We actively recruit people who are interested in helping us achieve our mission, engaging with internal and external talent markets to tell our story of transformation and of the career opportunities that come with working for Manulife.

Our strategic approach is focused on elements which:

- Attract diverse talent so that our workforce is reflective of the customers and communities we serve.
- Foster an inclusive work environment that embraces the strengths of different cultures and individuals.
- Create a compelling employee experience by mapping the various journeys people take with the company.
- Listen to our employees and find out what's important to them to build engagement within the business.
- Recognize employees for their contributions—this is woven into our culture, employee experience, and brand.

From the time our employees start their career with Manulife to the time they leave and become alumni, we're focused on enhancing key moments that matter like onboarding, promotions, life events, and lateral moves. By developing relevant and targeted programming, tools, and resources that support employee development and cultivate ambassadors of the Manulife brand, we're building engagement, fostering inclusion, and supporting our winning team globally.

### Listening to our employees

We facilitate employee listening through a variety of platforms and channels. There are two formal employee surveys conducted each year: a full survey in the fall which asks 35 questions directly related to employee engagement, and a short, targeted pulse survey in the spring. Survey findings and follow-up actions are communicated and addressed at the team level so that everyone is involved in building a more engaging workplace. In 2020, we added questions to gauge employee sentiment toward the company's response to the COVID-19 pandemic.



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In addition to formal surveys, we use online tools and technology to poll and survey employees informally throughout the year. One such example is the Voice of the Employee (VOTE), which consists of a group of employees who have volunteered their time to be a sounding board for ideas, provide timely feedback on key initiatives, and help inform decision-making and product development across the global enterprise.

**Recognizing achievements**

In 2020, we launched Podium, a new global recognition platform that enables employees at all levels to give and receive frequent, in-the-moment recognition. The program has six award levels, with corresponding points towards merchandise and gifts cards, to recognize varying levels of contribution.

Podium complements Stars of Excellence, our premier employee recognition program. Every year, we honour our top achievers from around the world—employees whose contributions and dedicated efforts have kept us moving forward as we work to exceed the expectations of our customers, create a dynamic and inclusive workplace, and generate value for our shareholders.

These efforts led to a significant increase in engagement related to recognition in our fall employee engagement survey.

**Engagement scores (5-point scale)**

2019

**4.04**

2020

**4.27**

This puts us at the 80th percentile against Gallup's financial and insurance company benchmark.

**Employee recognition**

About

**90%** of our employees

globally were recognized through Podium during the year, with more than 190,000 awards given and 140,000 congratulatory comments posted.

On June 19, 2020, we celebrated our global

**Thank You Day**

a paid day off to recognize all employees for their hard work in a difficult year.

Knowing the toll the pandemic was taking, and would continue to take on our teammates globally, we announced that for 2021 each colleague would be granted

**5 additional personal paid days**

to ensure our employees made time for well-being, rest, and relaxation.



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# Diversity, Equity, and Inclusion



## Our approach

A diverse, equitable, and inclusive culture nurtures innovation and attracts and retains the best talent, which helps us deliver better customer solutions. Our global Diversity, Equity, and Inclusion (DEI) aspiration is to cultivate a diverse, equitable, and inclusive workplace in which all employees are inspired to bring their authentic and whole selves to work, enabling them to thrive personally and professionally to best serve our customers, business partners, and communities.

Our DEI strategy focuses on three pillars:

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

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

## Recruiting diverse employees

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

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



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### Empowering women in finance in Asia

In line with our strategic priority of accelerating growth in our highest potential businesses, we increased the number of agents in our insurance agency force in Asia to more than 118,000 in 2020—a 21% increase over 2019.

Of our total agency count, 68% are women. What's more, 70% of top-performing agents—members of the Million Dollar Round Table—are women.

### Providing equal opportunities

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

Removing barriers to equal access to employment is a priority. A Human Resources representative will consult with applicants contacted to participate at any stage of the recruitment process who request any accommodation. Information received regarding the accommodation needs of applicants will be addressed confidentially.

### Paying for performance

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

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

We also regularly perform comparative pay analyses to ensure that pay for employees with comparable job grades, geographies, job families, performance levels, and experience is consistent. The results of our recent analysis showed that, on average, at year-end 2020, the pay received by women globally was greater than 99% of that received by men, after accounting for factors such as role, performance, tenure, and geography.

### Engaging employees to strengthen inclusion

#### Investing in networks and communities

We have 12 employee resource groups (ERGs) with 32 chapters and over 11,000 members. Open to all employees, ERGs support local employee engagement, champion our larger DEI initiatives, and provide opportunities for personal and professional development.

#### Building awareness of unconscious bias

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



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We're committed to being authentic and transparent about our DEI challenges and the steps we're taking to address them. While we've made progress, we also know there's more to do and we're working hard to understand our current reality, set progressive goals, and drive meaningful change.

In 2020, we announced that we would invest more than \$3.5 million over the next two years to promote DEI in the workplace and our communities. The goals of these focused investments are threefold: to increase the representation of diverse talent at all levels in the organization; to create greater inclusion across the company through enhanced training; and to support organizations helping Black, Indigenous, and People of Colour (BIPOC) communities.

This comprehensive approach seeks to achieve objectives in DEI through three pillars:

1. Building representation of BIPOC professionals through graduate programs, focused leadership recruitment efforts, and accelerated mid-career development. This includes:
  - a. Focused recruitment efforts from diverse post-secondary schools across North America.
  - b. Partnerships with Career Edge and the Onyx Initiative in Canada and the Martin Luther King (MLK) Scholars program in the U.S. to hire youth.
  - c. Accelerated development program for high-potential mid-career BIPOC leaders.
  - d. Diverse leadership hiring goals through focused recruitment.

2. Programs designed to educate and train all employees, going beyond our mandatory unconscious bias training. This will encompass regular listening forums to foster conversations that build a greater understanding of inclusion and connection across our global team, allyship training, and targeted training for all managers on leading inclusively.

We launched two new learning platforms for leaders in 2020: *Inclusive Leadership* for all leaders globally, and *All Against Racism* for North American leaders, to help leaders drive change and create a thoughtful, respectful, and inclusive workplace. These learning platforms provide a unique learning experience that curates content specific to each individual.

3. Supporting communities through donations and volunteerism focused on financial education and career mentorship. Organizations that were initially supported included: NAACP Legal Defense and Educational Fund, Equal Justice Initiative, ICON Talent Partners, Canadian Association of Urban Financial Professionals, and the Canadian Race Relations Foundation.

Along with these initiatives, we set two leadership and recruitment goals to increase BIPOC representation across our North American businesses, including John Hancock in the U.S. and Manulife Investment Management, as follows:

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



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**Employee<sup>1</sup> gender mix by region**

Region	Female	Male
Asia <sup>2</sup>	57%	43%
Canada	57%	43%
Other <sup>3,4</sup>	35%	63%
United States	44%	56%
<b>Total</b>	<b>55%</b>	<b>45%</b>

- 1 Includes regular, temporary employees, contractors, and those on paid leave.
- 2 Asia includes Cambodia, mainland China, Hong Kong, India, Indonesia, Japan, Macau, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Thailand, and Vietnam.
- 3 Other includes Australia, Caribbean, Europe, New Zealand, and South America.
- 4 2% of people in other regions did not self-identify their gender.

**Employee<sup>1</sup> gender mix by level (global)**

Level grouping	Female	Male
Vice President and above	27%	73%
Manager, Director, and Assistant Vice President	43%	57%

- 1 Includes regular, temporary employees, contractors, and those on paid leave.

**BIPOC<sup>1</sup> employee representation by level (North America)**

	%
Vice President and above	10%
Manager, Director, and Assistant Vice President	17%
Total (all employees)	17%

- 1 BIPOC includes people who are Black, Indigenous, and people of colour, for North America only.

**46%**

of our independent Board members are women

**43%**

of all Managers, Directors, and Assistant Vice Presidents globally are women

We exceeded our 2020 BIPOC new grad hiring target of 25%

with **37%** in U.S. and **40%** in Canada

Manulife signed on to a BlackNorth Initiative pledge in Canada, as well as the CEO Action for Diversity and Inclusion pledge in the U.S.



Manulife is a member of

**the 30% Club,**  
a global group committed to gender balance in business leadership



Employees

# Employee Health, Safety, and Well-being



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## Our approach

By supporting our employees' health and well-being, we enjoy the benefits of having a healthier workforce—which can include greater productivity, higher morale and engagement, and better business performance.

Supporting our employees' health, safety, and well-being means:

- Protecting the health, safety, and well-being of our employees, including ensuring compliance with the legislative requirements that apply to us.
- Providing employees options when it comes to their benefits and wellness choices.
- Responding to employees' evolving needs.

## Occupational health and safety

Manulife's Health and Safety Program is intended to protect employees from injury and occupational disease, promote wellness efforts, prevent violence and harassment in the workplace, and ensure compliance with the occupational health and safety legislative requirements that apply to us. It also involves education, training, monitoring, and enforcement procedures. All contractors and sub-contractors and their employees are also expected to comply with its provisions. Our Health and Safety Policy outlines our "internal responsibility system" by which all employees and leaders have safety responsibilities. The Policy is reviewed and approved by the Global Head of Employee Relations at least once every year.

## Employee benefits

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

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



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**Considering all aspects of our employees' health and well-being**  
 Our benefits have continued to evolve and drive market change since 2017, when we introduced a \$10,000 mental health practitioner benefit for our Canadian employees and their dependents. We've further removed financial barriers for employees in the U.S. to access mental health support by covering out-of-pocket costs for behavioural health and substance addiction. We also expanded virtual mental health services through MindBeacon in Canada, and One Medical, Talkspace, and Sanvello Virtual Care in the U.S. In addition, online health care is accessible 24/7 through Akira Health in Canada and universal health coverage (UHC) and One Medical in the U.S.

