



Sustainable investing

Real estate 2024

All currency values are stated in U.S. dollars. All data is as of December 31, 2024, unless otherwise noted. Report published June 2025.

Scope of this report

This report outlines the sustainable investment commitments and management standards adopted across Manulife Investment Management’s (Manulife IM’s) real estate operations. The environmental performance metrics, including greenhouse gas (GHG) emissions, energy consumption, water usage, waste management, and green building certifications, pertain to Manulife Financial Corporation’s (Manulife) general account assets and those managed by Manulife IM and its affiliates.

The environmental performance data presented (unless otherwise noted) excludes the firm’s credit strategies and some of our separate accounts. Vacant lands, new developments, club investments, and other non-equity assets are also excluded. This represents about 29% of the firm’s real estate assets under management. These assets are excluded for reasons such as joint venture structure limitations, data availability, and operational influence, or because they’re in the early stages of development and lack operational activities that generate measurable data.

This report has been developed with reference to the 2021 Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Real Estate Standard, Version 2023-06. References are summarized in the appendix of this report.

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A message from Marc Feliciano

I'm excited to present our 2024 sustainability report, which underscores our ongoing commitment to creating long-term value through sustainable real estate investing. Over the past year, we've strengthened sustainability efforts across our portfolio, both to enhance our investments' long-term performance and to contribute to making the built environment and economy—on which we all depend—more resilient.

We believe efficient, healthy, and durable buildings are good for both our investors and our tenants, which is why our teams work diligently to make our properties more resilient to the impacts of climate change. As we adapt to a shifting market landscape shaped by demographic trends, technological advancements, and the complexities of deglobalization, we continue to refine our approach to real estate investing. In this environment, outperformance requires diversification across assets that account for changing preferences within the built environment. Our platform leverages cross-functional regional teams with deep expertise, allowing us to create tailored investment solutions that address evolving investor needs. Sustainability remains a key driver in this process, influencing both market and asset selection.

More specifically, we know that real estate markets are particularly sensitive to changes in climate policies, performance standards, and customer expectations. That's why we're executing on asset-level plans to decarbonize across our global portfolio in line with our interim target to reduce scope 1 and scope 2 GHG emissions by 40% by 2035.¹ We're also advancing efforts to address nature loss and biodiversity degradation. As biodiversity declines at an alarming rate, we recognize that inaction poses greater financial and environmental risks to companies and communities. Additionally, we've strengthened our focus on social impact, with key improvements to our approach to human rights and responsible business practices. This report highlights these achievements.

As we look to the future, we remain dedicated to advancing our progress and building on the momentum we've achieved over the past year. Our team will continue collaborating with industry leaders, regulatory bodies, and tenants to promote a more sustainable built environment. We're excited about the opportunities that lie ahead and confident that these efforts will enable us to realize our vision of enhancing the long-term value of our global real estate portfolio.

Thank you for your continued support.



Marc Feliciano

Global Head of Real Estate Investments,
Private Markets
Manulife Investment Management

¹ Based on a 2019 baseline.

Firm overview

Manulife IM's real estate platform has managed real estate for nearly a century. As a global manager of real estate assets, our properties are diversified across sectors and strategically located in urban centers across the globe. Our sustainably managed real estate investment platform offers core, core-plus, and value-add strategies, while our real estate investment team leverages this global platform and asset management expertise to engage with and understand local markets and drive results for our clients.

Canada



\$6.8B **32.1M** **27**
in AUM square feet investment professionals

United States



\$8.0B **38.7M** **44**
in AUM square feet investment professionals

Asia-Pacific



\$4.1B **19.1M** **15**
in AUM square feet investment professionals

Global

\$18.9B **89.8M** **86**
in AUM square feet investment professionals

Over 130 years of investing and managing real estate equity and credit

- Industrial
- Mixed use
- Office
- Land
- Retail
- Multifamily
- Storage



2024 highlights

100%

of our real estate funds received a Green Star rating from GRESB¹

90%

of our global real estate equity portfolio was certified to a green building standard²

Ranked 1st

by GRESB for our General Account Americas portfolio submission for the second straight year (2024)³

25%

of our global real estate portfolio had a wellness or accessibility certification⁴

Over 75%

of our global real estate equity portfolio emissions were covered by asset-level decarbonization plans.⁵
In 2025, the target is to achieve over 85%

24%

reduction of operational GHG emissions in 2024 versus 2019⁶

97%

of our real estate operations and investment teams completed responsible contracting training

100%

coverage of our real estate equity portfolio in the Integrated Biodiversity Assessment Tool (IBAT) platform

¹ Based on GRESB results released October 2024 that cover the 2023 calendar year. Manulife Investment Management paid a per fund submission fee, per year. The GRESB Rating is an overall measure of how well sustainability issues are integrated into the management and practices of companies and funds. More information about the GRESB Real Estate Assessment is available at [gresb.com](https://www.gresb.com). ² As of December 31, 2024. Based on square footage of the gross floor area or building size, of properties in the global portfolio. Totals from different certification standards do not sum as properties with multiple certifications are only counted once. Certifications are provided by LEED, ENERGY STAR Certification, BOMA BEST, GBCA Green Star, BCA Green Mark, NABERS, CASBEE, BOMA 360, Fitwel and Passive House. ³ Designation awarded by GRESB as a Sector Leader in the Diversified Office/Industrial category, Regional Sector Leader in the Americas. Based on GRESB 2024 results that cover the 2023 calendar year. Manulife Investment Management paid a per fund submission fee, per year. More information can be found at [2024 Real Estate Assessment Results - GRESB](#). ⁴ Wellness and accessibility certifications are certified to the Fitwel® Certification, WELL® Certification, Fitwel®, or the Rick Hansen Foundation Accessibility Certification (RHFACTM). ⁵ As of December 31, 2024, based on Q4 2024 budgets. ⁶ Operational emissions include Scope 1 and Scope 2 greenhouse gas emissions. 2024 and 2019 GHG emissions are rebaselined.



Sustainable investing in real estate

Our approach to sustainable investing

Our vision is to enhance the long-term value of our global real estate portfolio by actively managing healthy and efficient properties for the benefit of our clients and tenants. Our [real estate sustainability framework](#) outlines our approach, with our five sustainability commitments detailing our key areas of focus.

Our real estate sustainability commitments

- | | | | |
|----------|--|----------|---|
| 1 | Minimize our environmental impact | 4 | Engage our stakeholders on sustainability |
| 2 | Support health and wellness | 5 | Be accountable for our performance |
| 3 | Promote responsible business practices | | |

Materiality in real estate

Materiality underpins our approach to sustainability. In 2024, we completed a materiality review to determine whether our practices continue to address the most relevant sustainability topics for our real estate business and stakeholders. The results confirmed that our existing approach and previously identified topics remain financially material, so we'll continue to focus on our three core themes—climate, nature, and people—by taking the following actions:



Climate

- ✔ Quantify and investigate actions toward limiting physical and transition climate risk exposure across our investment lifecycle
- ✔ Develop company and asset-specific decarbonization plans to enhance performance, lower operational costs, and reduce our impact on the environment
- ✔ Monitor and report GHG emissions, and expand capabilities to include material emissions outside our operations (scope 3)



Nature

- ✔ Develop tools and methodologies to assess and manage nature-related risks and opportunities
- ✔ Contribute to the advancement of initiatives to scale up our nature-positive agenda for the financial benefit of our clients
- ✔ Assess business practice and investment processes against nature and biodiversity frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD)



People

- ✔ Create healthy, safe, and inclusive living and working environments for our colleagues, tenants, suppliers, and the communities in which we operate
- ✔ Adopt industry frameworks and policies to respect and promote human rights in our investment lifecycle, including our supply chain
- ✔ Identify opportunities across the investment lifecycle to create positive social impact and integrate best practices

Viewpoints

[Investing in the nature and climate transition—click to learn more.](#)



[Regenerative real estate investing—click to learn more.](#)





We incorporate sustainability considerations into our investment management and operational practices across the real estate value chain, from construction and acquisition of an asset through all aspects of asset management—looking for ways to incorporate best practices and maximize value. Please see the governance section in the appendix for more information about how we integrate sustainability factors into the real estate investment lifecycle.

