

Statement of Commitment to United Kingdom Stewardship Code

Manulife Investment Management (Europe) Limited (Manulife IM Europe) has committed to the UK Stewardship Code.

Manulife IM Europe's approach to each of the principles of the UK Stewardship Code is described below.

Manulife IM Europe believes in a transparent approach to stewardship.

We are active owners in the companies in which we invest. Stewardship is fundamental to our investment process as we believe that good stewardship is essential to the longterm sustainability of companies and provides a standard of behaviour to protect and enhance the value of our clients' investments.

Our Environmental, Social and Governance (ESG) Policy sets out our approach to ownership and the governance of companies in which we invest. This statement develops that global policy, detailing our compliance with the UK Stewardship Code.

Manulife IM Europe fully supports the UK Stewardship Code and complies with all its principles. Stewardship and our business are global. We seek to apply the UK Stewardship principles globally, taking into account local practice and law, including the emergence of Stewardship Codes in other jurisdictions in which we invest.

From a global perspective Manulife Investment Management operates a number of specialist functional areas dedicated to ensuring good Stewardship and ESG practices across the organisation, these include:

- Global Code of Ethics Team
- Global ESG Team
- Global Responsible Investment Governance Group
- Proxy Voting Operations Team

As well as providing an essential global perspective, each team provides support to local stewardship efforts and helps to manage any potential global conflicts. Further detail on how these functions assist Manulife IM Europe in fulfilling its stewardship responsibilities are set out within this statement.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

At Manulife IM Europe the investment process goes beyond financial statement analysis. It includes, but is not limited to, meeting company management, voting proxies in the best interest of our clients as shareholders, and generally engaging the company, when necessary, to enhance the long-term value of our clients' investments.

This document describes our philosophy on stewardship as it relates to the UK Stewardship Code. At a global level Manulife Investment Management adheres to its Environmental, Social and Governance Policy (ESG).

We consider our stewardship responsibilities in respect of the UK Stewardship Code to be a global endeavour applied broadly across our equity investment processes when relevant and appropriate.

Manulife IM Europe investment professionals continuously monitor their investee companies as part of their day to day responsibilities. This monitoring activity can include dialogue with senior management of the investee company, review of public disclosures and direct communication to investee Boards of Directors.

As part of the investment process the Manulife IM Europe investment teams conduct detailed research into each of their potential investee companies. A significant part of this process will be an assessment of their Corporate Governance Standards. Manulife IM Europe believes that well-managed companies will create long-term shareholder value, and will look for the following attributes:

- A strong and effective Board
- When we meet the investee company we feel they are trustworthy
- The maintenance shareholder rights and an appropriate ownership structure
- Effective remuneration structures in line with long-term performance
- Delivery of high-quality and meaningful reporting to its shareholders and other stakeholders
- Awareness and management of the environmental and social aspects of its business



Engagement provides Manulife IM Europe with the opportunity to build robust relationships with investee companies and is complementary to both investment research and proxy voting because it enables Manulife IM Europe to address specific concerns in a confidential manner. The overarching objective is to reduce the environmental, social and governance risk of entities over time. Our interaction is designed to avoid a potential reputational risk and negative issues that could alter valuation, fundamental standing, or the strategy of the companies in which we invest.

Manulife IM Europe utilises the services of a third party voting provider to assist us in the voting of proxies. Monitoring of the proxy voting provider is part of the Manulife IM Europe Compliance Monitoring Programme and includes checking the accuracy of the information provided by the provider, confirming the votes were cast correctly as directed by Manulife IM Europe and generally ensuring the provider meets the required expectations.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Manulife Investment Management has an established infrastructure designed to identify conflicts and risks throughout all aspects of the operations of the company, establishing infrastructure and processes to manage those conflicts and risks. The infrastructure consists of an organisational structure in the form of oversight committees, as well as policies and procedures that are designed to support the investment management services that the company provides to its clients.

Manulife Investment Management believes that a conflict situation can arise when there is a matter which may impair a person's independence, objectivity or interfere with his or her duties to his or her employer, clients, and prospects. Portfolio managers and all employees will avoid any situation in which personal interests conflict with duties at Manulife Investment Management.