In 2020, we enhanced several benefits related to family planning for our Canadian and U.S. employees.

**\$20,000** per year  
**for adoption and surrogacy support**

In Canada, we also now reimburse fertility medication up to \$20,000 per year and provide:

**20 weeks**  
**of paid maternity leave**

and

**12 weeks**  
**of paid parental and adoption leave**



John Hancock earned  
**the 2020 Best Wellness  
 Employer Gold Certification**



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# Learning and Development

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## Our approach

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

## Enhancing the resilience of our workforce in 2020

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

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

Our vision is to empower employees with relevant skills to work more innovatively and collaboratively, accelerating Manulife's ambition of being the most digital, customer-centric global company in our industry.



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

- **Leadership skills** – We remain committed to developing our leaders to lead in a new context, and we recognize the importance of building their leadership muscle. Our focus will be on creating skills-based learning pathways and solutions to develop people leaders at all levels of the enterprise. Key aspects will include: coaching and development, communication, diversity, equity, and inclusion (DEI), strategic thinking, and building global acumen. We are also developing a new learning curriculum for frontline managers which covers foundational leadership skills.
- **New Ways of Working (NWOW) skills** – To be the most digital, customer-centric, competitive, and relevant company, we will need to help our employees understand how to integrate NWOW skills and to upskill them to the appropriate role-based proficiency levels for specific skills, such as agile, human-centred design and artificial intelligence (AI). Doing so will not only enhance operational and cost efficiency, but also net promoter scores—by putting the customer at the centre of solutioning and product development, we'll have greater success in delivering a world-class customer experience.
- **Functional skills** – As our organization gains learning maturity, our ambition is that our functions will also have integrated competency-based learning tracks that include Leadership, NWOW, and functional skills.
- **Learning technology ecosystem (LTE)** – By the end of 2021, we will invest in a cutting-edge, AI-powered learning experience platform supported by suitable content providers and a learning management system integrated with our Workday system to elevate employees' learning experience. Among other functionalities, the learning technology system will host learning, suggest learning courses for employees to enable their development plan, help us meet our compliance requirements, and generate data insights to measure organizational and individual competencies, learning effectiveness, and return on investment. The LTE will be key to delivering an optimal employee learning experience.

### Building our technical acumen

As we transform our organization, we're focused on developing strong digital and technical acumen, particularly within our global technology teams, which consist of about 5,000 people.

Since launching a global software engineering incubator program to upskill Manulife technologists on our new technical ecosystem in mid-2018, we've realized clear business benefits, including faster decision-making, reduced time frames for issues resolution and software selection, and lower recruiting costs. The hands-on, three-week cohort program runs concurrently across our global operations, with peer coaching to solve real business problems using core software engineering skills.

Given the program's success, we began offering mastery-level training in quality, performance, reliability, and security engineering skills in 2020. A quantitative impact study of these new modules will be conducted in 2021; however, we know that more than \$1 million in savings have already been realized through mastery-level skilling for existing developers.

### Developing the next generation of leaders

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



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## Notable advancements

While the COVID-19 pandemic limited in-person learning, Manulife employees were able to continue acquiring new skills and knowledge in 2020 through various digital learning assets, virtual classes, and bite-sized modules.

Popular e-learning modules included SHIFT, an internally developed site containing curated podcasts, quick guides, short courses, and tools that leaders and employees could use to help manage change for themselves and their teams; getAbstract, a third-party offering that finds, rates, and summarizes top business books, articles, and videos into 10-minute summaries; and Percipio, a digital learning tool that supported employees on business topics matched to their unique learning needs.

For some of our classroom-based leadership development programs, we condensed and repurposed the content to offer a combination of pre-work, self-paced learning tasks and virtual sessions to enable interactivity and knowledge exchange through online collaboration tools.

Uptake of the learning programs was high; for example, Percipio usage was almost

**3 times** that of 2019,

with

**12,740 users** spending more than

**32,600 hours**

learning through the tool.

There was also a notable improvement in our engagement survey score related to learning and development.

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



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## In this section:

- **Community Investment**
- **Financial Inclusion**

Martin Luther King Scholars program pivoted digitally and enabled us to reach more than **600 youth.**

**#ManulifeActofKindness** initiative gave every one of its 37,000 employees globally a contribution to perform an act of kindness in their community, totalling over \$1.75 million.



# Employee Reflections on 2020

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*“As soon as COVID-19 hit, we reached out to community organizations working in cities where we have employees to identify the most urgent needs.”*

**Thomas Crohan**, VP and Global Head, Community Investment

### Acts of kindness in our communities

Capping off a difficult year for individuals around the world, Manulife launched the #ManulifeActofKindness initiative on Giving Tuesday in December 2020, giving every one of its 37,000 employees globally a contribution to perform an act of kindness in their community during the holiday season.

The impact was immediate, with employees and their families going out within days to donate food, clothing, toys, and money to charities and causes of their choosing. In most cases, this was on top of their personal contributions of time and money during the year through our employee giving, volunteer grant, and donation matching programs.

“Our Manulife Acts of Kindness program, which amounted to about \$1.75 million, embodied our approach to supporting communities in 2020—with a focus on meeting local needs, involving our people, and showing gratitude to frontline workers,” says Thomas Crohan, VP and Global Head, Community Investment, Manulife.

“As soon as COVID-19 hit, we reached out to community organizations working in cities where we have employees to identify the most urgent needs. Their primary concern was ensuring that the most vulnerable people in their communities had safe access to food—so that’s where we focused first.”

By mid-March 2020, Manulife had donated over \$1 million to support Canadian food banks and food distribution organizations including Community Food Centres Canada’s Good Food Access Fund. Through John Hancock in the U.S., we committed another US\$1 million to the Boston Resiliency Fund, which focused on providing essential services, including food, to residents whose health and well-being were most immediately impacted by COVID-19.

In Asia, one of the top priorities was ensuring access to hand sanitizer and personal protective equipment (PPE), and our employees worked with local partners on the ground to meet this need. Manulife also made a significant donation to the Shanghai Charity Foundation, a United Way affiliate and one of the largest charities in mainland China.

“Around the globe, we also wanted to show our appreciation to our health care heroes,” says Crohan. “While lighting our flagship buildings blue at night was the most visible expression of our gratitude, we also provided healthy meals for frontline hospital workers and initiated donation matching programs to raise funds for charitable organizations responding to urgent community needs arising from the pandemic.”

“Manulife’s commitment to supporting communities was a catalyst in Community Food Centres Canada’s response to the pandemic.

“Their generous gift and matching campaign helped launch the Good Food Access Fund which, to date, has raised an incredible \$40 million and supported more than 800 communities across Canada during this time of crisis.”

“They were one of the first to act and, as a result, CFCC was able to help half a million Canadians living with food insecurity put good food on the table.”

– Nick Saul, CEO of Community Food Centres Canada



Communities

# Community Investment



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## Our approach

In line with our core values of *Do the right thing* and *Share our humanity*, we partner with like-minded organizations to drive meaningful change that helps people live healthier and more financially secure lives.

We look to partner with reputable charitable organizations and programs that:

- **Empower people**, taking a longer-term view and focusing on the skills needed to effect positive behavioural change and prepare people for future success.
- **Meet people where they are**, supporting underserved and marginalized communities and working to provide help where the need exists, often with high-touch programs.
- **Take a holistic approach**, recognizing the intersections of different aspects of wellness and providing holistic, wraparound support.

Our support to these organizations and programs takes many forms, including direct funding, donations made by our employees, and fundraising matches.

We also encourage employee volunteerism to increase the impact of our investments while providing our people with opportunities to hone their skills, network, and give back to causes they care about. In Canada, the U.S., and select Asia markets, Manulife employees receive one paid day off per year to volunteer at a registered charity or non-profit.

## For the health of Canadians

Manulife is a Founding Partner of Heart & Stroke's Women's Initiative, supporting gender equitable research since 2019 through donation-matching campaigns. The Initiative aims to close the research gap and save more women's lives through better diagnosis and treatment. In addition to our initial donation, we partnered with Heart & Stroke on two campaigns in 2020 in which we matched the organization's total donations received.

Our three-year partnership with the Montreal Heart Institute Foundation supports research, education, and technological innovation for Quebec's leading cardiovascular hospital. Manulife matched funds raised through the Institute's 2020 campaign.

Every year, on a designated day in June, Manulife employees and community members in Kitchener-Waterloo are encouraged to wear red to raise awareness of women's heart health and support the Regional Cardiac Care Centre at St. Mary's General Hospital. In 2020, this annual Manulife donation-matching program was shifted to support COVID-19 efforts, conducted with the help of the Waterloo Region community.



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## Highlights from this year

2020 was a year marked by immense change. In response to the incidents of racial injustice in Canada and the U.S. in 2020, we increased our support for organizations that place equity and inclusion at the core of their work, demonstrate an understanding of the root cause of the problems they are trying to solve, and are trusted connections to their community.

We also took a range of actions to assist communities and individuals struggling as a result of the COVID-19 pandemic. Manulife focused on several critical fronts, which included:

- Helping local food banks and distribution centres to address food insecurity for the most vulnerable.
- Supporting the well-being of health care workers through healthy meal programs at hospitals.
- Enabling mental health support through digital programs.
- Facilitating matching donations and virtual volunteer programs for employees.

In 2020, our total direct corporate donations amounted to \$21 million. In addition, employee donations totalled \$4.2 million.

### Improving health and well-being

**Manulife Canada** supports Canada's largest single-day charity cycling event, the [Manulife Heart & Stroke Ride for Heart](#), in support of heart disease and stroke research. Having sponsored the inaugural Ride for Heart in 1988, Manulife was once again its title sponsor, as part of a three-year commitment that began in 2018.