Driving value throughout the investment lifecycle

	Acquisition	Development	Stewardship	Value creation
Value	- Identify exposure to risks and opportunities such as physical climate risks, energy efficiency, local ordinances, and building performance standards - Document sustainability due diligence in our investment memorandum for evaluation during the investment committee approval process	Design requirements and considerations for energy performance, net zero carbon design, embodied carbon, biodiversity, and health and well-being, as well as responsible contracting and procurement practices	- Property-level sustainability requirements to monitor, budget, and improve performance across climate, nature, and people themes - Operational improvements to reduce utility consumption and equipment upgrades to replace inefficient equipment or switch to low-carbon alternatives	Seek to reduce risk and enhance value at time of sale through reduced operating expenses, increased demand for sustainable spaces, and shelter from regulatory and obsolescence risk
Resources	- Initial screening checklist - Sustainability in investment and due diligence summary	- New construction design requirements - Contractor sustainability requirements	- Sustainable Building Standards - Sustainability budget dashboard - Decarbonization planning	Disposition checklist—sustainability considerations

Perspectives

How sustainability creates value for our managed assets

“Sustainability integration has been a part of our DNA for decades, and we remain committed to that pursuit. At the end of the day, we believe sustainability can drive alpha and positive performance. Our LPs want to see how sustainability considerations can both enhance performance and mitigate risks, whether during initial underwriting or impacts on the exit strategy. Our comprehensive approach to sustainability alongside performance is our responsibility to clients and investors.”



Maggie Coleman
Chief Investment Officer,
Real Estate Equity, North America
Manulife Investment Management

How sustainability factors into our investment decisions

“Sustainable investing is integral to our approach, ensuring we manage risks and seize opportunities for long-term value creation. By systematically considering sustainability factors, we uphold our commitment to responsible stewardship of client capital without sacrificing financial performance.”



Jessica Harrison
Head of Transaction and Capital Markets, U.S.,
Real Estate, Transactions and Acquisitions
Manulife Investment Management

The impact of sustainability on overall investment performance

“As responsible investors, we seek to understand factors affecting risk and return profiles, including climate risks. Robust sustainability integration helps deliver attractive risk-adjusted returns over the long term. In real estate, it can attract high-quality tenants, support higher occupancy rates, improve net operating income, and mitigate regulatory and obsolescence risks.”



Scott Gordon
Head of Asset Management,
North America
Manulife Investment Management

How sustainability is considered at the macro level of investment decisions

“Manulife IM’s real estate house view offers an unbiased perspective on U.S. and Canadian commercial real estate. Current sustainability themes influencing market and asset selection include increasingly stringent environmental regulations across North America with financial penalties, physical and transition climate risks affecting investment theses, and the integration of social sustainability into investment strategies.”



Erin Patterson
Co-Head of Research and Strategy,
Real Estate Portfolio Management
Manulife Investment Management

Intentionally inclusive real estate strategies can create long-term asset value

“Integrating environmental and social sustainability into real estate investments has the potential to not only mitigate risks, but also drive long-term value and inclusive economic growth. By focusing on enhancing community well-being and aligning with supportive policy frameworks, we believe investors can unlock stable returns while contributing to broader socioeconomic resilience.”



Iraz Soyalt, Ph.D.
Senior Director,
Social Impact
Manulife Investment Management



Climate

Our approach to climate

As a manager of real estate investments, our business is exposed to risks and opportunities from the environment in which we operate, and we recognize that climate risk is a core real estate issue. As the impact of climate change is increasingly felt, it's vital for our investors, employees, tenants, and partners to understand why it's important and ways to incorporate risk mitigation strategies into our business plans.

While we continue our efforts to mitigate climate change by reducing emissions in our operations and supply chain, we also recognize the need to build climate resilience within our real estate portfolio and across our management practices. The nature and level of these risks are dependent on structural forces that will shape our short- and long-term decisions. We expect our business will be affected in both positive and negative ways by the climate transition—the opportunities will ultimately depend on our action and response. Reducing our carbon footprint is critical to helping manage our clients’ risk, improving the durability of financial return potential.

Scenario analysis for real estate

Identifying and monitoring various climate-related risks are essential to better-informed decision-making and our efforts to enhance the resilience of our business and buildings. To that end, in 2021, we produced our first climate risk disclosure report. In this report, we identified the transition and physical risks that will potentially affect our business across the short term (1–5 years), medium term (5–10 years), and long term (10+ years). In 2023, we conducted a climate scenario analysis to understand the impact of climate change on real estate and identify actions to prepare. We explored risks and opportunities under two scenarios: failure to act (>4°) and Paris aligned (<2°). Findings were shared with senior leadership and used to inform internal processes and industry frameworks, such as Task Force on Climate-related Financial Disclosures (TCFD) and International Sustainability Standards Board requirements.

Find more information about our climate risk disclosures

[Appendix—TCFD disclosure abbreviated](#)

[Real estate climate disclosure \(TCFD\)](#)

[Manulife IM sustainability report](#)



Climate—impact at a glance

24% reduction of operational GHG emissions in 2024 versus 2019	14% energy reductions in 2024 versus 2023	120 decarbonization plans completed as of end December 2024	100% of properties monitored for physical climate risk	64% of properties with completed climate resilience tool kits
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Climate resilience

Climate risks are already affecting the real estate sector, and their frequency and severity are expected to rise in the coming years. Both physical and transition risks threaten real estate asset cash flows and the future value of properties. Extreme weather events and physical hazards, such as hurricanes, floods, and wildfires, can inflict significant damage on real estate in vulnerable areas. Real estate companies and funds are increasingly recognizing a broad range of physical climate risks, and we’ve integrated these risk considerations throughout our investment lifecycle to help mitigate them.

We use a forward-looking, third-party climate risk tool to help evaluate our global portfolio’s exposure to physical climate and extreme weather risks, including floods, sea-level rise, extreme windstorms, wildfire, heat stress, and water stress. We’ve also inventoried our entire portfolio for property resilience—the presence of features and practices such as risk awareness, resilience management, emergency management, business continuity, and building attributes—that helps mitigate climate risks.

The results of this assessment led to the development of our climate change resilience standard, which is incorporated as part of our proprietary Sustainable Building Standards used by our third-party property managers. This standard aims to enhance property resilience through a range of initiatives, including education, emergency planning, resilience assessments, and building improvements.

To support our property teams with education and implementation of this new standard, we provide training and a property resilience tool kit. The tool kit helps teams to screen and prioritize resilience improvements based on their climate risk exposure and existing resilience measures and practices.

Examples of climate risk assessment and resilience measures

Climate change risks		Real estate impacts	Resilience measure	
• Sea-level rise • Water stress/drought • Heat stress	• Extreme windstorms • Wildfires • Floods	• Increased costs to maintain and operate assets • Repair or replacement costs • Property downtime and business disruption • Increase in insurance costs or no insurance availability	• Emergency management planning • Routine property inspections • Flood berms/barriers • Sump pumps • Shatterproof glass • Increased cooling capacity	• Relocating property features, equipment, or structures • Backup power • Fire-resistant materials • High-efficiency building equipment systems

Case study—climate resilience tool kit in action

Using the property resilience tool kit in conjunction with third-party climate risk data, a property team located in British Columbia identified wildfires as a potential risk to prioritize. The tool kit was able to provide the team with a prioritized list of resilience measures to address the identified risk as well as the estimated level of effort and associated cost of implementing such initiatives.

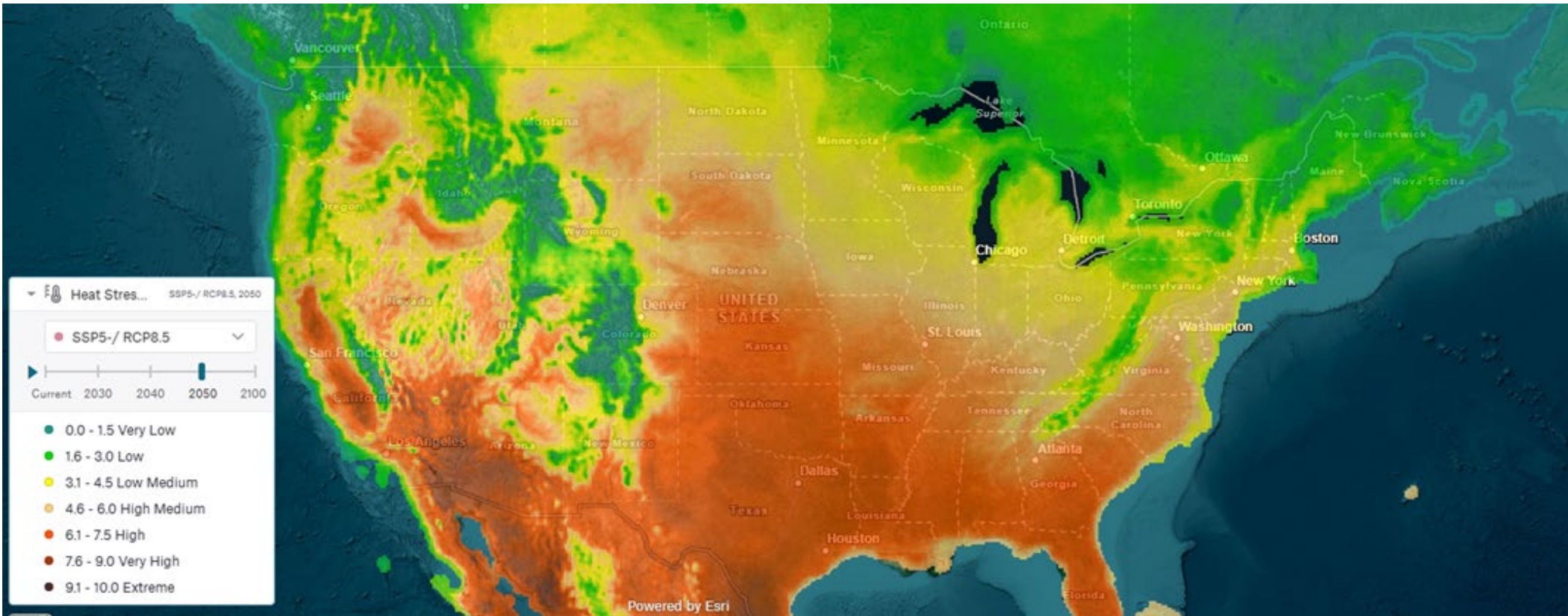
Summary of property risks and resilience measures

