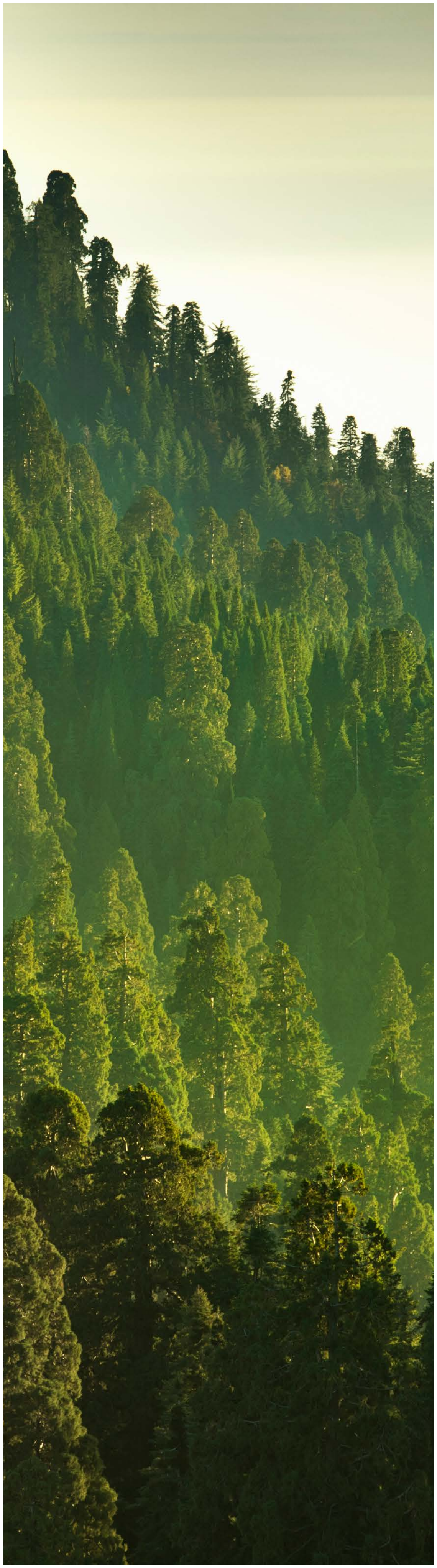

Manulife
Investment Management

Climate Statement

December 2025

Purpose and scope

This statement aligns with our fiduciary responsibilities as a manager of client capital and with Manulife Investment Management's (Manulife IM) overall approach to sustainability, as outlined in the Sustainable Investing and Sustainability Risk Statement. Our statement is also aligned with the climate approach of our parent company, Manulife.[1]

We believe investment decision-making must consider the effects of climate change. These effects will manifest as both risks and opportunities for almost all companies in all industries and must be properly assessed to safeguard clients' financial security. This statement is intended to demonstrate how we manage climate-related financial risks and transition opportunities on behalf of our clients.

We recognize our fiduciary duty to consider how financial risks and opportunities presented by climate change may impact investment outcomes. The extent of our implementation will depend on a range of external factors, such as evolving global regulations and client mandates. We remain committed to supporting clients' individual targets, implementing our stewardship strategy, and reporting annually on our progress.

Background

We define climate-related risks as the potential negative impact of climate change, which may be experienced directly (e.g., through financial loss) or indirectly (e.g., through reputational harm). These risks can result from the physical impacts of climate change (physical risks) or the transition to a low-carbon economy (transition risks). Examples of how physical and transition risks can materialize for companies include regulatory costs, operational disruption from extreme weather, supply chain disruption, and shifting market demand.

Climate-related opportunities refer to the potential positive effects arising from climate change for a given entity (e.g., mitigation and adaptation efforts). These efforts may produce opportunities for companies, industries, and investors. Examples include resource efficiency and cost savings, adoption of low-emission energy sources, development of new products and services, access to new markets, and building supply chain resilience.

Climate-related risks and opportunities may vary depending on the region, market, and industry in which an organization operates. These definitions are consistent with the International Sustainability Standards Board's (ISSB) IFRS S2 Climate-related Disclosures standard,[2] which leverages the Task Force on Climate-related Financial Disclosures' (TCFD) framework.

1 Our statement is also aligned with our parent company, Manulife's Climate Action Plan. **2** IFRS – IFRS S2 Climate-related Disclosures

The following is a non-exhaustive list of climate risks and opportunities that may emerge, several of which we are already directly exposed to:

Examples of climate risks and opportunities we may consider

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

Statement

We recognize that the economic impact of climate change may vary from company to company. This variation may depend on factors including the exposure level of each sector, industry, and geography. We believe that the level of understanding of climate change within capital markets remains uneven, leading to potential mispricing of assets and that many companies may be inadequately prepared to respond to the risks and opportunities of this transition.

We may take a variety of actions toward managing climate-related risks and opportunities across our businesses and investments to appropriately price climate risk.

Broadly summarized, our available actions relate to:

- asset allocation and selection
- investment analysis and research
- engagement with management or boards
- proxy voting
- mitigating GHG emissions in our directly operated assets
- deploying recognized sustainability management practices in our directly operated assets
- engagement with standard setters and policy development
- participating in collaborative initiatives and working groups
- complying with climate regulations across the geographies in which we operate
- providing annual climate disclosure[3] in alignment with the ISSB[4]

In general, our preferred approach is to engage directly with companies to encourage effective implementation of climate risk mitigation and adaptation strategies, reserving the right to divest any investment.