Heart & Stroke is Canada's leading charitable organization dedicated to the fight against heart disease and stroke through research, health promotion, and public policy. With emerging data showing that people living with heart disease and stroke are at higher risk of developing serious medical conditions if infected by COVID-19, the organization's work took on even greater urgency in 2020.

The shift to the Virtual Ride for Heart drew over 6,000 participants. This included Team Manulife's 360 employees, family members, and friends who took to their local streets to walk, ride, and run to raise funds for this important cause.



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## Empowering youth

With the pandemic disproportionately affecting BIPOC communities and worsening underlying inequities, creating meaningful employment opportunities for Boston's youth continued to be essential work for John Hancock.

Built on the inspirational values and legacy of its namesake, Dr. Martin Luther King Jr. (MLK), John Hancock's MLK Scholars program provides access to opportunity and meaningful connections to hundreds of Boston youth. For 13 years, we have awarded over US\$1 million to local non-profits to host more than 600 Boston teens for summer work experience as part of a cross-sector partnership with the City of Boston, Boston University, Mass General Brigham, and the *Boston Globe*. Each year, we also organize a series of Leadership Forums, which bring all MLK Scholars together for critical personal development, and provide access to digital financial capability trainings.

Despite the challenges of COVID-19, we remained committed to the MLK Scholars program in 2020. Like many organizations, the program needed to pivot and prioritize the health and safety of scholars and their host sites. As a result, we instead hosted the Leadership Forums series remotely, created an emergency grant fund for non-profit partners to fill technology and capacity gaps, and offered access to online financial literacy and mental wellness content to students in Boston through [EVERFI](#).

The pivot enabled us to reach more than 600 youth—nearly 580 were registered with our MLK Scholars non-profit partners, and we hired an additional 33 summer interns to work remotely for John Hancock. We also hosted four virtual Leadership Forums, each of which connected over 400 Boston youth to civic and business leaders.

In total, some 750 Boston youth participated in EVERFI's financial wellness content and 384 engaged with its mental wellness content, which covered the basics of self-care and seeking support. Many contributed to bettering their communities through their work, by leading civic engagement efforts, educating people on racial justice and other issues, or addressing food insecurity.

The result: A substantial majority of participants (77%) agreed that they feel more prepared to manage their money now than they did before the program. They agreed that both employment and education contributed to their preparedness: Seven in 10 participants agreed that receiving a regular paycheck has changed how they think about money and eight in 10 agreed that the education they received through the John Hancock Well-Being Education Center helped them manage the money they received.

**Manulife Malaysia** collaborated with MyKasih Foundation to organize *Love My School*, a student bursary program that covers the costs of food, books, and other school supplies for indigenous children from low-income families during the school year.

In addition to organizing an inauguration ceremony, Manulife Malaysia employees volunteered their time to conduct school visits and donated more than 240 books to the school's library. Many also directed their #ManulifeActofKindness cash grant to this charity.

In total, 120 students were covered by the bursary program in 2020, while the entire school benefited from an aquaponics system paid for by Manulife Malaysia and installed on the premises.



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## Rising to the global challenge of COVID-19

**Manulife Philippines** provided free insurance coverage to more than 85,000 two-wheel delivery riders who continued to brave the streets and help keep Filipinos safe at home when the country was under quarantine. The coverage offered protection to the riders and their families in the event of injury or death while on the job.

**Manulife Hong Kong** donated 23,000 face masks and 2,400 hand sanitizers, benefiting more than 1,000 under-resourced families and vulnerable people in Hong Kong.

**Manulife Indonesia** donated medical supplies and 350 new desktop computers to more than 180 hospitals and health clinics across the country.

**Manulife Vietnam** sent medical supplies to major quarantine centres in Hanoi and Ho Chi Minh City during the first wave of infections in Vietnam in April. This included 20,000 face masks, 12,000 protective suits, 10,000 litres of hand sanitizer, 15 refrigerators for storing medicine, and 500 electric fans. When a second wave in late July forced the cancellation of the 2020 Manulife Danang International Marathon, Manulife Vietnam encouraged people to join the fight against COVID-19 by taking up the Move for Vietnam Challenge. For every 50,000 steps taken, the company offered to donate funds to support the nation's heroes on the front line in Quang Nam – Danang. The money was used to supply 1,870 protective suits for health care workers in two Quang Nam hospitals through the Vietnam Young Physician Association.





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# Financial Inclusion



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## Our approach

Access to financial products and services, and improvements in financial literacy, can have a profound impact on people's lives and their ability to prepare for their future. When we use our expertise and resources to advance financial inclusion and literacy, which empowers individuals, families, and whole communities, we lay the foundation for economic prosperity that benefits us all. We promote financial inclusion through our community investment programs and an increasing number of specialized products and services that make our offerings more accessible.

Areas in which we work vary, and in 2020 included:

- **Supporting groups exposed to financial exclusion, such as young people and women.** An understanding of basic financial concepts is critical to underfinanced and underserved communities realizing their own financial goals. Beyond financial knowledge, building confidence in financial skills empowers people to make choices that work for them.
- **Enhancing the accessibility of financial products.** Developing products that facilitate day-to-day living and help families and businesses plan for everything from long-term goals to unexpected emergencies.

## Youth financial literacy

### Spotlight on: The Philippines

Developed by education specialists and Manulife employee volunteers in the Philippines, **Peso Smart** is a financial literacy program that teaches the basics of saving and investing to grade six students. With the program typically delivered through weekly in-person sessions, we had to consider different options in 2020 when we found out that students would be doing remote learning due to COVID-19 restrictions.

That's when we joined forces with Corazon Sanchez Atayde Memorial Foundation (CSAMF), an education and community development non-profit organization, to create **Peso Smart x RecoverREADS**. Instead of in-class teaching, our team made **Peso Smart** kits containing an activity journal based on the **Peso Smart** financial literacy modules, a storybook, and school supplies, which were subsequently distributed to more than 100 students at Francisco Legaspi Memorial School and Buting Elementary School of Pasig City.

Under the revamped program, our employees will also train volunteer teachers and parents so they can provide guidance towards students' learning progress.



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**Spotlight on: Canada**

In 2020, Manulife partnered with the **YMCAs of Three Rivers** (formerly YMCA of Cambridge and Kitchener-Waterloo) and the **YMCAs of Quebec** to empower youth in acquiring basic financial literacy skills, confidence, and motivation to make the right decisions when it comes to their future financial health. We also continued our support of financial literacy programs run by Wilfrid Laurier University (WLU) in Waterloo.

These programs had a sizeable impact in the community:

- **2,100** students participated in the **Lift Off to Higher Education program** (previously known as Jumpstart to Higher Education), which helps students in grades seven and eight identify their interests, build financial literacy skills, and learn about different paths of education.
- **70+** students attended one of three financial literacy sessions for WLU students aimed at increasing their skills and confidence in financial literacy concepts.
- **20+** schools within the Lift Off to Higher Education program received new computers to help support equal access to education.

**Women's inclusion**

**Spotlight on: Canada**

**New Beginnings Stepping into Success** is designed to empower disadvantaged women with the skills they need to become self-confident and financially self-sufficient. Manulife supports the career planning and wellness portions of the program. In the first year of our sponsorship, 30 women from across the Greater Toronto Area attended workshops led by our employees.

In Canada, we are also a sponsor of the Return to Bay Street Program, which retrains professional women in the financial services industry by providing a pathway back to their successful careers after migration or an extended period of leave (typically due to family obligations).

**Spotlight on: China**

In partnership with Fudan Development Institute (FDDI), a leading think tank established by Fudan University, Manulife-Sinochem published a first-of-its-kind study on the multiple risk factors facing Chinese women in retirement.

The study revealed a lack of preparedness for retirement among Chinese women, with only 47% of those interviewed having pensions to rely on. Many women in the research study worried about covering large medical bills, lack of access to health care services, what would happen if they had an accident, and whether or not they'd have enough income in retirement.

The study concluded that more awareness of the challenges facing women should lead to better solutions, including greater use of insurance to help women achieve financial freedom and a worry-free retirement. Close to 300 people attended the release of the study at the 2020 Shanghai Forum.

**Spotlight on: Vietnam**

In Vietnam, we entered into a partnership with Cong Dong Bau, a community with more than five million members, that improves access to financial advice and solutions for expectant and new mothers.