Risk	Rating	Emergency management plan to address risk?	Number of resilience measures implemented	Number of resilience measures planned	Overall resilience level	Total possible resilience measures
Flood	Low	Yes	10	3	High	17
Sea-level rise	No risk	No	0	0	Low	6
Extreme windstorms	No risk	Yes	6	1	High	9
Wildfire	Medium	Yes	4	1	High	7
Heat stress	Low	Yes	2	2	Medium	7
Water stress/ drought	Low	Yes	3	3	Medium	12
Earthquake	Low	Yes	3	1	Medium	9

Examples of implemented projects include administering an emergency management plan with specific procedures for wildfire response, developing a property response plan to minimize the effect on indoor air quality in the event of a wildfire, adding fire-resistant materials for roofing, and incorporating defensible landscaping designed to reduce fire spread and damage. To further prepare for wildfire risks, the property has budgeted to engage external support in completing a business continuity plan to help return business operations to normal once an event has been initially managed or deescalated.

Risk screening: mapping climate risk

As part of our due diligence process for new investments and developments, we’ve incorporated requirements to assess the physical climate risks present at the asset as well as recommendations for resilience best practices. These tools help teams screen for risk and prioritize resilience improvements based on their climate risk exposure and existing resilience measures and practices.



Source: Munich Re's Location Risk Intelligence Platform, 2025.

For example, heat stress across Canada and the United States is assessed using the representative concentration pathway emissions scenario RCP8.5, often referred to as the business-as-usual scenario. The map highlights areas in Canada and the United States at risk of experiencing extreme heat stress by 2050 if no action is taken against climate change. This data is used by investment teams to identify physical climate risks potentially affecting properties and is accompanied by a list of potential resilience measures to be included in underwriting, such as using building materials that limit heat absorption or energy-efficient equipment.





Decarbonization progress

The real estate sector has a notable impact on global emissions, making it particularly sensitive to changes in climate policies, performance standards, and customer expectations. We're developing solutions for reducing absolute scope 1 and scope 2 emissions by 40% by 2035, with an immediate focus on decarbonizing the assets we both own and operate. Our ambition to manage our carbon impact has never been more imperative, and so we've set a long-term GHG reduction target of 80% by 2050.

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

Rooftop solar PV in Hong Kong

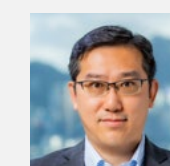
Manulife IM installed a 150 kW solar photovoltaic (PV) system on the rooftop of Manulife Tower, comprising 270 solar panels. This system generates 155,200 kWh annually, equivalent to the electricity consumption of 34 Hong Kong households, and reduces carbon emissions by 57,424 kg per year.

The installation was driven by rising energy costs and a commitment to sustainability. Following CLP Power Hong Kong's online electricity tariff launch, our investment teams explored solar PV projects to reduce energy costs and carbon emissions.

The project aimed to reduce energy costs without up-front investment while lowering carbon emissions. Established under a profit-sharing plan, we incurred no initial costs for design, installation, or materials.

Income from the feed-in tariff serves as a tariff subsidy, and repurchased electricity accounts for 21% of profits made.

"Renewable energy is essential for advancing decarbonization and meeting firmwide GHG reduction targets. Solar PV is the most relevant technology for real estate. Given varying investment strategies and physical constraints, a one-size-fits-all approach isn't always feasible. Success often requires creative solutions and collaboration with stakeholders such as contractors, tenants, and investors."

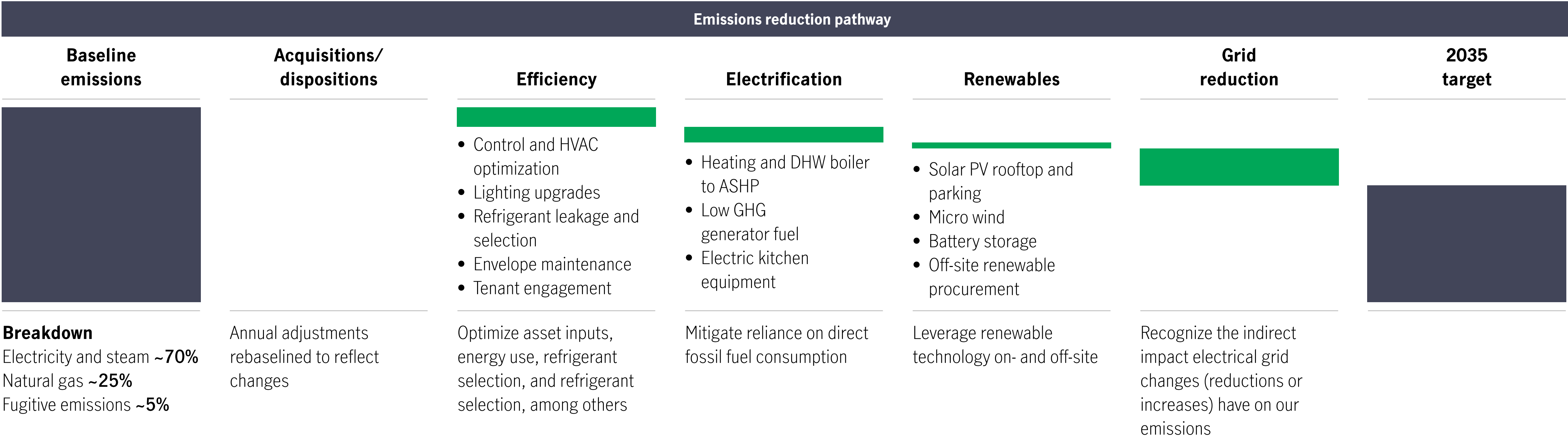


Kenneth Tsang

Head of Asset Management, Real Estate, Asia-Pacific
Manulife Investment Management

Real estate emissions illustrative action plan

One potential emissions reduction pathway to 2035



While not a direct source of emissions reduction, high-quality data about our assets will be critical for prioritizing complex reduction measures. Potential supporting initiatives include:

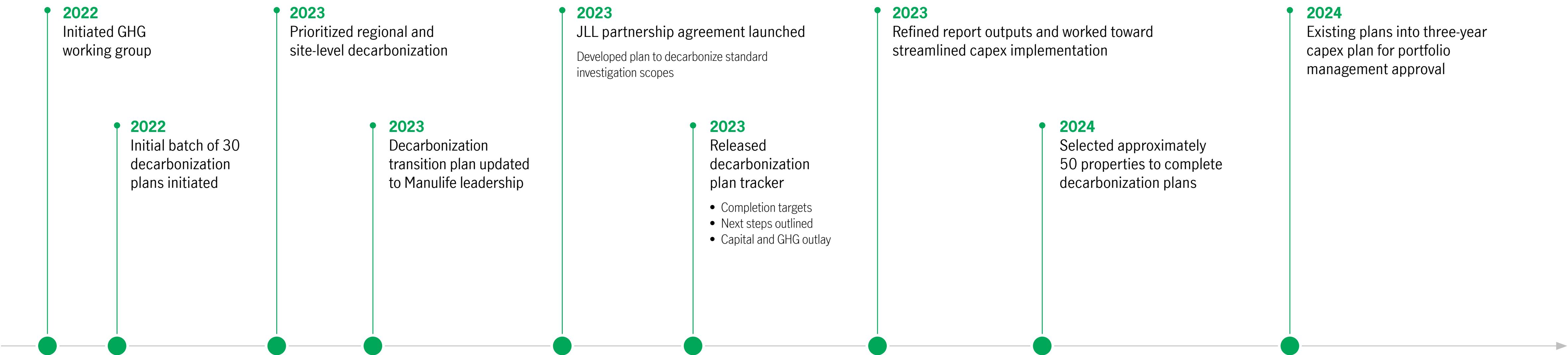
- Decarbonization plans
 - Retrofit commissioning
 - On-site solar feasibility study
- Portfoliowide rollout of energy management platform
 - Real-time interval metering rollout

HVAC refers to heating ventilation and air conditioning. DHW refers to domestic hot water. ASHP refers to air source heat pump. Solar PV refers to solar photovoltaic.