To prevent conflicts of interest, Manulife Investment Management believes it is important that its directors, officers, portfolio managers and employees have a primary duty to avoid any situation which may be deemed to be a conflict of interest or has the appearance of being a conflict of interest. They must take responsibility in maintaining the required standard of conduct and if there is any uncertainty with regard to whether conflicts of interest exist, they are obliged to seek direction from the Compliance department. All employees must follow all laws and regulations and must take care not to engage in trading practices which could be construed as unethical or manipulative in their personal accounts or for the portfolios they manage. Employees of Manulife Investment Management



must maintain high ethical standards in their conduct both personally and professionally. To help prevent conflicts or the appearance of conflicts, all employees of Manulife Investment Management must confirm that they have complied with Manulife Financial Corporation's Code of Business Conduct and Ethics (“Code”). The Code provides standards for ethical behaviour when representing the company and when dealing with customers, investors, employees, competitors, government authorities, and the public. Manulife Investment Management has a dedicated team that administers and monitors adherence to the Code of Ethics.

Policies regarding outside business interests, political contributions and gifts and entertainment are designed to prevent situations that may give rise to an actual conflict or the appearance of a conflict with our clients’ interests, or have the potential to cause damage to Manulife Investment Management or its affiliates’ reputation

With respect to outside business affiliations, the company’s Code of Ethics requires that all outside business affiliations of employees (e.g., directorships, officerships or trusteeships) of any kind, or membership of investment organizations (e.g. an investment club) must be approved to ensure that such affiliations do not present a conflict with our clients’ interests.

All employees are required to comply with Manulife IM Europe’s written policies regarding conflicts of interest that may arise between the interests of its clients and the interests of Manulife IM Europe, its affiliates, or employees.

Corporate Governance specialists at Manulife Investment Management are responsible for monitoring and identifying potential conflicts of interest that could arise when voting in company meetings. In addition, stewardship is an important component of the investment decision process at Manulife Investment Management and as part of this process conflicts of interest are always considered.

Examples of conflicts of interest include (but are not limited to):

- Manulife IM Europe has a client relationship or potential client relationship with the issuer of a security
- Manulife IM Europe has a business relationship with the proponent of a proxy proposal
- Manulife IM Europe, employees, or consultants have a personal or other business relationship with the participants in a proxy contest, such as corporate directors or director candidates
- There is a conflict between one client and another



- Manulife Investment Management shares are held on behalf of clients
- Manulife Investment Management employees have personal holdings in the companies owned by its clients

Manulife IM Europe has an established process for the management of conflicts including ensuring separation of duties between employees making investment decisions and potentially conflicted parties, particularly those with sales responsibilities or other business relationships with a company. The Conflicts of Interest Register is maintained and reviewed on an ongoing basis by our Compliance department and is available to relevant employees. All employees have access to the Conflicts of Interest Policy and receive periodic training in this area.

Conflicts are specifically identified when voting decisions need to be made and our record keeping is thorough with regards to conflict of interest situations. The monitoring of conflicts forms part of the Compliance Monitoring Programme. In the event of a material conflict of interest in connection with a voting decision, Manulife IM Europe or its designee will either:

- Vote such proxy according to the specific recommendation of the designated proxy voting service
- Abstain
- Request that the client vote such proxy

Principle 3: Institutional investors should monitor their investee companies.

As fundamental, long-term investors, Manulife IM Europe recognises that monitoring investee companies is at the heart of its investment management philosophy and process. Because Environmental, Social and Governance (ESG) factors contribute to the risk of an investment, Manulife IM Europe's investment teams evaluate ESG factors as part of their investment decision-making process. The exact integration of ESG factors into the investment process varies depending on the investment team. Investment teams, including research analysts and portfolio managers, conduct bottom-up, fundamental research that includes company-specific, sector, and industry analysis to identify investment opportunities. Once a position is established in a company, ongoing monitoring and analysis is conducted to ensure that the original investment thesis holds true. This analysis includes, but is not limited to, financial models, valuation analysis, and meetings with company management.



Our ongoing monitoring of our investee companies can include the following:

- Monitoring of public disclosures
- Evidence of the fair treatment of shareholders
- Meetings with management, other executive staff and the non-executive directors if appropriate
- We respond to company requests for input and comment, and will also share concerns proactively and clearly with the company (directly rather than through a corporate adviser)
- Analysis and monitoring of governance, strategy, capital structure, operating performance, risk management, financial models and valuations
- A comparison of the governance of different investee companies to the governance of their peers or competitors

We keep comprehensive records of our ongoing interactions with our investee companies.

As part of these monitoring processes Manulife IM Europe would address any shortcomings that we identify with regards to corporate governance responsibilities, with particular focus on the UK Corporate Governance Code. The Risk Management Department (including the ESG team) would be engaged when such issues arise.

Should our monitoring identify any issues not in accordance with our responsible investing priorities, or actions by a company that are not in the best interest of our clients, we would engage with the company to ensure they understand the position of Manulife IM Europe and seek resolution. Where we cannot resolve an issue we would divest.