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## Product accessibility

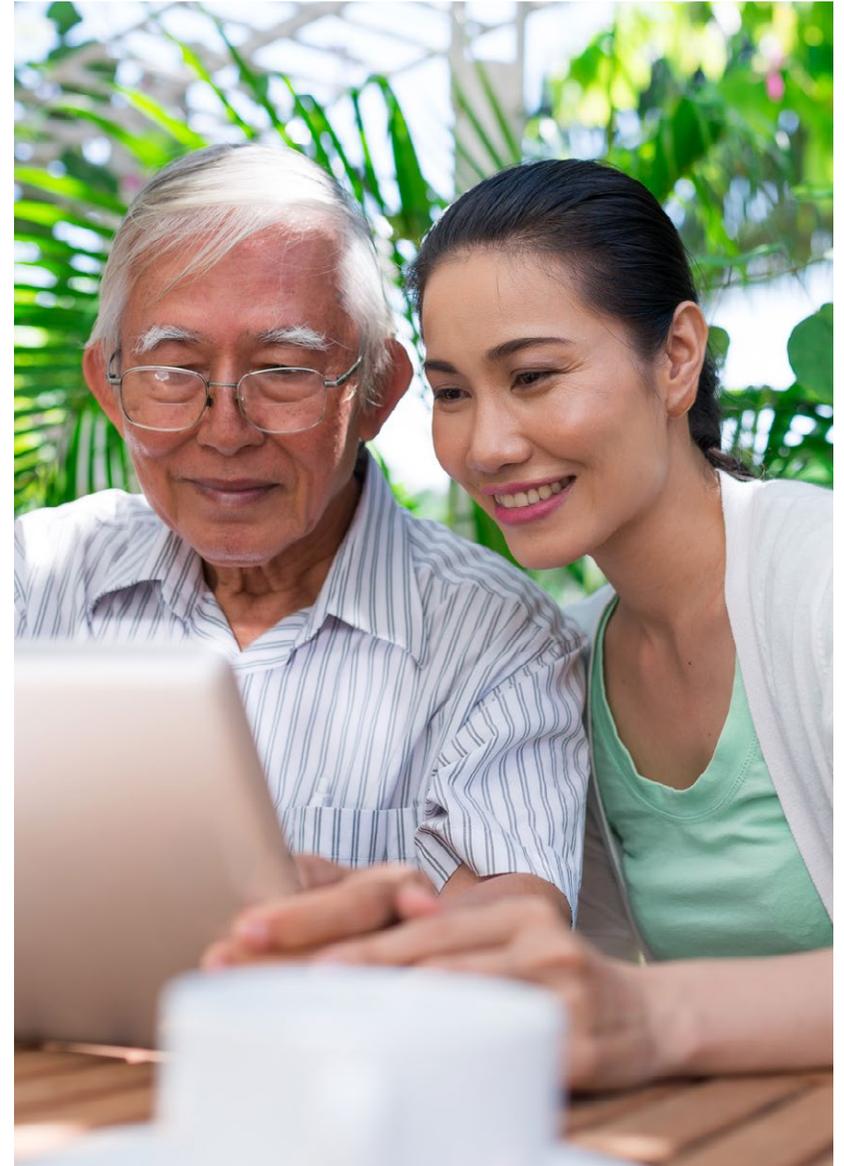
### Spotlight on: China

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

### Spotlight on: Vietnam

**Khởi Đầu Bảo Vệ (My Starter Protection)** reflects Manulife Vietnam's commitment to financial inclusion. Available only on Shopee, the largest e-commerce platform in Vietnam, our first digital insurance product offers a hassle-free way for a younger segment of the population to purchase life insurance. On average, customers for this product are around 10 years younger than Manulife Vietnam's typical policyholders.

With its digitally enabled purchase process, Khởi Đầu Bảo Vệ met a critical need during Vietnam's COVID-19 related lockdown and social distancing measures. Customer demand soared as more and more people were concerned about the financial impact on their families should they fall ill. This simple solution also addressed their unease around travel and face-to-face meetings.





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## Innovative, flexible banking solutions

Since its inception in 1993, Manulife Bank has been guided by the conviction that banking plays a central role in the financial health of Canadians. We offer innovative, flexible banking solutions designed to help make decisions easier and lives better for our customers. And, because everyone's financial situation is unique, we work closely with independent financial professionals who understand our customers' overall financial objectives and can help ensure they find the banking solutions that are right for them.

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

**Manulife One** allows our customers to combine nearly all their banking needs within a single, efficient account. This can result in significant savings compared to traditional banking and empowers customers to take control of their finances. Manulife One for Business provides flexible financing for the commercial properties of Canadian small business owners.

**Manulife Bank Select** allows customers to customize their mortgage and potentially mitigate the risk of rising interest rates by dividing their debt among a variety of fixed- and variable-rate options.

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

**Advantage Account.** Manulife Bank's high-interest chequing account pays a high rate of interest on every dollar and features no-fee everyday banking when customers maintain a balance of at least \$1,000. *The Globe and Mail* has said "this might be the most useful savings account in Canada."

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



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## Personalized, local advice

Manulife Bank leverages a network of more than 29,000 independent advisors and mortgage brokers across Canada to refer or distribute its banking products. This approach allows our customers to access objective, personalized advice in their community and at their convenience.

We support our customers through a nationwide team of more than 145 mortgage specialists and business development consultants, who are available to meet locally with customers, and the advisors and mortgage brokers who support them.

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

- 900 Maisonneuve O. Suite 16, Montréal, Quebec
- 250 Bloor Street East, Main Floor, Toronto, Ontario
- 550 Burrard Street, Suite 728, Vancouver, British Columbia

## Mobile, online and telephone access

Manulife Bank makes it easy for customers to manage their day-to-day finances through mobile, online, and telephone banking.

### Customer service and Interactive Voice Response (IVR)

We continue to develop our two customer service centres in Waterloo, Ontario, and Halifax, Nova Scotia. This dual-centre model helps us provide seamless operations in the event of a business disruption. Our Customer Service Centre is open 365 days a year, making it easy for customers to reach us when it's convenient for them.

Manulife Bank's IVR system features natural language recognition and voice biometrics in both official languages, simplifying the customer experience by allowing them to validate their identity using only their voiceprint and navigate the IVR system with spoken requests.

### Online and mobile access

Manulife Bank makes banking services available through our mobile app and online banking sites. At the end of 2020, Manulife Bank had the top-rated online banking app in Canada for both iOS and Android. Our online banking app is supported by Mai, our artificial intelligence (AI) chatbot that helps customers get quick answers to common questions.

Customers using a ManulifeMONEY+™ Visa<sup>1</sup> card can add their card to their mobile wallet and make payments using their mobile device.

In 2020, Manulife Bank added a new digital service that allows business owners to pay a variety of provincial and federal taxes online, directly from their Manulife Bank business account.

Manulife Bank leverages online application systems for mortgage brokers, independent advisors, and retail lending specialists. These systems allow our customers to get up and running with many of Manulife Bank's deposit and loan products quickly and efficiently. We also offer online application for chequing and savings accounts, making it easy for customers to apply from the comfort of their homes.

<sup>1</sup> Trademark of Visa Int., used under license.



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## Automated teller machine (ATM) access

Manulife Bank has 782 publicly accessible ATMs across Canada. In addition, Manulife Bank is a member of THE EXCHANGE® Network,<sup>1</sup> one of Canada's largest networks of ATMs. Our membership allows Manulife Bank customers to use any EXCHANGE ATM without being charged a convenience fee.

## Support for seniors

In 2020, Manulife Bank implemented a new voluntary Code of Conduct that sets out principles and guidance for banks when providing products and services to seniors. Several steps were taken during 2020 to implement this Code, including:

- Appointed a Seniors Champion to oversee the Code and programs designed to support the Code.
- Surveyed a sample of advisors to better understand what challenges they've seen among the seniors they work with.
- Developed a robust training program for frontline staff about red flags that may indicate elder abuse, fraud/scams and Power of Attorney abuse.
- Updated escalation procedures for addressing the situation when one of these red flags is detected.

We'll continue to develop our support for seniors in 2021, including:

- Delivery of training to staff on issues related to seniors.
- Creation of a senior-specific section within [manulifebank.ca](http://manulifebank.ca).

## Corporate giving and social responsibility

Manulife Bank shares Manulife's commitment to volunteerism, community development, and corporate giving as described in Manulife's 2020 Public Accountability Statement, and its data is fully integrated into the information provided for those initiatives. Manulife Bank employees are frequent and strong supporters of Manulife's philanthropic initiatives.

In 2020, Manulife Bank offered relief programs for customers impacted by COVID-19 and by spring flooding in Alberta. These programs allowed impacted customers to defer loan payments and access locked-in money. Manulife Bank also supported the Government of Canada's Canada Emergency Business Account (CEBA) loan program, which provided interest-free loans of up to \$60,000 to eligible clients.

By working together with Bullfrog Power®, every Manulife Bank ATM is powered with 100% green energy.



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



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## Our corporate structure

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

## Manulife Trust Company

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

Manulife Trust offers simple deposit products that are available through investment dealers, as well as fixed-term residential mortgages, available through Manulife Bank's nationwide network of retail lending specialists. Data provided for Manulife Bank includes Manulife Trust data.

## Complaint handling

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

In 2020, the Manulife Bank Ombudsman Office received a total of 47 complaints. Of those, 18 were not escalated through our standard complaint handling process and were directed back to the appropriate business areas for resolution. Of the remaining 29 cases, 19 were dealt with by the Manulife Bank Ombudsman Office to the complainants' satisfaction, with eight case investigations not resolved before December 31, 2020. The average time taken to resolve these complaints was 44 days.



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## Automated teller machines (ATMs) added and removed in 2020

Manulife Bank has 782 publicly accessible ATMs across Canada. In addition, Manulife Bank is a member of THE EXCHANGE® Network,<sup>1</sup> one of Canada's largest network of ATMs. Our membership allows Manulife Bank customers to use any EXCHANGE ATM without being charged a convenience fee.

### ATMs added by Manulife Bank in 2020

Address	City	Province
5219 48th Street	High Prairie	Alberta
808 Innisfil Beach Road	Alcona Beach	Ontario
106 Humber College Boulevard	Rexdale	Ontario

### ATMs removed by Manulife Bank in 2020

Address	City	Province
900 20 Crowfoot Crescent NW	Calgary	Alberta
10162 82 Avenue	Edmonton	Alberta
1 2077 Pembina Highway	Winnipeg	Manitoba
1 Mill Street	Stirling	Ontario
120 Osgoode Street	Ottawa	Ontario
280 Dunlop Street W	Barrie	Ontario
3000 Charleston Sideroad	Caledon	Ontario
78 St. Clair Avenue W	Toronto	Ontario
96 Gerrard Street	Toronto	Ontario
1688 Albion Road	Rexdale	Ontario
272 Dundas Street	London	Ontario
1440 Jalna Boulevard	London	Ontario
99 Main Street E	Huntsville	Ontario
78 de Martigny Ouest	St-Jérôme	Quebec

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



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## Debt financing for business

Manulife Bank provides loans to businesses, helping to fuel their growth. Manulife Bank does not have any investments or partnerships in micro-credit programs.