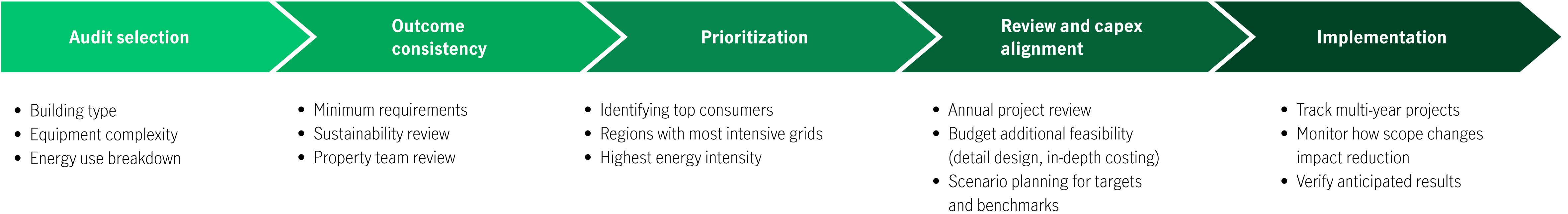
Our decarbonization strategy

Since 2022, our real estate platform has been executing on a comprehensive program to reduce carbon emissions.



Approach to decarbonization planning

In partnership with our property management partners, we’ve created detailed asset-level decarbonization plans for 120 assets in our portfolio. These plans outline steps to meet both mid- and long-term goals and focus on immediate building efficiency and optimizations along with more capital-intensive deep retrofit opportunities during major lifecycle equipment renewals.



Our coordinated decarbonization plans equip asset management teams with the insight and tools needed to align capital improvements with regulatory requirements and strategic goals. With a global project inventory, internal tracking systems, and scenario analysis tools, teams can prioritize impactful actions, monitor progress, and integrate transition planning to align with both the local regulatory environment and our asset and fund strategies. With decarbonization planning for our existing portfolio nearly complete, all new acquisitions will aim

to include budgets for transition plans. Next steps at the asset level will involve implementing detailed designs for deep retrofits and executing efficiency and optimization measures. Our real estate platform is one of many asset classes within Manulife IM that contributes to the objectives set out in Manulife’s [climate action plan](#). This plan outlines our path to success within our real assets investing universe, our targeted approach using our sphere of influence, and the unique challenges to decarbonization at play within each asset class.

Decarbonization achievements					
Over 75% of operational emissions and over 90% direct scope 1 emissions are covered by decarbonization plans ¹	Over 1,000 efficiency, operational, and capital projects identified across our portfolio	Over 120 decarbonization plans completed	Over 50% of assets under management are included within our decarbonization plans	2,200 tCO₂e/year estimated GHG reductions from completed efficiency retrofits since 2023	CRREM pilot completed across our general account portfolio using updated emissions reduction pathways to reflect North American assets

¹ As of December 31, 2024, based on Q4 2024 budgets.



Nature

Our approach to nature

Nature is, quite simply, the natural world. It includes both nonliving realms (land, soil, water, and air) and living ones (ecosystems, species, and genes), which we refer to as biodiversity. In addition to nature's tremendous inherent value, all life on earth, to varying degrees, depends on the benefits nature provides. Nature and biodiversity are critical for the functioning of society and the global economy. Over half the world's total GDP—about \$44 trillion of economic value generation—is moderately or highly dependent on nature and its services.



From building construction to operations, the real estate sector is highly dependent on nature. We recognize the huge material inputs that the construction and maintenance of our buildings require. From an operations perspective, we understand the role nature plays in protecting against flooding, providing clean water, reducing temperatures during heat waves, and, for many buildings, creating a pleasant living environment.

We believe that neglecting nature can negatively affect the value and resiliency of our clients’ real estate assets. For this reason, we make an effort to safeguard surrounding ecosystems and natural habitats in which biodiversity thrives. We continue to review and update our processes to ensure that best practices for benefiting nature and biodiversity are incorporated across the investment lifecycle. More information on our approach to nature and related topics can be found in our [nature statement](#), [water statement](#), and [climate change statement](#).

Considerations throughout the investment lifecycle

Acquisitions and new developments		Asset management and stewardship	
Checklist considerations		Sustainable Building Standards	
• Grow tree canopy on streets and parking lots • Convert hardscapes to green or cool paving • Use a minimum of 50% native plants for landscaping • Install a green roof for all usable roof space • Net-positive biodiversity impact for greenfield developments		• Eliminate use of pesticides • Plant native trees or plants • Install beehives or other wildlife shelters • Green/open-grid paving • Green roof or rooftop gardens	
		• Bird-friendly management practices • Water and waste reduction	

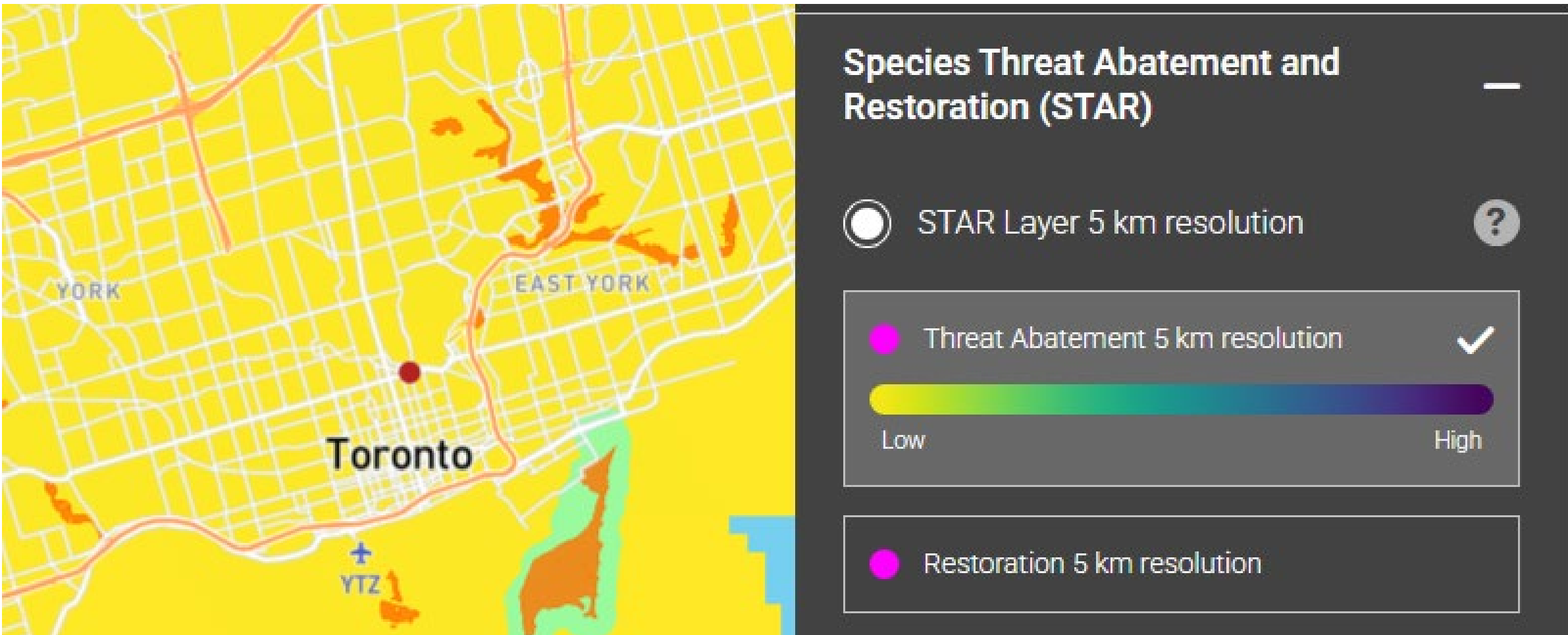
Leveraging biodiversity insight

Increasingly, investors want to understand the financially material relationships their assets may have with nature, particularly biodiversity. We’ve made significant investments in the past year that will enable us to deliver this information to our investors, including adoption of the IBAT as part of our commitment to maintaining and enhancing biodiversity. IBAT provides access to comprehensive global datasets, including the [IUCN Red List of Threatened Species™](#), the [World Database on Protected Areas](#), and [World Database of Key Biodiversity Areas](#). This authoritative external data helps us incorporate biodiversity into our risk analyses and asset management plans—key recommendations of the [TNFD](#).

IBAT’s reports deliver valuable site-specific information, such as Species Threat Abatement and Restoration (STAR) scores. STAR scores can be generated for any area and quantify the potential contributions that land management activities on that site can make toward reducing extinction risk or restoring a more biodiversity-rich environment.