We do not seek inside information and we actively ask companies and their advisors not to put us in possession of such information. However, we may be asked by a company or their advisors for our involvement in a corporate transaction which may lead to the dissemination of non-public information.



We would only accept this role when we believe it is consistent with being a responsible investor and it would be in the best interests of our clients. Due to the regulatory risks and implications we do not want to be made an insider without our authorisation beforehand and we will evaluate each situation on a case by case basis. Investment Compliance would be the point of contact in this event and the trading of this particular security by Manulife IM Europe would be restricted. We would expect to agree to become insiders for a temporary period only.

In addition to the UK Stewardship Code, Manulife Investment Management is a signatory to the Japanese Stewardship Code and the Principles of Responsible Investment. We reflect the principles of the UK Stewardship Code and the other codes in policy creation, such as our Environmental, Social and Corporate Governance Policy, and corporate decisions pertaining to our responsible investment practices including investee monitoring.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

Investment teams meet company management as part of their fundamental research process. The meetings provide analysts and portfolio managers with insights into management quality, business drivers, and the strategies of the companies in which they invest or potentially invest. In addition, these meetings allow investment teams to assess companies' risk exposure to Stewardship and ESG factors and the companies' management of that exposure to protect shareholder value. Where appropriate, a specialist ESG analyst also participates in meetings with companies alongside the analysts and portfolio managers.

Manulife IM Europe also views engagement as a tool to enhance the long-term shareholder value of the companies in which its clients are invested. When appropriate, investment teams will engage investee companies to express our views to senior management and board members. In general we engage confidentially as we believe this is the most constructive and effective approach.

Drivers of Engagement

The following key issues are examples of (but not limited to) Stewardship and ESG risks that drive our engagement activities:



RESPONSIBLE INVESTMENT

Environmental		Social		Governance	
Biodiversity Concerns	Carbon / GHG Emissions	Supply Chain Management	Human Rights	Remuneration	Minority Shareholder Rights
Waste Management	Water Stress and Usage	Product Quality and Safety	Human Capital and Development	Broad Structure	Corporate Sustainability Oversight

Escalation of Stewardship Issues

Escalation of stewardship issues is made on a case by case basis. An example of our escalation process is shown below:

- As part of our on-going monitoring activities we would seek to intervene and resolve issues with our investee companies as soon as possible
- We would seek involvement of senior equity investment employees at Manulife IM Europe in the process. In addition, Manulife IM Europe may involve additional resources such as Legal and Compliance
- Manulife IM Europe will escalate issues should we believe an investee company is being unresponsive to matters which we raised in previous engagement discussions
- We would begin a period of focused engagement with the Chairman or other non-executive directors of the investee company
- We would consider issuing a formal letter to the Board passed through the Company Secretary to ensure our specific concern has been presented to the entire Board of Directors
- As in any situation, to protect our clients' best interests, the investment team reserves the right to sell the security any time

Should we plan to vote against a company's proposal we will ensure management is made aware of our concerns and our voting intention prior to casting our vote.



There are also occasions where, as part of the escalation process, we will make our views and concerns known publicly, as a matter of record. This may be through attendance at a company's general meeting, or in the context of a requisitioned resolution or general meeting. In exceptional circumstances, where we decide that it is necessary and appropriate, we may comment publicly about a controversial situation at a company. This would generally be in a situation where engagement has proven ineffective in addressing concerns or on high profile, event driven controversies.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

Manulife IM Europe is willing to act collectively with other investors when it is determined that action is necessary in order to protect the interests of the client's investment and we believe it will enhance our engagements efforts, but only insofar as those actions are not prohibited by law or regulation.

We look to maintain good working relationships with other companies practicing responsible investment. When determining whether to participate in a collaborative engagement, we would consider such factors as the materiality of the issue of concern, our internal stance on the issue, our position size, the need for confidentiality, compatibility of investor viewpoints and probability of a successful outcome. We recognise that there may be occasions where it is more effective to work with other institutional shareholders to implement change and respond in a coordinated way to both general developments and specific issues.

Manulife IM Europe actively participates in multiple investor groups in various geographies and utilises these groups to participate in collective engagement opportunities. These groups include:

- Investment Association (UK)
- Principles for Responsible Investment (Global)
- Dow Jones Sustainability Index (Global)
- Carbon Disclosure Project (Global)
- United Nations Environment Program Finance Initiative (Global)

We never abdicate our stewardship responsibilities to any other party in any collaborative engagement. We will speak for ourselves and never allow others to convey our views.



The key issues identified in Principle 4 'Drivers of Engagement' are examples that also apply to collective engagement activity provided out interests align with the collaborate engagement partners.