### Amount of debt financing authorized in 2020 (C\$ thousands)

	\$0 – \$24,999	\$25,000 – \$99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 and greater	Grand total
British Columbia	\$ 162	\$ 2,816	\$ 4,697	\$ 8,602	\$ 12,723	\$ 45,301	\$ 5,900	\$ 80,201
Alberta	22	485	2,271	3,743	5,034	4,353	–	15,908
Saskatchewan and Manitoba*	51	269	1,584	3,116	3,432	21,956	–	30,408
Ontario	167	3,711	8,435	13,289	30,983	90,808	36,615	184,008
Quebec	121	3,174	8,821	9,403	8,898	33,382	–	63,799
Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island*	48	553	2,017	4,158	4,022	16,854	–	27,652
<b>Total</b>	<b>\$ 571</b>	<b>\$ 11,008</b>	<b>\$ 27,825</b>	<b>\$ 42,311</b>	<b>\$ 65,092</b>	<b>\$ 212,654</b>	<b>\$ 42,515</b>	<b>\$ 401,976</b>

\* Data for certain provinces have been consolidated to protect the privacy of individual borrowers who might otherwise be identifiable.

Note: Yukon, Northwest Territories, and Nunavut have been excluded from the table above as the amount of debt financing authorized in 2020 was nil.

### Number of customers to which debt financing was authorized in 2020

	\$0 – \$24,999	\$25,000 – \$99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 and greater	Grand total
British Columbia	12	48	30	25	18	24	1	158
Alberta	1	10	17	11	8	2	–	49
Saskatchewan and Manitoba*	3	6	9	10	5	14	–	47
Ontario	12	61	53	36	48	45	4	259
Quebec	8	60	60	27	16	18	–	189
Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island*	4	11	14	11	6	8	–	54
<b>Total</b>	<b>40</b>	<b>196</b>	<b>183</b>	<b>120</b>	<b>101</b>	<b>111</b>	<b>5</b>	<b>756</b>

\* Data for certain provinces have been consolidated to protect the privacy of individual borrowers who might otherwise be identifiable.

Note: Yukon, Northwest Territories, and Nunavut have been excluded from the table above as the amount of debt financing authorized in 2020 was nil.



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## Taxes

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

### Manulife Bank

Provinces and territories	Capital taxes	Income taxes	Total taxes
Newfoundland and Labrador	\$ -	\$ -	\$ -
Prince Edward Island	-	-	-
Nova Scotia	3,014,637	726,805	<b>3,741,442</b>
New Brunswick	-	-	-
Quebec	550,169	593,329	<b>1,143,497</b>
Ontario	-	11,800,595	<b>11,800,595</b>
Manitoba	-	-	-
Saskatchewan	-	-	-
Alberta	-	-	-
British Columbia	-	-	-
Yukon	-	-	-
Northwest Territories	-	-	-
Nunavut	-	-	-
Provinces and territories	\$ 3,564,806	\$ 13,120,728	<b>\$ 16,685,534</b>
Federal	-	16,903,329	<b>16,903,329</b>
<b>Total taxes</b>	<b>\$ 3,564,806</b>	<b>\$ 30,024,057</b>	<b>\$ 33,588,863</b>

### Manulife Trust

Provinces and territories	Capital taxes	Income taxes	Total taxes
Newfoundland and Labrador	\$ -	\$ -	\$ -
Prince Edward Island	-	-	-
Nova Scotia	5,620	43,599	<b>49,219</b>
New Brunswick	-	-	-
Quebec	-	57,434	<b>57,434</b>
Ontario	-	1,684,037	<b>1,684,037</b>
Manitoba	-	-	-
Saskatchewan	-	-	-
Alberta	-	-	-
British Columbia	-	-	-
Yukon	-	-	-
Northwest Territories	-	-	-
Nunavut	-	-	-
Provinces and territories	\$ 5,620	\$ 1,785,071	<b>\$ 1,790,691</b>
Federal	-	2,255,944	<b>2,255,944</b>
<b>Total taxes</b>	<b>\$ 5,620</b>	<b>\$ 4,041,015</b>	<b>\$ 4,046,635</b>



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Province	Employment type		Total
	Full-time	Part-time	
British Columbia	31	–	<b>31</b>
Alberta	14	–	<b>14</b>
Saskatchewan	4	–	<b>4</b>
Manitoba	9	–	<b>9</b>
Ontario	542	4	<b>546</b>
Quebec	109	1	<b>110</b>
New Brunswick	4	–	<b>4</b>
Nova Scotia	198	3	<b>201</b>
Newfoundland and Labrador	1	–	<b>1</b>
<b>Total</b>	<b>912</b>	<b>8</b>	<b>920</b>



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## Debt financing for business

### Amount of debt financing authorized in 2020 (C\$ thousands)

	\$0 – \$24,999	\$25,000 – \$99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 and greater	Grand total
British Columbia	\$ 162	\$ 2,547	\$ 5,204	\$ 9,050	\$ 14,863	\$ 53,151	\$ 613,495	\$ 698,472
Alberta	22	665	2,306	4,422	5,340	12,609	182,250	207,614
Saskatchewan	15	144	748	500	694	4,731	8,320	15,152
Manitoba	0	151	736	1,254	1,298	10,599	6,770	20,808
Ontario	201	4,049	8,567	14,769	28,711	102,716	1,058,020	1,217,033
Quebec	111	3,227	8,593	9,135	10,717	33,382	330,290	395,455
New Brunswick	16	0	636	1,122	727	3,586	7,551	13,638
Nova Scotia	10	199	836	2,059	2,241	7,918	148,919	162,182
Prince Edward Island	12	27	0	0	0	0	42,614	42,653
Newfoundland	22	0	100	0	500	0	116,431	117,053
Yukon	0	0	0	0	0	0	0	0
Nunavut	0	0	0	0	0	0	0	0
Northwest Territories	0	0	100	0	0	0	0	100
<b>Total Canada</b>	<b>\$ 571</b>	<b>\$ 11,009</b>	<b>\$ 27,826</b>	<b>\$ 42,311</b>	<b>\$ 65,091</b>	<b>\$ 228,692</b>	<b>\$ 2,514,660</b>	<b>\$ 2,890,160</b>
<b>Total U.S.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,059</b>	<b>4,449,939</b>	<b>4,483,998</b>
<b>Total Europe</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>105,210</b>	<b>105,210</b>
<b>Total Asia</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,336</b>	<b>41,336</b>
<b>Total</b>	<b>\$ 571</b>	<b>\$ 11,009</b>	<b>\$ 27,826</b>	<b>\$ 42,311</b>	<b>\$ 65,091</b>	<b>\$ 262,751</b>	<b>\$ 7,111,145</b>	<b>\$ 7,520,704</b>



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## Geographic breakdown of employees, by employment type

Country/Territory	Employment type <sup>1</sup>			Total
	Regular	Temporary	Contractor	
Argentina	-	-	-	0
Australia	73	4	-	77
Barbados	18	-	-	18
Belgium	29	-	1	30
Bermuda	10	-	-	10
Brazil	2	-	-	2
Cambodia	643	-	15	658
Canada	11,849	11	982	12,842
Chile	28	-	-	28
Mainland China	2,691	14	184	2,889
Hong Kong	2,448	43	113	2,604
India	1	-	64	65
Indonesia	1,274	24	4	1,302
Ireland	6	-	-	6
Japan	1,388	127	46	1,561
Macao	25	-	-	25
Malaysia	487	7	51	545
Mexico	-	-	-	0
Myanmar	98	-	-	98
New Zealand	99	-	5	104
Philippines	8,494	-	30	8,524
Singapore	766	7	73	846
Switzerland	2	-	-	2
Taiwan	61	3	-	64
Thailand	97	-	6	103
United Kingdom	69	-	2	71
United States of America	5,542	-	258	5,800
Vietnam	998	29	21	1,048
<b>Total</b>	<b>37,198</b>	<b>269</b>	<b>1,855</b>	<b>39,322</b>

<sup>1</sup> Includes active regular/temporary employees, contractors, and employees on paid leave.  
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All facts and figures are as of December 31, 2020, unless stated otherwise. All dollar values are in \$CAD unless otherwise stated.

Indicator	Metric	2020	2019	2018
<b>Governance</b>				
<b>Board membership</b>				
	Total Board members (#)	14 <sup>1</sup>	13 <sup>2</sup>	13 <sup>3</sup>
	Independent Board members (#)	13 <sup>1</sup>	12 <sup>2</sup>	12 <sup>3</sup>
	Female Board members (#)	6 <sup>1</sup>	6 <sup>2</sup>	6 <sup>3</sup>
	Racially/ethnically diverse members (#)	1 <sup>1</sup>	- <sup>4</sup>	-
	Board committee chairs occupied by women (%)	50% <sup>1</sup>	50% <sup>2</sup>	50% <sup>3</sup>
	Average tenure of independent Board members (years)	8.4 <sup>1</sup>	8.3 <sup>2</sup>	7.2 <sup>3</sup>
<b>Economic performance and impact</b>				
GRI 102-7	Assets Under Management (AUM) (C\$ trillions)	\$1.3	\$1.2	\$1.1
GRI 201-1	Dividends paid (C\$ billions) <sup>5</sup>	\$2.3	\$2.1	\$2.0
	Goods and services purchased from suppliers (C\$ millions)	\$2.6	\$3.3	\$3.2
GRI 201-1, 207-4	Total income and capital taxes paid (C\$ billions) <sup>6</sup>	2.5	2.1	2.3
	Taxes paid in Canada (C\$ thousands)	350,022	662,385	621,713
	Federal	280,174	432,645	-
	Provincial and territorial	66,032	229,740	-
	British Columbia	2,587	32,330	-
	Alberta	4,438	21,460	-
	Saskatchewan	411	4,274	-
	Manitoba	461	6,683	-
	Ontario	46,557	131,437	-
	Quebec	10,324	6,349	-
	New Brunswick	340	6,662	-
	Nova Scotia	4,377	14,633	-
	Prince Edward Island	51	836	-
	Newfoundland and Labrador	255	4,512	-
	Yukon	9	108	-

1 Data is as of February 28, 2021.

2 Data is as of May 7, 2020.

3 Data is as of February 28, 2019.

4 Board members began voluntarily self-identifying in 2020.

5 Includes both combined and preferred shares.

6 Variation in taxes year over year is primarily due to changes in profitability on a country-by-country basis. Changes in local tax laws in the countries and regions in which we operate are also a factor.