One of the immediate benefits we see with IBAT is its potential as a screening tool for acquisition due diligence that informs our understanding of biodiversity risks and the opportunities associated with properties early in the process. We also look forward to exploring more of IBAT’s capabilities for the existing properties that we manage.

Possessing data on biodiversity risks across our global portfolio enables us to prioritize the assets at highest risk alongside opportunities for remediation. We can then decide if more detailed assessments, such as in-person ecological assessments, are needed. These assessments provide a deeper understanding of the baseline environmental conditions and ecosystem sensitivities at a given site and inform tailored recommendations for regeneration.



[Leveraging the “Roadmap to Nature Positive”—click to learn more.](#)

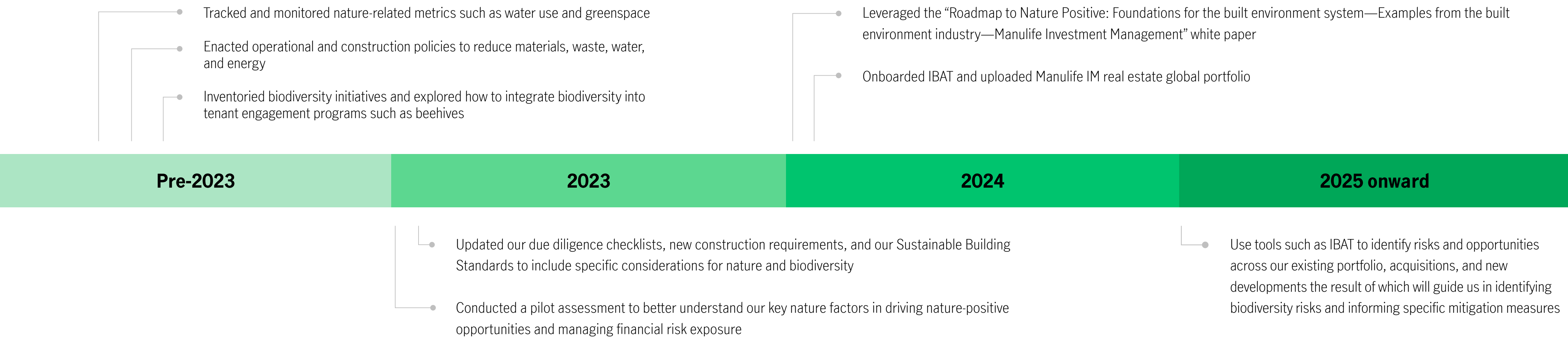
Leveraging the *Roadmap to Nature Positive: Foundations for the built environment system*

Examples from the built environment industry:

→ *Manulife Investment Management*

Tracking nature in the built environment

As threats to nature and biodiversity are increasingly recognized, we’ll continue to prioritize their protection by engaging with our partners across the investment lifecycle, local communities, and broader industry associations to enhance the long-term value of our clients’ assets.



Nature—impact at a glance

22% water use reduction (2023 vs. 2024 or baseline)	100% of portfolio on IBAT coverage of our real estate equity portfolio on the IBAT platform	60% of properties have implemented at least one nature or biodiversity-related initiative
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People

Assessing risks, impact, and opportunities

Real estate provides environments in which people can live, interact, and thrive. Real estate investors have an important role in providing an adequate standard of living and healthy living environments for all.

Manulife is firmly committed to respecting human rights, including workers’ rights, in our business operations and relationships, as demonstrated in Manulife’s [global human rights statement](#). Our commitment to human rights extends to our supply chain, and we’re committed to promoting responsible and ethical business practices, as stipulated in our [responsible contracting policy](#) and Manulife’s [vendor code of conduct](#). Our responsible contracting policy states that all Manulife IM-affiliated contractors, such as property managers, must comply with applicable federal, state, and local laws, regulations, and ordinances, and adhere to Manulife IM’s human rights standards.

Manulife IM uses a human rights-based approach for people-related considerations. This means we use international human rights standards as the fundamental framework for assessing and addressing risks, impact, and opportunities, enabling a comprehensive approach in terms of the type of impact, range of stakeholders, and our accountability within the entire investment cycle. Our investment teams are equipped with resources to support this approach.

A comprehensive human rights due diligence framework forms the foundation of our strategy and governs our approach to considerations covering people, which include:



Salient human rights issues



Inclusive human capital and goods/services



Indigenous peoples



Responsible contracting and supply chain oversight



Access to remedy



Community engagement

As per the [United Nations Guiding Principles on Business & Human Rights](#), we identify salient human rights risks and their effects on our business and investments. We integrate these findings into new and existing policies and procedures for mitigating these risks and impacts and monitor the progress and effectiveness of our measures. In 2024, we held a training session with our third-party property managers focused on Manulife IM’s responsible contracting policy, which covered topics that include responsibility screening for real estate-specific salient human rights issues, building contractor capacity, incorporating human rights considerations into contract terms, and taking part in remediation where we’re cause or a contributor of a human rights issue.

Within real estate, we apply a structured approach to human rights through policies such as our Sustainable Building Standards and property management agreements, which address DEI, sustainable procurement, economic development, health and wellness, and community engagement.

Since launching these standards in 2017, we’ve used them to guide investment decisions, assess social well-being, and set clear expectations for property managers. Our investment teams are equipped with tools to evaluate people-related risks and opportunities, including access to wellness certifications, active transportation, and human rights considerations. We continuously refine our practices by monitoring emerging trends and integrating best-in-class approaches, ensuring our efforts support long-term value creation for clients and positive outcomes for stakeholders and communities.



People—impact at a glance

25%

health and wellness building certification rate¹

750

colleagues trained on responsible contracting

76%

of properties are meeting our Sustainable Building Standards people and communities minimum expectations

Alignment

with UN Guiding Principles on Business and Human Rights

Tenant satisfaction surveys are a key part of this process, offering insight that informs operational improvements, enhances tenant experience, and aligns with our broader social impact and asset performance goals. These standards demonstrate our principled approach to conducting business in relation to people-related impact, on our colleagues, suppliers, and communities, including indigenous peoples.

In 2024, we started working with a third-party vendor to assess contractors' processes for managing human rights risks. Within Manulife IM, we've trained over 750 colleagues on responsible contracting and conducted human rights sessions with business leaders, investment teams, and selected business partners.

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

Case study—social inclusion

In 2024, our team published a white paper, "[Social inclusion may make economic sense](#)," discussing the benefits of intentionally inclusive real estate strategies that create long-term asset value. It discusses how prioritizing human-centered economic development can address socioeconomic inequities and drive demand for real estate, supporting long-term financial performance. Highlighting the direct link between economic inclusion and GDP growth (citing [research from Nobel laureates](#)), the paper demonstrates how inclusive economic and political institutions can foster long-term prosperity.

The white paper also discusses the benefits of mixed- and middle-income housing for enhancing socioeconomic mobility, noting that investments in affordable multifamily housing have demonstrated higher and less volatile returns. The use of housing choice vouchers is highlighted as a means to stabilize rental incomes and reduce vacancy rates, contributing to more predictable and stable financial returns. State-driven initiatives, such as Texas's public finance corporations and Florida's Live Local Act, are examined for their role in incentivizing affordable and mixed-income housing development, providing property tax abatements, and supporting long-term financial viability.

This type of research is critical to advancing the integration of social equity considerations into investment decisions by highlighting how socially inclusive strategies can lead to stronger, more stable returns and long-term growth. By integrating social factors into real estate strategies, investors can foster economic growth, stability, and positive community outcomes, making sustainable investment a viable and effective practice. Real estate investors play a crucial role in providing adequate living standards and healthy environments, warranting a cohesive approach to both environmental and social sustainability. Overall, investing with an inclusionary lens addresses fiduciary responsibilities while contributing to broad-based, long-term growth for all stakeholders.



Appendix

Governance

Performance

Disclosure framework indexes

Governance

Our governance of sustainability

Good governance is critical for making good decisions. This is our governance structure for sustainability-related decision-making within real estate.

Global real estate leadership team (GRELT)

Consisting of senior representatives in our real estate business, the GRELT is responsible for developing and implementing investment strategies, including capital raising, acquisitions, portfolio management, asset management and operations, and product development. The real estate sustainability team works closely with the strategy team to ensure that sustainability is a consideration in business processes and decisions by identifying and developing sustainable investing best practices, supporting investment teams in developing tools and methodologies, advising on product development, and leading participation in external initiatives or collaborative industry engagement.

Real estate investment committee (REIC)

The REIC, which includes the real estate division’s chief investment officer, is responsible for ensuring that every acquisition has undergone extensive sustainability due diligence using our proprietary sustainability tool kit.