For all questions with regards to stewardship of investee companies please contact stewardship@manulife.com

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Manulife IM Europe has adopted a global Proxy Voting Policy. The Policy and related procedures seek to ensure that proxies are voted in the best interests of its clients and that proxy voting activities adhere to the requirements of all applicable rules and general fiduciary principles. The Proxy Voting Policy is not intended to cover every possible situation that may arise in the course of business, but rather to act as a decision-making guide. It is therefore subject to change and interpretation from time to time as facts and circumstances dictate.

When Manulife IM Europe is granted and accepts responsibility for voting proxies for client accounts, we will attempt to vote on all portfolios on timely basis. We will ensure proxies are received and voted in the best interest of the individual client with the aim of enhancing the value of the equity securities held in the client's account.

Manulife IM Europe has contracted with an independent third-party service provider who provides analysis and recommendations for all proxy votes in line with our corporate governance principles. Manulife IM Europe follows its principles of good corporate governance practices with local market maturities in mind.

For companies in which Manulife IM Europe has a material holding (above 3% of issued share capital), typically the voting is overseen by the investment teams who own the security in question. The team will complete a full detailed assessment of the proxy items, by evaluating the company's performance, our current engagement efforts with the company, our service provider's recommendation together with our corporate governance principles as set out in our ESG Policy and in accordance with the company's Proxy Voting Policy. Where Manulife IM Europe is overseeing a comparatively small holding, proxy votes will generally be cast in line with the third-party service provider's recommendation provided it is aligned with our corporate governance principles.



Manulife IM Europe may refrain from voting a proxy due to logistical considerations that may have a detrimental effect on its ability to vote such a proxy. Examples could include where underlying securities have been lent out pursuant to a client's securities lending program, in cases where there is insufficient information to make a voting decision, or where market practices make it expensive to vote compared with the benefits of doing so.

In the event of a potential conflict of interest, our procedures provide for such a proxy to be voted in accordance with the third party service-provider's recommendations, to abstain, or to request that the client votes the proxy.

We will vote against or abstain on resolutions which we do not believe uphold good standards of corporate governance or are not in our clients' long-term interests. We believe it is important to inform boards of the reasons for not supporting management resolutions.

When there is a vote against management recommended by our third party advisor, our investment teams will review the reasons for this and will, if deemed appropriate, vote against the third party advisor's recommendation.

The Proxy Operations Department is responsible for implementing and updating the applicable domestic and global proxy voting guidelines, coordinating and overseeing the proxy voting process as performed by its service providers, and providing periodic reports to Manulife Investment Management's Brokerage Practices Committee, Operating Committee, the Chief Compliance Officer, and its advisory clients as deemed appropriate.

Voting activities are considered confidential and are reported to clients as requested, or as required by law.

Manulife IM (Europe) Limited does not engage directly in stock lending.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

Manulife IM Europe is transparent on all matters of stewardship and, where appropriate and permissible, will endeavour to make its stewardship and voting activities available to our clients.



Manulife IM Europe intends to review its stewardship and voting activities annually, as suggested by the UK Stewardship Code, and will update its statement of commitment accordingly if there are any material changes to the Proxy Voting Policy or any other relevant process. Specific individual client voting activities are considered confidential and are reported to clients as requested, or as required by law.

Manulife IM Europe keeps detailed records of interactions with investee companies. These records include stewardship and voting activities. The Compliance Department monitors this area to ensure detailed records are kept in line with policy and regulation.

We are responsive and accountable to our clients regarding our stewardship activities. Internally, we have a Responsible Investment Governance Group whose charge is to oversee our stewardship activities and identify areas to improve the effectiveness of our efforts.

Manulife IM Europe, given the current small size of the business, does not currently seek independent external assurance with regards to stewardship activities. However, Manulife IM Europe seeks internal independent assurance with regards to our stewardship and voting activities through internal audit, which is completed on a three year cycle. We consider that internal audit will ensure we fulfill our obligations to the Stewardship Code. This position will be under continuous review and as the business grows we will consider gaining independent external assurance with regards to our stewardship activities.

Manulife Investment Management is committed to responsible investment and strives to be responsive to incoming queries regarding our stewardship activities. When queries are received our response will begin by identifying our signatory status to the UK Stewardship Code and articulating its significance in guiding our responsible investment practice. In addition, we will also acknowledge our signatory status the Principles of Responsible Investment and Japanese Stewardship Code. Furthermore within our response, we will articulate to the inquirer the key ESG issues that we focus upon and describe our engagement activities. We will explain how we are proponents of both direct and collaborative engagement efforts evidenced by our involvement in various Investor Groups. Finally, we will explain how our responsible investment practice is a continuous process to integrate ESG into the investment process.

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