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Indicator	Metric	2020	2019	2018
	Nunavut	3	39	-
	Northwest Territories	35	417	-
	Taxes paid in U.S (C\$ thousands)	994,694	168,099	352,132
	Taxes paid in Asia (C\$ thousands)	248,156	222,125	294,980
	Hong Kong	74,071	-	-
	Japan	73,908	-	-
	Rest of Asia	100,177	-	-
	Other taxes (C\$ thousands) <sup>7</sup>	992,648	1,078,259	-
	<b>Public policy</b>			
GRI 415-1	Amount spent on political donations (US\$)	\$0	\$0	\$25,000 <sup>8</sup>
<b>Customers</b>				
	Total Manulife customers (millions)	30	30	28
GRI 201-1	Claims and other benefits paid to customers (C\$ billions)	31.6	29.7	29
GRI 201-1	Debt financing authorized (C\$ billions)	7.5	8.3	10.2
	<b>Customer experience</b>			
	Global customer rNet Promoter Score (rNPS)	12 <sup>9</sup>	8	9
	<b>Complaint resolution<sup>10</sup></b>			
	Cases investigated by Manulife's Ombuds Office (#)	307	292	319
	Cases investigated by an independent complaint resolution body or regulator (#) <sup>11</sup>	76	65	28
	Cases investigated that resulted in a recommendation different from Manulife's position (#)	0	0	0
<b>Sustainable Investing</b>				
	<b>Green investments made by Manulife<sup>12</sup></b>			
	Total private green investments (C\$ billions)	\$39.8	\$27.6	-
	Renewable energy <sup>13</sup>	\$9.8	\$14.0	-
	Energy efficiency	\$3.9	- <sup>14</sup>	-

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

8 Please see Public Policy section to learn about our policies on political contributions. In 2018, John Hancock contributed to Freedom for All Massachusetts, which was working to uphold a non-discrimination law as part of a statewide ballot measure to protect transgender people from discrimination in public places.

9 Please see Customer Centricity section to learn what we are doing to improve our rNPS.

10 Represents cases investigated in Canada segment insurance products and services and Manulife Investment guaranteed products.

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

12 Manulife General Account assets only, no third-party investments. Private debt and equity investments.

13 Includes sources such as wind, solar, geothermal, hydro, and biomass. In 2019, renewable energy also included energy efficiency and green bonds investments.

14 Reported in the renewable energy category.



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Indicator	Metric	2020	2019	2018
	Green buildings <sup>15</sup>	\$16.9	\$10.2	–
	Clean transportation <sup>16</sup>	\$2.7	–	–
	Sustainable water management <sup>17</sup>	\$0.6	–	–
	Green bond investments	\$0.7	– <sup>18</sup>	–
	Sustainably managed timberlands <sup>19</sup>	\$4.0	\$3.4	–
	Sustainably managed farmlands <sup>20</sup>	\$1.3	\$0	–
	<b>Environmental and social assessments of Manulife's financed projects<sup>21</sup></b>			
	Projects screened as Equator Principles Category A (#) <sup>22</sup>	0	0	0
	Projects screened as Equator Principles Category B <sup>23</sup>	3	0	2
	Projects screened as Equator Principles Category C <sup>24</sup>	12	20	16
	<b>Green bond issuance (C\$ billions)</b>	<b>\$1.1</b>	<b>\$1.1</b>	<b>\$0.6</b>
<b>Environment and Climate Change</b>				
GRI 302-1, 3	<b>Energy use<sup>25</sup></b>			
	Total energy use (ekWh) <sup>26</sup>	<b>2,530,784,387</b>	2,598,795,398	2,668,777,852
	Corporate	<b>89,457,726</b>	149,509,086	146,972,174
	Real Estate	<b>563,737,348</b>	611,532,975	624,256,225
	Green power (%)	<b>7%</b>	5%	–
	NAL Resources	<b>1,720,638,365</b>	1,638,164,195	1,789,350,624
	Hancock Natural Resources Group	<b>156,950,948</b>	199,589,142	108,198,829
	Energy intensity			
	Corporate (ekWh/sq. ft.)	<b>18.7</b>	21.1	16.9
	Real Estate (ekWh/sq. ft.) <sup>27</sup>	<b>17.5</b>	20.8	20.5

- 15 Includes green buildings certified to Leadership in Energy and Environmental Design (LEED®), Building Owners and Managers Association (BOMA BEST®), and ENERGY STAR® and green commercial mortgages. Commercial mortgages of \$6.1 billion are a new category in 2020.
- 16 Includes projects such as electrified and mass public transit. New category for 2020.
- 17 Includes projects such as water recycling and purification. New category for 2020.
- 18 Reported in the renewable energy category.
- 19 Includes sustainably managed timberland certified to Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC). \$0.4 billion private placements are a new category and included this year.
- 20 Includes sustainably managed farmland certified to the Leading Harvest Standard. This is a new category for this year.
- 21 Manulife General Account assets only, no third-party investments. Private debt and equity investments.
- 22 Project finance transactions screened as having potential significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented.
- 23 Project finance transactions screened as having potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.
- 24 Project finance transactions screened as having minimal or no adverse social or environmental impacts.
- 25 Some leased spaces use estimated data when actual consumption is not available. Additional detail can be found in our Letter of Assurance.
- 26 Updated emissions methodologies in 2020 resulted in updated quantification of energy from steam, contributing to the overall increase in 2020.
- 27 COVID-19 pandemic policies for remote work contributed to reduced building energy consumption in 2020.



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	Indicator	Metric	2020	2019	2018
About Manulife		NAL Resources (ekWh/BOE/d)	<b>63,727</b>	46,242	45,684
CEO's Message	GRI 305	<b>Greenhouse gas emissions<sup>28</sup></b>			
Sustainability Strategy Overview	GRI 305-1	Total Scope 1 emissions (tCO <sub>2</sub> e)	<b>555,933</b>	714,636	705,994
		Corporate	<b>1,612</b>	-	-
		Real Estate	<b>28,196</b>	-	-
		NAL Resources <sup>29, 30</sup>	<b>489,407</b>	-	-
		Hancock Natural Resources Group	<b>36,715</b>	-	-
Governance	GRI 305-2	Total Scope 2 emissions (tCO <sub>2</sub> e), location-based	<b>253,387</b>	331,677	338,196
Customers		Corporate	<b>41,855</b>	-	-
		Real Estate	<b>99,306</b>	-	-
		NAL Resources <sup>29, 30</sup>	<b>101,124</b>	-	-
Sustainable Investing		Hancock Natural Resources Group	<b>11,102</b>	-	-
	GRI 305-2	Total Scope 2 emissions (tCO <sub>2</sub> e), market-based	<b>241,505</b>	320,941	324,046
Environment and Climate Change	GRI 305-3	Total Scope 3 emissions (tCO <sub>2</sub> e)	<b>479,087</b>	464,091	370,277
		Business travels <sup>31</sup>	<b>8,959</b>	25,835	27,386
		Paper	<b>5,427</b>	7,360	9,434
		Waste <sup>32</sup>	<b>1,365</b>	2,782	2,479
		Data centres	<b>985</b>	3,456	4,029
Employees		Leased properties <sup>33</sup>	<b>225,981</b>	239,093	176,920
		Contractor fuel use <sup>33</sup>	<b>236,370</b>	185,565	150,029
Communities	GRI 305-4	Emissions intensity (Scope 1 & 2) <sup>34</sup>	-	-	-
		Corporate (kgCO <sub>2</sub> e/sq. ft.)	<b>9.1</b>	7.5	6.0
Manulife Bank PAS		Real Estate (kgCO <sub>2</sub> e/sq. ft.) <sup>35</sup>	<b>4.0</b>	4.9	5.3
		NAL Resources (tCO <sub>2</sub> /BOE/d)	<b>22</b>	21	20
		Removals from owned forests and farms (mtCO <sub>2</sub> e)	<b>2.24<sup>36</sup></b>	3.14	5.96

28 Emissions are calculated in accordance with the GHG Accounting Protocol and include activities under operational control. Some leased spaces use estimated data when actual consumption is not available. Additional detail can be found in our Letter of Assurance.

29 Oil and gas company NAL Resources, representing the majority of emissions and energy use, was one of Manulife's wholly owned subsidiaries until it was divested in January 2021.

30 Increasing accuracy in emissions measurement and reporting, and purchase and sale of assets throughout the year contributed to a decrease in emissions in 2020.

31 COVID-19 pandemic policies for remote work contributed to reduced business travel in 2020.

32 COVID-19 pandemic policies for remote work contributed to reduced waste consumption in 2020.

33 Emissions are attributed to HNRG operations.

34 Based on Scope 1 and Scope 2 location-based emissions.

35 COVID-19 pandemic policies for remote work contributed to reduced building energy consumption in 2020.

36 Total 2020 Carbon Removals from Agriculture and Timberland have been restated from 2.87 MtCO<sub>2</sub>e to 2.24 MtCO<sub>2</sub>e as of June 2021. Manulife conducted an additional GHG inventory review process following report publication and surfaced two calculation errors related to: (1) addition of fixed volume references in the data sheet of one Australian entity and (2) an inaccurate reporting of weighted average age of some plantations in the United States. The revised values reflect these corrections.