Manulife IM’s private markets sustainability committee

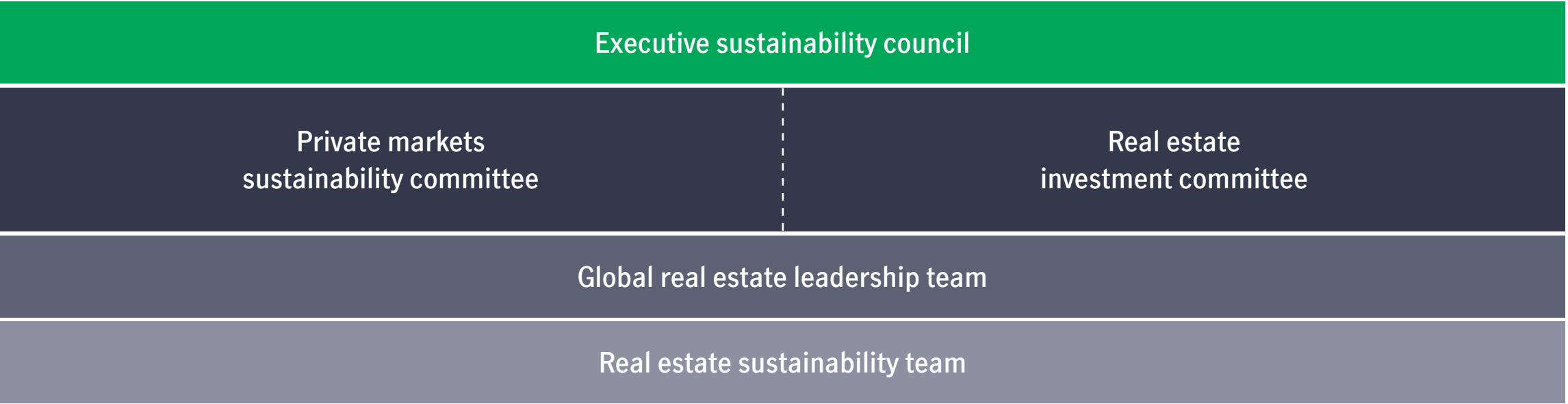
The committee includes Manulife IM’s global head of private markets and chief sustainability officer (CSO) and oversees the firm’s implementation of value-enhancing sustainability practices across all private markets asset classes, including real estate.

Manulife’s executive sustainability council (ESC)

This council, which includes Manulife’s CEO and CSO and Manulife IM’s CEO, is responsible for decisions related to key sustainability priorities across Manulife’s global enterprise, including insurance and wealth management. Examples of priorities under the ESC’s oversight include Manulife’s impact agenda and journey to net zero.

For further details on Manulife IM’s overarching sustainability governance structure, please see our [sustainability report](#).

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Transparency and reporting

To ensure we're accountable to all stakeholders, we report on our performance using globally accepted standards and disclosure frameworks, including the Principles for Responsible Investment (PRI), CDP disclosures, and GRESB's Real Estate Assessment. We also communicate material sustainability-related information to our investors in quarterly and annual reports. The content of these reports is informed by the GRI Standards, the SASB Real Estate Standard, the UN's Sustainable Development Goals, and the TCFD. We continue to monitor the advancement of sustainability reporting standards and are preparing to align with the International Financial Reporting Standards Foundation and TNFD frameworks.

Sustainability integration across the investment lifecycle

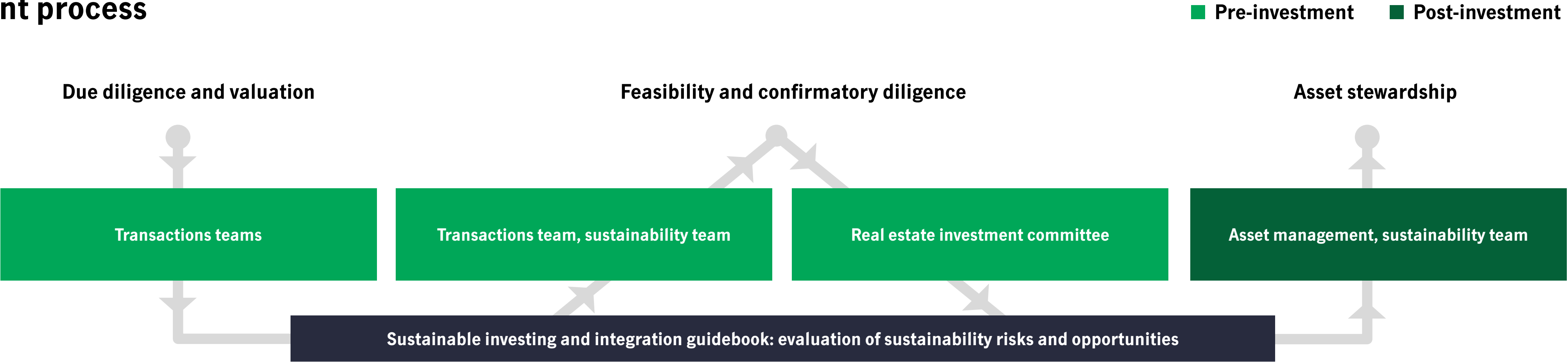
Responsible stewardship of client capital is key to our business and culture. Sustainable investing involves assessing sustainability factors in our investment analysis and ongoing portfolio monitoring as an integral part of our risk management and pursuit of attractive opportunities for our clients.



Due diligence and investment decisions

Systematic consideration of sustainability factors during the investment stage of real estate portfolio management aims to mitigate sustainability-related risks and support long-term value creation. Our sustainable investing and integration guidebook provides guidance and tools that enable investment teams to consistently apply the integration of sustainability risks and opportunities throughout the investment process. We assess sustainability risks such as GHG emissions and climate change, social impact, nature, and environmental performance.

Investment process



Sustainability theme	Climate	Nature	People
Material risks and opportunities	- Physical climate risk - Transition climate risk - GHG emissions - Energy and water reduction - Waste diversion	- Sensitive lands - Materials and resources - Biodiversity - Water quantity/quality - Air quality	- Health and safety - Human rights - Responsible contracting - Training and development - Community engagement

Asset management and portfolio monitoring

Property operations make up the bulk of our environmental and social impact and are the focus of our interaction with our employees, tenants, and community members. Developing a comprehensive approach to asset management and operations is critical to ensuring that material sustainability factors are tracked, monitored, and improved on. To support this, we've developed proprietary tools, such as our property management Sustainable Building Standards and our sustainability budget dashboard, which provide asset managers with guidance on sustainability improvement opportunities to be included in annual asset planning and our clients' budgets.

To ensure our sustainability practices are upheld, we include these sustainability requirements in our property management agreements, which require annual reporting on progress made. Manulife IM's asset managers complete the property manager scorecard annually for all external property managers globally, which includes assessment against the sustainability performance outlined in their property manager agreements. This process serves to ensure that we're thoughtful and disciplined in ensuring that we have the best managers in the market managing our assets.

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

New development and construction

As real estate investment managers, we believe it's critical to manage sustainability risks throughout the lifecycle of our assets because risks such as climate change and social inequity are systemic and can negatively affect the financial value of our clients' assets. Integrating sustainability into initial development is a key first step for supporting the financial and nonfinancial objectives of our clients. We've therefore formalized our approach to sustainability integration, recognizing that our development pipeline represents an early means of managing risks and capitalizing on opportunities.

To support implementation, we've created a suite of proprietary tools for our development projects. These include design requirements and considerations that address energy performance, net zero carbon design, biodiversity, embodied carbon assessments, and health and well-being, as well as responsible contracting and procurement practices.

Sustainable Building Standards

Manulife IM's Sustainable Building Standards act as our guide to advancing sustainability within all buildings and across all regions. These standards define requirements and best practices for property teams and encourage improvement for the benefit of our clients in areas such as environmental risks, energy and water consumption, waste diversion, GHG emissions, climate risks, nature and biodiversity, and social impact.

Manulife IM's third-party property managers self-report performance on our Sustainable Building Standards through Manulife's annual sustainability survey. To help ensure correct interpretation, application, and implementation of the standards, 20% of Manulife IM's portfolio is audited annually by a third-party consultant.

Our standards also allow us to:

- Meet industry and stakeholder expectations, such as supporting requirements for certifications, GRESB, and the PRI
- Drive leadership across our five sustainability commitments
- Enable benchmarking of sustainability performance and understanding of business outcomes
- Provide tools and resources for third-party property managers

Our Sustainable Building Standards adapt to industry changes to deliver continuous performance improvement across our global portfolio.