We endorse the ISSB recommendations[5] and believe that a wider adoption of this framework and, where material, issuer transition plans will enhance our ability to provide a reasonable assessment of investment risks. We recognize that the transition to a low-carbon economy creates investment opportunities, and we embrace changes to technologies, protocols, and financial instruments arising from efforts to support it.

Climate integration in our investment process

Our goal of delivering attractive risk-adjusted returns is reinforced by integrating sustainability factors, including climate-related considerations, into our due diligence and investment decision-making to enhance risk management and uncover long-term value opportunities for our investors.

Our integration process focuses on defining climate risks and opportunities at the asset/investment level and factoring in the differences between industries, geographies, client mandates, and operating models to enable portfolio resiliency over the long term. Furthermore, we seek opportunities to leverage growth potential derived from the climate transition within certain asset classes.

As climate science evolves, so too does our approach to integrating climate-related considerations into the investment process. Some activities that support our approach include:

- considering differentiated climate risk analysis by type of asset, ownership structure, and operating structure
- leveraging a range of third-party tools to assess transition risk and physical risk depending on geography and industry/sector
- recognizing the value of scenario analysis to assess a range of future outcomes, and conducting climate scenario analysis for materially exposed asset classes
- encouraging companies to conduct scenario analysis and develop transition plans to mitigate climate risk exposure
- providing guidance and training for investment teams as climate science and related tools evolve
- assessing our exposure to hard-to-abate sectors
- supporting ongoing dialogues with our clients and sharing research, insights, and findings from collaborative engagements

The effectiveness of these activities relies on the quality and availability of data from companies, managers, and assets.

3 Climate disclosure is provided in MIM Sustainability Report and MFC Sustainability Report. **4** ISSB recommendations (IFRS S1/S2) fully incorporate and build upon the TCFD recommendations, adopting its four core pillars (Governance, Strategy, Risk management, Metrics/Targets). **5** ISSB recommendations (IFRS S1/S2) fully incorporate and build upon the TCFD Recommendations, adopting its four core pillars (Governance, Strategy, Risk management, Metrics/Targets).

Climate change in stewardship

Issuer engagement

In line with our Manulife IM Global Issuer engagement policy and proxy voting policy, we engage on financially material sustainability factors in order to protect our clients' investments; influence the adoption of positive change in a company's disclosure, management strength, and strategic approach to key sustainability issues; and seek to further define leading practices in climate risk management. Climate risks and transition opportunities have been key topics in many of our bilateral engagement discussions with companies, complemented by our participation in collaborative engagement initiatives and working groups. We also identify climate-related systemic risk across our global public markets portfolio and systematically engage with priority issuers annually. By engaging with companies on the climate transition, we encourage them to align their business strategy with the long-term interests of investors to support their preparation for the energy and economic transition ahead. Specifically, and where material, we support companies in aligning their business strategy with climate science, proactively managing and disclosing GHG emissions, and making disclosures in line with the ISSB recommendations or similar disclosure frameworks.

Asset operations

In segments where we operate assets, climate-related considerations inform our mitigation and adaptation efforts to reduce the impact and vulnerability of our assets. We've developed practices to measure and reduce our emissions, aligning with third-party certification standards to enhance our reporting and accountability commitments.

Partnerships, policy engagement, and collaborations

Government policy and regulations influence the adoption of cleaner forms of energy through regulatory reforms or market-based programs to promote the transition to a lower-carbon emissions environment. We may engage with policymakers and regulators on systemic climate risks given the potential for these risks to disrupt functioning capital markets and where aligned with our client mandates. Climate policy engagement topics that we may support include energy and resource efficiency, resiliency and adaptation opportunities, greenhouse gas emissions mitigation, just transition, and transition finance.

We support carbon policies that have clear mechanisms for periodic review, improvement, and termination. We also place strong emphasis on collaboration with industry peers, industry associations, civil society organizations, and other groups working toward a more climate-resilient capital market and economy. These collaborations may include sponsoring climate research, creating new industry standards or reporting frameworks, joining collaborative industry engagements or innovation initiatives, participating in industry working groups, and signing joint letters. We will collaborate with other industry stakeholders where we believe the initiative is credible, can amplify our climate work, and is in the long-term interests of our clients and the investment industry as a whole.

Manulife Investment Management

About Manulife Wealth & Asset Management

As part of Manulife Financial Corporation, Manulife Wealth & Asset Management provides global investment, financial advice, and retirement plan services to 19 million individuals, institutions, and retirement plan members worldwide. Our mission is to make decisions easier and lives better by empowering people today to invest for a better tomorrow. As a committed partner to our clients and as a responsible steward of investor capital, we offer a heritage of risk management, deep expertise across public and private markets, and comprehensive retirement plan services. We seek to provide better investment and impact outcomes and to help people confidently save and invest for a more secure financial future. Not all offerings are available in all jurisdictions. For additional information, please visit manulifeim.com.

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