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Indicator	Metric	2020	2019	2018
GRI 306-4, 5	<b>Waste<sup>37</sup></b>			
	Waste recycled (tonnes) <sup>38</sup>	<b>4,843</b>	6,912	7,030
	Diversion rate (%)	<b>52%</b>	50%	52%
GRI 301-1	<b>Paper use</b>			
	Paper consumption (tonnes) <sup>38, 39</sup>	<b>2,137</b>	2,898	3,713
	Use of paper with recycled fibre content (%)	<b>10%</b>	13%	24%
GRI 303-5	<b>Water use<sup>40</sup></b>			
	Water consumption (million m <sup>3</sup> )	<b>1.46</b>	2.0	2.3
	Water use intensity (m <sup>3</sup> /sq. ft.)	<b>0.039</b>	0.055	–
GRI 304-3	<b>Biodiversity</b>			
	Acres of forest and farmland managed by Natural Resources (millions)	<b>5.812</b>	5.884	5.928
	Acres of land protected by HNRG Sensitive Lands Program (millions)	<b>0.472</b>	0.471	0.47
GRI 401-1	<b>Green buildings</b>			
	Real Estate certified under a sustainable building certification program (million sq. ft.)	<b>48</b>	48	48
	Real Estate certified under a sustainable building certification program (%)	<b>81%</b>	81%	80%
<b>Employees</b>				
GRI 102-8	<b>Global Manulife employees (#)<sup>41</sup></b>	<b>39,322</b>	–	–
	Regular	<b>37,198</b>	–	–
	Temporary	<b>269</b>	–	–
GRI 401-1	<b>Retention and advancement</b>			
	Voluntary turnover rate (%) <sup>42</sup>	<b>7%</b>	11%	11%
	Average employee tenure (years) <sup>43</sup>	<b>7</b>	7	7
	Open positions filled by internal candidates (%)	<b>26%</b>	26%	23%

37 Includes all Manulife owned and operated buildings, including corporate offices. The majority of waste is reported as actual, with estimation of waste for additional square footage where actual values were not available.

38 COVID-19 pandemic policies for remote work contributed to reduced waste consumption in 2020.

39 Data includes actual values for North America (excluding NAL Resources, HNRG, Barbados, and Bermuda) and estimated values for other countries.

40 Includes all Manulife owned and operated buildings, including corporate offices.

41 Includes regular, temporary, and contractor employees, and those on paid leave.

42 Includes active regular employees and employees on paid leave. Excludes exits due to retirement and involuntary departures.

43 Includes active regular employees and employees on paid leave.



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Indicator	Metric	2020	2019	2018
	<b>Employee engagement</b>			
	Employee engagement score (on a five-point scale)	4.27	4.04	–
	Employees participating in engagement survey	95%	91%	–
	<b>Employee training</b>			
	Use of training tool Percipio (# of employees)	12,740	–	–
	Time spent in training (# of hours)	32,602	–	–
	<b>Workforce diversity<sup>44</sup></b>			
GRI 405-1	Manulife			
	Male (%)	45%	45%	44%
	Female (%)	55%	55%	56%
	Visible minorities and Indigenous peoples <sup>45</sup>	17%	–	–
GRI 405-1	Asia <sup>46</sup>			
	Male (%)	43%	42%	42%
	Female (%)	57%	58%	58%
	Insurance agents (%)	68%	–	–
	Top performers (%)	70%	–	–
GRI 405-1	Canada			
	Male (%)	43%	43%	42%
	Female (%)	57%	57%	58%
GRI 405-1	United States			
	Male (%)	56%	56%	57%
	Female (%)	44%	44%	43%
GRI 405-1	Other regions <sup>47</sup>			
	Male (%)	63%	65%	67%
	Female (%)	35%	35%	33%
	Did not self-identify (%)	2%	–	–

<sup>44</sup> Workday data as of December 31, 2020. Includes active regular employees and employees on paid leave

<sup>45</sup> Includes United States and Canada only.

<sup>46</sup> Includes Cambodia, mainland China, Hong Kong, India, Indonesia, Japan, Macau, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Thailand, and Vietnam.

<sup>47</sup> Includes Australia, Caribbean, Europe, New Zealand, and South America.



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Indicator	Metric	2020	2019	2018
GRI 405-1	<b>Diversity in leadership</b>			
	Vice President and above (%)			
	Male	73%	77%	76%
	Female	27%	23%	24%
	Visible minorities and Indigenous peoples <sup>48</sup>	10%	-	-
	Manager, Director, and Assistant Vice President (%)			
	Male	57%	57%	57%
	Female	43%	43%	43%
	Visible minorities and Indigenous peoples <sup>48</sup>	17%	-	-
		<b>Diversity in hiring</b>		
	BIPOC new grad hiring rate <sup>49</sup>			
	Canada	38%	-	-
	United States	34%	-	-
GRI 405-2	Gender pay ratio	99%	98%	
	<b>Country/territory Manulife employees (#)<sup>50</sup></b>	-	-	-
<b>Communities</b>				
GRI 201-1	<b>Direct community investment<sup>51</sup></b>	<b>\$25.2</b>	\$27.1	\$25.0
	Manulife corporate (C\$ millions)	\$21.0	\$22.7	\$22.6
	Manulife employees (C\$ millions)	\$4.2	\$4.4	\$2.4
	<b>Employee and agent volunteerism<sup>52, 53</sup></b>			
	Volunteer hours (#)	31,795	65,978	66,848
	Employees	22,567	-	-
	Volunteerism during work hours	9,854	-	-
	Volunteerism outside of work hours	12,713	-	-
	Agents	9,228	-	-

48 Includes North America (United States and Canada) only.

49 Includes people who are Black, Indigenous, and people of colour, for North America only.

50 Includes regular, temporary, and contractor employees, and those on paid leave.

51 Direct community investments were reclassified in 2020 to exclude externally leveraged funds. As a result, 2019 and 2018 totals have been updated.

52 Includes regular employees and additional hours (9,228) contributed by Manulife agents.

53 The ongoing COVID-19 pandemic and constraints associated with in-person activities contributed to lower hours volunteered in 2020.



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

#### **Accounting4Sustainability (A4S) CFO Leadership Network**

A4S is the finance network promoting sustainability integration into strategy and decision-making. We are a founding member of the Canadian CFP Leadership Network.

#### **Principles for Responsible Investment (PRI)**

PRI is a global network of 1,960 institutional asset owners and managers with a combined US\$82 trillion AUM that promotes responsible investment practices. Manulife Investment Management has been a signatory since 2015, and is on the Fixed Income Advisory Group.

#### **Climate Action 100+**

Five-year initiative of 310 investors with US\$32 trillion AUM to engage the world's largest greenhouse gas emitters on the goals of the Paris Agreement. Manulife Investment Management is a Steering Committee Member since 2017.

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

UNEP Finance Initiative is a global partnership between UN Environment and over 230 financial institutions that promote sustainable finance. Manulife has been a contributing member since 2005.

#### **Equator Principles**

Equator Principles is a set of voluntary guidelines for managing environmental and social risks in financing projects with capital costs over US\$10 million. Manulife has been a signatory since 2005.



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## Global Reporting Initiative

Our sustainability report has been prepared to align with the Global Reporting Initiative (GRI) Standards (Core option). GRI is a non-profit organization that provides a comprehensive sustainability reporting framework, which sets out the principles and indicators by which organizations measure and report their economic, environmental, and social performance. [globalreporting.org](http://globalreporting.org)

## Sustainable Development Goals

In 2015, United Nations member states adopted the 2030 Agenda for Sustainable Development, at the centre of which are 17 Sustainable Development Goals (SDGs) that serve as a universal call to action to end poverty, protect the planet, and ensure prosperity for all by 2030. We support various SDGs and have aligned our strategy to the SDGs where we feel that we can make the greatest impact. [sustainabledevelopment.un.org/sdgs](http://sustainabledevelopment.un.org/sdgs)

## Task Force on Climate-related Financial Disclosures

We have been a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) since November 2017 and are committed to adopting and aligning our disclosures to the TCFD recommendations. Our climate-related disclosure can be found on page 46 in our [2020 Management's Discussion and Analysis](#). Our sustainability report provides additional disclosure on Manulife's position on climate change and our strategy to support the transition to a lower-carbon economy. [fsb-tcfd.org](http://fsb-tcfd.org)

## Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board (SASB) is a non-profit organization founded in 2011 to develop and disseminate sustainability accounting standards. Through our sustainability reporting and disclosure, we review and take into account the sector-specific standards and related disclosures set out by SASB. In 2018, SASB established standards for sustainability disclosure across companies on a global basis. Manulife joined the SASB Standards and Investor Advisory Groups in 2019. [sasb.org](http://sasb.org)