Performance

Climate

Metric	2019 (base year)	2022	2023	2024
Energy				
Absolute energy use (eMWh) ¹	803,261	670,011	577,949	495,843
Energy use intensity (ekWh/sf) ²	23.3	18.1	14.6	13.7
Greenhouse gas emissions ³				
Absolute emissions				
Scope 1 (tCO ₂ e) ⁴	39,606	39,645	34,786	28,440
Scope 2 (tCO ₂ e) ⁵	129,585	103,602	87,677	67,911
Total operational (tCO ₂ e)	169,191	143,247	122,463	96,352
Emission intensity (kgCO ₂ e/sf)	4.6	3.6	3.1	2.7
Rebaselined emissions ⁵				
Total operational (tCO ₂ e)	127,012	—	—	96,352
Emission intensity (kgCO ₂ e/sf)	3.5	—	—	2.7
Comparison to base year (%)	0	—	—	24
Scope 3 emissions ⁶				
Scope 3 Cat. 13—downstream leased assets (tCO ₂ e)	—	—	36,797	68,653
Scope 3 Cat. 5—waste (tCO ₂ e)	2,915	2,092	5,404	5,961
Scope 3 Cat. 3—upstream fuel and energy impacts (tCO ₂ e)	—	—	—	8,387
Scope 3 total, tracked (tCO ₂ e)	2,915	2,092	42,201	83,001
Climate resilience				
Properties with climate resilience tool kit (%)	—	13	27	64
Properties with climate risk emergency management plans (%)	—	62	67	77

1 Includes emissions from natural gas, diesel, and refrigerant emissions. **2** Energy intensity is based on gross unadjusted energy usage and excludes properties without a full year of whole building energy data and anomaly energy use intensities (EUI). **3** Location based emissions. **4** Includes emissions from natural gas, diesel, and refrigerant emissions. **5** Includes emissions from purchased electricity and steam. **6** Manulife uses a baseline year of 2019. In 2023, we rebaselined our emissions data to reflect our changing portfolio, and account for divested and acquired assets. We followed a framework in line with the GHG protocol, whereby assets divested of after our baseline year (2019) were removed from the inventory in the following reporting year, and acquired assets after 2019 would have their first full year of emissions back casted up to the year of its development. **7** Includes measured emissions from waste and downstream leased assets and does not include estimates. Only tenant data collected is represented in this table. GHG intensity is based on gross unadjusted consumption and excludes properties without a full year of whole building data and anomalies.

Nature

Metric	2019	2022	2023	2024
Water				
Absolute water use (m³)	2,520,652	2,458,121	2,278,728	1,773,331
Water use intensity (l/sf)	62.0	55.6	53.9	49.0
Waste				
Recycled waste (tonnes)	8,448	6,161	8,405	6,256
Waste to landfill (tonnes)	8,137	5,633	9,317	6,948
Waste diversion rate (%)	46	46	47	47
Sustainable Building Standards				
Properties that have implemented at least one nature- or biodiversity-related initiative (%)	—	60	54	60

People and communities

Metric	2022	2023	2024
Energy			
Health and Wellness Building Certification (% of portfolio based on GFA) ¹	15	18	25
Properties meeting our SBS people and communities minimum expectations (%)	41	71	76
Properties with 3 or more wellness amenities (%)	44	52	51
Properties with responsible procurement policies (%) ²	61	66	83
Workforce ³			
VP+ women (%)	—	36	40
AVP women (%)	17	42	38
Director women (%)	—	44	47
Overall women (%)	35	45	43
VP+ racially and ethnically diverse (%)	—	25	25
AVP racially and ethnically diverse (%)	14	29	28
Director racially and ethnically diverse (%)	—	17	19
Overall racially and ethnically diverse (%)	17	30	34

1 GFA refers to gross floor area. **2** Not applicable for properties with no operational control. **3** Racially and ethnically diverse breakdowns are for U.S.- and Canada-domiciled full time equivalent employees/staff only.

Disclosure framework indexes

Statement of use: Manulife IM has reported the information cited in this GRI content index for the period of January 1, 2024, through December 31, 2024, with reference to the 2021 GRI Standards and the SASB Real Estate Standard, Version 2023-06. References are summarized in the tables below. Some content is also found on our [real estate sustainability website](#) and [Manulife IM website](#).

GRI content index

Disclosures	Title	Content applies	Content location	Page
GRI 2: General disclosures 2021				
2-1	Organizational details	a. Legal name	Sustainable investing real estate 2024 report	2
2-3	Reporting period, frequency, and contact point	a. Reporting period and frequency of sustainability reporting	January 1, 2024, to December 31, 2024 Reporting cycle: annual	
		c. Publication date of report	Sustainable investing real estate 2024 report	1
2-4	Restatement of information	i. The reasons for the restatements ii. The effect of the restatements	Sustainable investing real estate 2024 report	31
2-5	External assurance	If the organization’s sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; and iii. describe the relationship between the organization and the assurance provider.	Manulife IM engages with third-party provider, Futurepast, performed a limited assurance engagement over select performance metrics for Manulife IM including energy, water, waste generation and greenhouse gas emissions. Third-party assurance: GHG emissions and water withdrawal data 2024	
2-6	Activities, value chain, and other business relationships	a. Active sector b. Description of value chain	Sustainable investing real estate 2024 report	4, 8
			Manulife real estate investment website	
2-9	Governance structure and composition	b. Committees of the highest governance body that are responsible for decision-making on and overseeing the management of the organization’s impacts on the economy, environment, and people	Sustainable investing real estate 2024 report	27–29
			Real estate climate disclosure 2021	4

Disclosures	Title	Content applies	Content location	Page
2-22	Statement on sustainable development strategy	a. Statement from the highest governance body or most senior executive	Sustainable investing real estate 2024 report	3
2-28	Membership associations	a. Main memberships of industry or other associations	Some of our memberships and affiliations	
2-29	Approach to stakeholder engagement	a. Approach to engaging with stakeholders	Real estate sustainability framework	
GRI 101: Biodiversity				
101-2	Management of biodiversity impacts	a. Actions taken to avoid negative impacts on biodiversity	Sustainable investing real estate 2024 report	19–22
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	e. Total energy consumption	Sustainable investing real estate 2024 report	31
GRI 303: Water and Effluents 2018				
303-5	Water consumption	a. Total water consumption	Sustainable investing real estate 2024 report	32
GRI 305: Emissions 2016				
305-1	Direct (scope 1) GHG emissions	a. Gross direct (scope 1) GHG emissions	Sustainable investing real estate 2024 report	31
305-2	Energy indirect (scope 2) GHG emissions	a. Gross location-based energy indirect (scope 2) GHG emissions	Sustainable investing real estate 2024 report	31
305-3	Other indirect (scope 3) GHG emissions	a. Gross other indirect (scope 3) GHG emissions	Sustainable investing real estate 2024 report	31
305-4	GHG emissions intensity	a. GHG emissions intensity ratio	Sustainable investing real estate 2024 report	31
GRI 306: Waste 2020				
306-3	Waste generated	a. Total weight of waste generated and breakdown by composition of the waste	Sustainable investing real estate 2024 report	32
GRI 403: Occupational Health & Safety				
403	Occupational health and safety	a. Occupational health and safety systems and policies	Manulife global health and safety policy Manulife discrimination harassment and violence policy	

Disclosures	Title	Content applies	Content location	Page
GRI 405: Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	a. Reports on percentage of individuals within the organization's governance bodies in gender and minority diversity categories b. Reports on percentage of employees per employee category in gender and minority diversity categories	Sustainable investing real estate 2024 report	32
GRI 408: Child Labour				
408-1	Operations and suppliers at significant risk for incidents of child labour	c. Report on measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor	Manulife Modern Slavery Act statement Manulife vendor code of conduct Responsible contracting policy Manulife Global human rights statement	
GRI 409: Forced or Compulsory Labour				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	b. Reports on measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor (includes freedom of association and collective bargaining (GRI 407))	Manulife Modern Slavery Act statement Manulife vendor code of conduct Responsible contracting policy Manulife global human rights statement	
GRI 413: Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs	a. Reporting on local community engagement, impact assessments, and/or development programs, including use of formal local community grievance processes	Sustainable investing real estate 2024 report	24
GRI 414: Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	a. Suppliers are assessed using social criteria ¹	Sustainable investing real estate 2024 report Responsible contracting policy	24

¹ In 2024, we onboarded a sustainable business and supply chain assessment platform to help assess suppliers and contractors from a social perspective. Next year, we aim to include analytics from this platform in our reporting.

