

Global issuer engagement policy

January 2025

Executive summary

Manulife Investment Management (Manulife IM) is the global asset management arm of Manulife Financial Corporation (Manulife). Manulife IM provides comprehensive asset management solutions for a broad range of clients across the globe with the common aim of generating attractive risk-adjusted returns for clients in accordance with individual client requirements. As stewards of our clients' investments, we regularly interact with issuers of public securities in order to both monitor the investments and also encourage best-in-class management of financially material risks and opportunities, including those related to environmental, social, and corporate governance matters.

Our approach to these engagements is set out in the Manulife IM global issuer engagement policy (the policy). This policy is applicable to the Manulife IM public markets business and the legal entities listed in Appendix A.

Manulife IM is a signatory to the UN Principles for Responsible Investment (PRI), the UK Stewardship Code, the Japan Stewardship Code, and other stewardship codes in various markets where we

conduct our business. The principles of these various bodies align with our belief that good investment stewardship, including issuer engagement, is essential to the long-term sustainability of companies and provide a standard of behavior to protect and enhance the value of our clients' investments.

In fulfilling our duty as a fiduciary to protect our clients' assets and to act in their best interests, we understand that our responsibilities of investment stewardship align with a long-term investment view. Our fundamental investment process goes beyond financial statement analysis and involves ongoing monitoring of a company's strategy, capital structure, and management of risks and opportunities. We seek to engage with issuers both before and after we invest in order to best monitor and understand our investment. We may also seek to encourage changes at issuers (i.e., engagement objectives) to enhance the long-term value of clients' investments. In employing our investment process, we seek to be active and effective managers on behalf of clients through issuer engagement and in the execution of our investment stewardship responsibilities, including proxy voting.

Policy

Engagement provides Manulife IM the opportunity to maintain an open dialogue with issuers in which we invest and to discuss matters that we consider material to clients' long-term success. Engagements help to deepen our understanding of the issues that underpin an issuer's strategy or valuation and provide the opportunity for us to influence those entities to adopt best practices, including in risk management and reporting. We believe investors play a critical role in influencing issuers to adopt business practices that promote stable long-term growth and reduce material risks faced by entities over time.

We look to support management teams that adopt strong governance structures and have a clear strategic vision to create and protect investment value.

Our interactions are intended to mitigate risks and negative issues that could alter the valuation, fundamental standing, or strategy of the issuers. We also view engagement as a tool to enhance the long-term value of the issuers in which our clients are invested. For example, we may engage to encourage positive change in a company's disclosure, management strength, and performance in relation to substantive matters, including financially material sustainability factors.

Types of engagement

As a manager with diversified asset classes, we engage as both an equity and debt investor. We'll generally seek to have a dialogue with representatives appropriate for a given context and may interact virtually, in person, or through written communication. Our engagements broadly may involve the following activities:

- **Bilateral issuer engagement:** Investment teams often interact with issuer representatives as part of their fundamental research process. The conversations provide analysts and portfolio managers with insight into management quality, business drivers, and the strategies of the issuers in which they invest. In addition, these engagements allow investment teams to assess risk exposure to sustainability factors and the management of that exposure to protect value. Specialist sustainable investment analysts regularly join these conversations to discuss risks and opportunities. These interactions are leveraged by investment teams in their investment process. In parallel, specialist sustainable investment analysts may also engage with issuers to discuss sustainability risks and opportunities, and investment staff are invited to participate in these discussions.
- **Collaborative engagement:** We may participate in engagement activities with other investors (collaborative engagement), depending on the approach that's deemed to be in the best interests of our clients, the issuer's relevant circumstances, and our engagement objectives. Our approach through collaboration is constructive, with the belief that over time we'll gain a sound understanding of how management of key sustainability issues supports an issuer's strategy. We'll engage with other investors when we believe it'll be more effective in achieving the desired outcome for our clients, provided that the collaborative engagement actions aren't prohibited by law or regulation. Manulife IM maintains independence in determining how to prioritize engagements, how to vote proxies, and investment decision-making at all times through these activities.

While we may engage primarily as a research or due diligence exercise, the investment teams and the specialist sustainable investment analysts also may engage with issuers on opportunities to improve management or reporting practices at issuers. Investment teams may engage directly with issuers to encourage iterative improvements in oversight, practices, and disclosure while the sustainable investment team monitors issuer progress in those areas over time. While we do work to achieve such outcomes, we often cannot say definitively that any changes happened due solely to our engagement efforts. We can, however, point to a timeline of events through our records that demonstrates a sequence where we engaged with an issuer and requested change and whether the change was subsequently made after our engagement.

Escalation options

Through engagement activity, Manulife IM may request certain changes of issuers to mitigate risks or maximize opportunities. Manulife IM will review progress on requested changes for those issuers engaged. In an instance where Manulife IM determines that the issuer hasn't made sufficient improvements on a matter, then we may take action to escalate our concerns to the attention of the issuer. Examples of escalation actions include the following:

- **Communication to directors:** We may communicate our concerns directly to the board of directors.
- **Dialogue with directors:** We may request further conversation with responsible directors on an issue.
- **Supporting shareholder proposals:** We may vote for shareholder proposals addressing a matter. As shareholder proposals are generally nonbinding, they're an effective signaling mechanism to management.
- **Voting against directors:** We may vote against responsible directors for lack of a satisfactory response to an issue.
- **Requesting a formal commitment:** We may request a written commitment from an issuer to address a matter.
- **Adjusting valuation or investment outlook:** Investment professionals may choose to adjust their valuation or investment outlook on an issuer's securities for lack of response.
- **Screening an issuer:** We may choose to screen an issuer from a sustainable investment strategy's investment universe for lack of response where appropriate given client objectives.
- **Issuing a public statement:** We may issue a public statement indicating our concern over a given matter and noting the need for an issuer to address the concern.
- **Filing a shareholder proposal:** In rare circumstances, Manulife IM may consider filing, or co-filing, a shareholder resolution at an issuer. Any such decision will be at the sole discretion of Manulife IM and acted on where we believe filing, or co-filing, a proposal is in the best interests of our clients.
- **Divestment:** Manulife IM may also divest of all, or some, holdings in an issuer where portfolio managers are dissatisfied with financial performance, strategic direction, and/or management of other material risks or opportunities.