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GRI Standards	Indicator	Disclosures
<b>GENERAL DISCLOSURES (100)</b>		
GRI 102-1	Name of the organization	Manulife Financial Corporation
GRI 102-2	Activities, brands, products, and services	SR About Manulife <a href="#">3</a> ; CEO's Message <a href="#">4-6</a> ; Products and Services <a href="#">29</a>
GRI 102-3	Location of headquarters	Global Headquarters 200 Bloor St E, Toronto, ON M4W 1E5
GRI 102-4	Location of operation	SR <a href="#">3</a>
GRI 102-5	Ownership and legal form	Manulife Financial Corporation ("MFC") is a publicly traded company and the holding company of The Manufacturers Life Insurance Company ("MLI"), a Canadian life insurance company. Further information see page 116 of AR: Reporting entity; AIF <a href="#">4</a>
GRI 102-6	Markets served	MFC and its subsidiaries (collectively, "Manulife" or the "Company") is a leading financial services group with principal operations in Asia, Canada, and the United States. Further information see page 116 of AR: Reporting entity; SR <a href="#">3</a> ; AIF <a href="#">4</a>
GRI 102-7	Scale of the organization	SR <a href="#">3</a> ; AIF <a href="#">5-6</a> ; AR
GRI 102-8	Information on employees and other workers	SR <a href="#">Data Appendices</a>
GRI 102-9	Supply chain	SR Responsible Supply Chain <a href="#">24-25</a>
GRI 102-12	External initiatives	SR Reporting Approach <a href="#">7</a>
GRI 102-13	Membership of associations	SR Public Policy <a href="#">26</a> ; Serving Individual Investors and Institutional Clients <a href="#">39-40</a> , <a href="#">41</a> ; Partnerships <a href="#">46</a> ; Equator Principles <a href="#">45</a> ; Frameworks We Support <a href="#">100</a>
<b>Strategy</b>		
GRI 102-14	Statement from senior decision-maker	SR CEO's Message <a href="#">4-6</a>
GRI 102-15	Key impacts, risks, and opportunities	SR Materiality Assessment <a href="#">11</a> ; Climate Change <a href="#">49-52</a>
<b>Ethics and Integrity</b>		
GRI 102-16	Values, principles, standards, and norms of behaviour	SR Shared Values <a href="#">3</a>
GRI 102-17	Mechanisms for advice and concerns about ethics	SR Ethics and Compliance <a href="#">17</a>
<b>Governance</b>		
GRI 102-18	Governance structure	SR Sustainability Governance <a href="#">10</a> ; MIC <a href="#">17-31</a> , <a href="#">121-122</a>



## Appendices > GRI, SASB, and TCFD Index

AR 2020 Annual Report  
 AIF 2020 Annual Information Form  
 MIC 2021 Management Information Circular  
 SR 2020 Sustainability Report & PAS

	GRI Standards	Indicator	Disclosures
About Manulife	GRI 102-19	Delegating authority	SR Sustainability Governance <a href="#">9–10</a> ; Governance Policies and Practices <a href="#">14–15</a> ; Risk Management <a href="#">18</a>
CEO's Message	GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	SR Sustainability Governance <a href="#">10</a> ; MIC <a href="#">17–31, 121–122</a>
	GRI 102-22	Composition of the highest governance body and its committees	SR Sustainability Governance <a href="#">10</a> ; MIC <a href="#">14–17 and 111–118</a> ; AIF <a href="#">25–27</a>
Sustainability Strategy Overview	GRI 102-23	Chair of the highest governance body	<a href="#">MIC</a> ; <a href="#">AR</a> ; <a href="#">AIF</a>
	GRI 102-24	Nominating and selecting the highest governance body	<a href="#">MIC</a> ; <a href="#">AIF</a>
	GRI 102-25	Conflicts of interest	<a href="#">MIC</a> ; <a href="#">AIF</a>
Governance	GRI 102-30	Effectiveness of risk management processes	<a href="#">MIC</a> ; <a href="#">AIF</a>
	GRI 102-31	Review of economic, environmental, and social topics	SR Sustainability Governance <a href="#">10</a>
Customers	GRI 102-35	Remuneration policies	<a href="#">MIC</a>
	GRI 102-36	Process for determining remuneration	<a href="#">MIC</a>
	GRI 102-37	Stakeholders' involvement in remuneration	<a href="#">MIC</a>
<b>Stakeholder Engagement</b>			
Sustainable Investing	GRI 102-40	List of stakeholder groups	SR Materiality Assessment <a href="#">11</a>
	GRI 102-42	Identifying and selecting stakeholders	SR Materiality Assessment <a href="#">11</a>
Environment and Climate Change	GRI 102-43	Approach to stakeholder engagement	SR Materiality Assessment <a href="#">11</a>
	GRI 102-44	Key topics and concerns raised	SR Materiality Assessment <a href="#">11</a>
<b>Reporting Practice</b>			
Employees	GRI 102-45	Entities included in the consolidated financial statements	SR About This Report <a href="#">7</a>
	GRI 102-46	Defining report content and topic boundaries	SR About This Report <a href="#">7</a>
	GRI 102-47	List of material topics	SR Materiality Assessment <a href="#">11</a>
Communities	GRI 102-48	Restatements of information	No restatements to prior year data in 2020.
	GRI 102-49	Changes in reporting	All reporting changes to quantitative data is provided in indicator table footnotes.
Manulife Bank PAS	GRI 102-50	Reporting period	SR About This Report <a href="#">7</a>
	GRI 102-51	Date of most recent report	SR About This Report <a href="#">7</a>
Data Appendices	GRI 102-52	Reporting cycle	SR About This Report <a href="#">7</a>
	GRI 102-53	Contact point for questions regarding the report	Contact us at <a href="http://manulife.com">manulife.com</a> or <a href="http://johnhancock.com">johnhancock.com</a>
	GRI 102-54	Claims of reporting in accordance with the GRI Standards	SR Frameworks We Support <a href="#">100</a>
	GRI 102-55	GRI content index	This table represents Manulife's 2020 GRI Index.
	GRI 102-56	External assurance	Assurance statements for the 2020 SR, when available for select indicators, can be found on our <a href="#">website</a> .



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GRI Standards	Indicator	Disclosures
<b>ECONOMIC DISCLOSURES (200)</b>		
GRI 201-1	Direct economic value generated and distributed	AR; SR Taxes Paid <a href="#">20</a> ; Community Investment <a href="#">74</a> ; Manulife Bank PAS <a href="#">86–87</a> ; <a href="#">Data Appendices</a>
GRI 201-2	Financial implications and other risks and opportunities due to climate change	SR Climate Change <a href="#">49–51</a> ; AR
GRI 201-3	Defined benefit plan obligations and other retirement plans	SR Employee Well-Being <a href="#">67</a>
GRI 203-2	Significant indirect economic impacts	SR Equator Principles <a href="#">45</a> ; Integrating People and Planet in Our Insurance and Investments <a href="#">48</a> (Paragraph 6); Integrating Climate Risk into Insurance <a href="#">51</a> ; Climate Action Plan: Our Journey to Net Zero <a href="#">52</a> ; Financial Inclusion <a href="#">78–80</a> ; Support for Seniors and Corporate Giving and Social Responsibility <a href="#">83</a>
GRI 205-2	Communication and training about anti-corruption policies and procedures	SR Governance and Ethical Business <a href="#">20–22</a>
GRI 207-1	Approach to tax	SR Taxes <a href="#">19</a>
GRI 207-2	Tax governance, control, and risk management	SR Taxes <a href="#">19</a>
GRI 207-4	Country-by-country reporting	SR Taxes <a href="#">20</a> ; <a href="#">Data Appendices</a>
<b>ENVIRONMENTAL DISCLOSURES (300)</b>		
GRI 302-1	Energy consumption within the organization	SR Environmental Performance <a href="#">56</a> ; <a href="#">Data Appendices</a>
GRI 302-3	Energy intensity	SR Environmental Performance <a href="#">56</a> ; <a href="#">Data Appendices</a>
GRI 303-5	Water consumption	SR Environmental Performance <a href="#">58</a> ; <a href="#">Data Appendices</a>
GRI 304-3	Habitats protected or restored	SR <a href="#">Data Appendices</a>
GRI 305-1	Direct (Scope 1) GHG emissions	SR Environmental Performance <a href="#">57</a> ; <a href="#">Data Appendices</a>
GRI 305-2	Energy indirect (Scope 2) GHG emissions	SR Environmental Performance <a href="#">57</a> ; <a href="#">Data Appendices</a>
GRI 305-3	Energy indirect (Scope 3) GHG emissions	SR Environmental Performance <a href="#">57</a> ; <a href="#">Data Appendices</a>
GRI 305-4	GHG emissions intensity	SR Environmental Performance <a href="#">57</a> ; <a href="#">Data Appendices</a>
GRI 306-4	Waste diverted from disposal	SR Environmental Performance <a href="#">58</a> ; <a href="#">Data Appendices</a>
<b>SOCIAL DISCLOSURES (400)</b>		
GRI 401-1	New employee hires and employee turnover	SR <a href="#">Data Appendices</a>
GRI 401-2	Benefits provided to full-time employees	SR Employee Well-Being <a href="#">67–68</a>
GRI 403-1	Occupational health and safety management system	SR Employee Health and Safety <a href="#">67</a>
GRI 403-6	Promotion of worker health	SR Employee Well-Being <a href="#">67–68</a>
GRI 404-1	Average hours of training per year per employee	SR Learning and Development <a href="#">71</a>
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	SR Learning and Development <a href="#">69–71</a>
GRI 405-1	Diversity of governance bodies and employees	SR Diversity and Inclusion <a href="#">66</a> ; <a href="#">Data Appendices</a>
GRI 405-2	Gender pay equity	SR Diversity and Inclusion <a href="#">64</a> ; <a href="#">Data Appendices</a>
GRI 415-1	Political contributions	SR Public Policy <a href="#">26</a>

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SASB Standards	Indicator	Disclosures
<b>SASB DISCLOSURES</b>		
FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	SR Sustainable Investing <a href="#">35–46</a>
FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviours	SR Customer Centricity <a href="#">31</a>
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	SR Diversity and Inclusion <a href="#">66</a> ; <a href="#">Data Appendices</a>
FN-IN-410a.1	Total invested assets by industry and asset class	SR Asset Ownership <a href="#">44</a>
FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	SR Sustainable Investing <a href="#">35–46</a>

TCFD Recommendations	Indicator	Disclosures
<b>TCFD DISCLOSURES</b>		
Governance		SR Climate Change <a href="#">50</a>
Risk management		SR Climate Change <a href="#">50</a>
Strategy		SR Climate Change <a href="#">50</a>
Metrics		SR Climate Change <a href="#">50</a>



## Ways to contact us

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