SASB content index

Disclosures	Title	Content applies	Content location	Page
Energy management				
IF-RE-130a.2 (1)	Total energy consumed by portfolio area with data coverage	Total energy consumed by the portfolio	Sustainable investing real estate 2024 report	31
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage by property sector	Like-for-like percentage change in energy consumption for the portfolio	Sustainable investing real estate 2024 report	31
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR by property sector		See note 1	
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy		Sustainable investing real estate 2024 report See note 2	29–30
Water management				
IF-RE-140a.2 (1)	Total water withdrawn by portfolio area with data coverage	Total water withdrawn by the portfolio	Sustainable investing real estate 2024 report	32
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage by property sector	Like-for-like percentage change in water withdrawn for the portfolio	Sustainable investing real estate 2024 report	32
Climate change adaptation				
IF-RE-450a.1	Area of properties located in 100-year flood zones by property sector		See note 3	
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks		Sustainable investing real estate 2024 report	10–14, 39
			Real estate climate disclosure 2021	7–16

Note 1		
Sector	(1)	(2)
Office	96%	37%
Residential	70%	12%
Retail	52%	0%
Industrial	63%	2%

Note 2	
• Operations: Our Sustainable Building Standards contain initiatives on energy to drive management and efficiency improvements at all properties	
• Investments: Our sustainability in investment and due diligence tool summarizes property energy performance and systems to ensure this information is considered in the investment process	

Note 3		
Sector	Count	Area (sf)
Office	9	997,343
Industrial	5	2,121,218
Retail	1	79,015
Residential	3	789,130
Total	18	3,986,706

SDG content index

SDG indicator	Description	Content location	Page
Climate			
SDG 13 —Climate action: As the effects of climate change are increasingly felt around the world, we must stay ahead of the curve by addressing the risks they pose to our business, buildings, and communities.	Take urgent action to combat climate change and its impacts	Sustainable investing real estate 2024 report Real estate climate disclosure 2021 Climate Change Statement	10–18
SDG 11 —Sustainable cities and communities: We deliver healthy and efficient properties for our customers in collaboration with tenants and community partners while enhancing our long-term returns.	Make cities and human settlements inclusive, safe, resilient, and sustainable	Sustainable investing real estate 2024 report	6, 23–25
SDG 7 —Affordable and clean energy: We maintain ongoing energy programs to support our team in allocating capital toward low-carbon technology and improving property performance.	Ensure access to affordable, reliable, sustainable, and modern energy for all	Sustainable investing real estate 2024 report Real estate climate disclosure 2021 Climate change statement	10–18
Nature			
SDG 15 —Life on land: Healthy ecosystems provide immense value to the vitality of all communities and economies. To ensure this for generations to come, we seek to responsibly manage the land we occupy and to protect biodiversity.	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Sustainable investing real estate 2024 report Climate change statement Nature statement Water statement	19–22
SDG 12 —Responsible consumption and production: As both a large consumer of raw materials and source of waste creation, real estate plays an important role in responsible resource management. We continue to make waste management a priority and look for opportunities to increase diversion and reduce waste generation across our portfolio.	Ensure sustainable consumption and production patterns	Sustainable investing real estate 2024 report	6, 29–30

SDG indicator	Description	Content location	Page
People			
SDG 3 —Good health and well-being: We seek to improve the health and well-being of our tenants, employees, contractors, suppliers, service providers, and communities in all our operations by managing indoor environmental quality, providing health and wellness resources and education, and by fostering community engagement involvement and responsiveness.	Ensure healthy lives and promote well-being for all at all ages	Sustainable investing real estate 2024 report	23–25
SDG 10 —Reduced inequalities: We consider ethical business conduct and social factors when selecting business partners, contractors, suppliers, service providers, and third-party managers, and we encourage parties acting on our behalf to do the same.	Reduce inequality within and among countries	Sustainable investing real estate 2024 report Real estate sustainability framework Responsible contracting policy Manulife global human rights statement	23–25

TCFD disclosure—abbreviated

Governance	Strategy	Risk management	Metrics and targets
Manulife IM's sustainability governance structure is integrated with the larger sustainability governance at Manulife. The corporate governance and nominating committee (CGNC) of the Manulife board is charged with overseeing the company's sustainability framework and strategy and review of subsidiary governance. The CGNC oversees Manulife's executive sustainability council (ESC), which brings together representatives from multiple businesses and functional areas across Manulife to review and approve sustainability matters relevant to Manulife's business model and strategic business objectives. Part of the work of the ESC, with Manulife's chief sustainability officer as chair, is to drive the development of the firm's overall climate strategy, risk management activities on climate-related matters, performance tracking, and disclosures. We have two sustainability committees (SCs)—one for public markets and the other for private markets. This split structure helps ensure that we leverage specific asset class expertise in the oversight of our ESG integration, sustainability-themed products, and stewardship activities. These committees are chaired by the CIO of public markets and the global head of private markets, respectively, with membership drawn from Manulife IM's asset class investment heads and including Manulife IM's CSO.	As a global real estate manager, identifying and monitoring various climate-related risks are essential to making better-informed decisions and ensuring our business and buildings are built for the future. Transition risks—The general costs associated with moving from a current business-as-usual scenario to a low-carbon economy—and physical risks—the impacts associated with extreme weather events and changing climatic conditions—present the greatest climate-related challenges and opportunities for our real estate assets. We consider the transition risks and physical risk as having potential impacts on our business across either short-term (1–5 years), medium-term (5–10 years), or long-term (10+ years) time horizons. A full list of risks is outlined in our climate-related financial disclosures.	Manulife IM's real estate platform has built a rigorous risk management approach and framework, which lays out how we identify and manage the climate-related risks and opportunities to which we're exposed. Our three-step approach involves: 1 Raising awareness—To equip our teams with the right information and build internal capacity to manage climate risk and improve resilience 2 Evaluating risk and opportunities—To identify and understand climate risks and opportunities 3 Integrating best practices—By embedding management processes and tools throughout our business to mitigate risks and capitalize on opportunities	We use a variety of metrics and targets to manage and monitor our progress. These are also used to identify and monitor the potential financial effects associated with climate change on our business. Some of the metrics we use include: GHG reduction—Our ambition to manage our carbon impact has never been more imperative and, as such, we set a long-term GHG reduction target of 80% by 2050.¹ This carbon reduction goal will keep us accountable and help measure our GHG emissions reduction in line with our global targets. Energy, water, and waste reduction—We monitor property and portfolio energy, water, and waste performance through our Sustainable Building Standards every year. Asset specific—We set asset-type targets in our Sustainable Building Standards program. Physical risks—We track property resilience scores, which combine third-party physical risk data with property resilience survey results.

¹ Intensity-based target is for scope 1 and scope 2 emissions under operational control.

It should not be assumed that any ESG or sustainability initiatives, standards, or metrics described herein will apply to each asset in which Manulife Investment Management invests or that any ESG or sustainability initiatives, standards, or metrics described have applied to any individual prior investment of Manulife Investment Management. There is no guarantee that any initiatives or anticipated developments described herein will ultimately be successful or achieve anticipated outcomes. Environmental, social and governance (ESG) factors are only some of many considerations that Manulife Investment Management takes into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Any ESG or sustainability initiatives described will be implemented with respect to a portfolio investment solely to the extent Manulife Investment Management determines such initiative is consistent with its broader investment goals. Individual portfolio management teams may hold different views and make different investment decisions for different clients, and views may change over time. Investors should always read the current investment services information or fund offering documents before deciding to select an investment manager or to invest in a fund.

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

Manulife Investment Management conducts many ESG engagements each year but does not engage on all issues or with all issuers in our portfolios. We also frequently conduct collaborative engagements in which we do not set the terms of engagement but lend our support in order to achieve a desired outcome. Where we own and operate physical assets, we seek to weave sustainability into our operational strategies and execution. The case studies shown are illustrative of different types of engagements across our in-house investment teams, asset classes and geographies in which we operate. While we conduct outcome-based engagements to enhance long term-financial value for our clients, we recognize that our engagements may not necessarily result in outcomes which are significant or quantifiable. In addition, we acknowledge that any observed outcomes may be attributable to factors and influences independent of our engagement activities. The case studies shown are a sampling across issues and geographies. Our approach to ESG investing and incorporation of ESG principles into the investment process differs by investment strategy and investment team. It should not be assumed that an investment in the company discussed herein was or will be profitable. Actual investments will vary and there is no guarantee that a particular fund or client account will hold the investments or reflect the characteristics identified herein. Please see our ESG policies for details.

We consider that the integration of sustainability risks in the decision-making process is an important element in determining long-term performance outcomes and is an effective risk mitigation technique. Our approach to sustainability provides a flexible framework that supports implementation across different asset classes and investment teams. While we believe that

sustainable investing will lead to better long-term investment outcomes, there is no guarantee that sustainable investing will ensure better returns in the longer term. In particular, by limiting the range of investable assets through the exclusionary framework, positive screening and thematic investment, we may forego the opportunity to invest in an investment which we otherwise believe likely to outperform over time.

Investing involves risks, including the potential loss of principal. Financial markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. These risks are magnified for investments made in emerging markets. Currency risk is the risk that fluctuations in exchange rates may adversely affect the value of a portfolio's investments.

The information provided does not take into account the suitability, investment objectives, financial situation, or particular needs of any specific person. You should consider the suitability of any type of investment for your circumstances and, if necessary, seek professional advice.

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About Manulife Wealth & Asset Management

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