Prioritizing engagements

We may account for multiple factors when prioritizing issuer engagement on matters where our assessment suggests that those factors are potentially financially material to an investment's risk/reward profile. We may account for the significance of an investment within a given portfolio, Manulife IM's degree of influence, and the expected contribution to long-term value creation from a successful engagement, among other factors.

We engage with issuers on a range of substantive corporate, strategic, and sustainability matters we believe may affect our clients' portfolio value. Below is a non-exhaustive list of issues that may be the focus of a particular engagement. This should be read in conjunction with Manulife IM's [sustainable investing and sustainability risk statement](#):

- Board structure
- Board diversity
- Board oversight and leadership
- Executive compensation
- Minority shareholder protections
- Capital management
- Dividend payouts
- Dilution
- Corporate actions
- Corporate strategy
- Climate change
- Pollution
- Natural resources use
- Biodiversity
- Health and safety
- Labor relations
- Employee diversity
- Human rights
- Community relations
- Supply chain oversight and management
- Technological innovation and disruption
- Population demographic shifts
- Resiliency of infrastructure
- Recent controversies
- Quality of disclosure and transparency
- Issues identified or raised in client requests

Conflicts of interest

We have a duty to act in the best interest of our clients at all times. We recognize that conflicts of interest may arise in our engagement activities, and we seek to identify, disclose, and mitigate potential conflicts in accordance with our fiduciary responsibilities.

We've identified the following potential conflicts of interest related to our engagement activities:

- Potential engagement with an issuer that's the sponsor of one of our institutional clients, or where the issuer otherwise has a material commercial relationship with either Manulife or another member of the Manulife group, and Manulife IM could be unduly influenced by the relationship.
- Manulife IM employees could have a material relationship with an issuer, which could affect engagement activities.

Manulife IM has implemented procedures to prevent and mitigate identified potential conflicts, including:

- Each Manulife IM employee adheres to the global code of ethics and general principles of business conduct outlined therein to always put the interests of our clients first. Where a material conflict is identified between an employee and an issuer, the conflict should be disclosed to the employee's manager and our legal/compliance departments as needed to determine if it's appropriate for such employee to engage with that issuer;
- Manulife IM has an organizational structure that separates reporting lines for the sustainability and investment professionals from sales and vendor functions in order to minimize real, or potential, conflicts of interest and to help ensure that voting is conducted in the best interest of the underlying clients;
- Engagement priorities and objectives are identified independently of our parent, Manulife, or any of its related entities; and
- Engagement with issuers won't be affected by any material commercial relationship that the issuer has with Manulife or Manulife IM.

Material nonpublic information (becoming an insider)

It isn't our purpose to engage with an issuer in order to receive material nonpublic information (MNPI), and we seek to avoid receipt of MNPI to the extent possible. If engagement activities result in the receipt of MNPI, Manulife IM will act in accordance with internal compliance policies and procedures relevant to MNPI.

Exercising voting rights

Where Manulife IM is granted and accepts responsibility for voting proxies for client accounts, it'll seek to ensure proxies are received and voted in the best interests of the client with a view to maximize the economic value of their investments unless it determines that it's in the best interests of the client to refrain from voting a given proxy. Alongside engagement, we see proxy voting as another invaluable tool for investors to influence issuers to adopt sustainable business practices that promote stable long-term growth and reduce material sustainability risks faced by entities over time. In voting on behalf of our clients, we look to support management teams that adopt strong governance structures and have a clear strategic vision to create and protect value. For more information regarding our approach to proxy voting please see Manulife IM's [global proxy voting policy and procedures](#) and Manulife IM's [global proxy voting guidelines](#).

Governance

Manulife IM's sustainability team has direct responsibility for the implementation of this policy, with actions taken under the policy being regularly reported to Manulife IM's public markets sustainability committee (SC), a group of senior representatives drawn from various functions within Manulife IM, which reports to the Manulife IM operating committee. This policy is subject to periodic review by the SC.

Monitoring and reporting

The sustainability team, with the support of the investment teams where relevant, will document substantive sustainability-related engagement meetings, including tracking of the discussion points, feedback, and action items, if applicable.

The sustainability team will also monitor progress on changes requested by issuers as needed.

On an annual basis, we'll publicly report on our website regarding the implementation of our engagement policy and voting activities in compliance with our regulatory responsibilities and as a signatory to the PRI and various stewardship codes. Also, on request by a client, Manulife IM will provide more detailed information about the engagement activities undertaken in relation to holdings in the client's portfolio.

Appendix A

Manulife IM advisory affiliates in scope of policy and investment management business only

Manulife Investment Management Limited

Manulife Investment Management (North America) Limited

Manulife Investment Management (Hong Kong) Limited

PT Manulife Aset Manajemen Indonesia

Manulife Investment Management (Japan) Limited

Manulife Investment Management (Malaysia) Bhd. Manulife

Investment Management and Trust Corporation

Manulife Investment Management (Singapore) Pte. Ltd.

Manulife IM (Switzerland) LLC

Manulife Investment Management (Taiwan) Co., Ltd.

Manulife Investment Management (Europe) Limited

Manulife Investment Management (US) LLC

Manulife Investment Fund Management (Vietnam) Company Limited