



*Responsible*  
contracting  
policy

January 2025

## Purpose

Manulife Investment Management<sup>1</sup> (Manulife IM, we, or us) recognizes the value that contractors bring to the operation of our investments and the importance of working with responsible partners to maintain sustainable operations. The complexity of supply chains and the diverse nature of our business activities and geographies in which we operate translate into diverse contracting needs. This policy<sup>2</sup> outlines our commitment to responsible contracting practices that align with the evolving regulatory frameworks and best practices for Manulife IM's comprehensive capabilities.<sup>3</sup>

This policy demonstrates our differentiated approach to responsible contracting, based on the asset classes and control we have over procurement activities, in our own operations, encompassing the procurement activities we undertake for our directly managed and third-party operated assets, and in our portfolio companies.<sup>4</sup>

## Our approach to responsible contracting

Our fiduciary duty remains at the core of our approach to contracting. At all times, assets shall be operated with the aim of enhancing the value of investments for the benefit of Manulife IM's clients. Portfolio managers and investment teams are charged with exercising the care, skill, prudence, and diligence appropriate to their respective tasks.

In alignment with this duty, to manage financial and reputational risk and to create long-term value, responsible contracting requires both parties—the buyer and the contractor/supplier—to take proactive and ongoing measures, with a shared responsibility for allocating risks, rights, and obligations, and to respect human rights and manage adverse impacts throughout a contract. Responsible contracting builds on the premise that all Manulife IM-affiliated contractors, such as property managers and construction/plant managers, are obligated to comply with applicable federal, state, and local laws, regulations, and ordinances, and with Manulife IM's expectation that its human rights standards are cascaded to the contractors' and their subcontractors' own businesses. Manulife IM may introduce asset-specific and fund-specific additional requirements as annexes to this policy in support of the execution of this policy.

**1** Manulife Investment Management is the unified global brand for Manulife's Wealth and Asset Management (WAM) business, which serves individual investors and institutional clients in three businesses: Retirement, Retail and Institutional Asset Management. **2** This responsible contracting policy aligns with the efforts of Manulife Financial Corporation (Manulife), our parent company, to build a responsible and diverse supply chain, and follows the principles described in Manulife's [global human rights statement](#), global procurement policy, [code of business conduct and ethics](#) and [vendor code of conduct](#), all of which reference Manulife's expectations regarding ethical business practices and human rights. **3** This responsible contracting approach applies to contracts entered into by or on behalf of Manulife IM. Please note that this policy is solely for guidance purposes. Contracts existing at the time of an investment or at the time this policy goes into effect shall not be subject to this policy until they are evaluated for renewal. Voluntary compliance with the spirit of the policy is encouraged. However, note that the preceding paragraphs shall not prevent Manulife IM from making any investment, including follow-on investments, that it would otherwise be permitted to make under a client account's governing documents, or entering into agreements with contractors on an exclusive or preferred basis (for example, on a non-competitive bid basis) that potentially offer strategic value. **4** Our leverage in procurement decisions may differ in the assets we directly control and operate vs. those operated by third parties vs. in our portfolio companies. This policy is for guidance purposes for Manulife and Manulife IM employees to support the implementation or promotion of responsible contracting principles.

Manulife IM applies the following principles to the real assets that we directly control and operate to continuously support the implementation of responsible contracting practices, including those that are subject to specialized procurement, in the (i) identification of contractors/suppliers and negotiation of a contract; (ii) execution, renewal, and modification of a contract; and (iii) closure/termination of a contract:

- **We conduct responsibility screening**

We identify salient human rights issues by asset class and sector and apply this insight as part of our contracting and sustainable investing due diligence processes.

- **We build our contractors' capacity**

Our commitment to human rights is clearly indicated in our [vendor code of conduct](#) (VCOC), which is publicly available to all Manulife IM's present and potential contractors and is shared with our contractors when onboarding. Manulife Financial Corporation's (Manulife's), Manulife IM's parent company's, global vendor management program reviews performance and policy alignment for a sample of vendors every year. Additionally, Manulife IM has specific initiatives for some individual asset classes and provides additional guidance and/or training on human rights to a number of our contractors.

- **We may incorporate human rights considerations into contract terms**

We may work with our selected contractors to agree on contract terms, including timelines and budgets, to avoid human rights abuses. Manulife IM contractors expressly agree to comply with the terms of our VCOC on contract signature.

- **We take part in remediating adverse impacts**

Our [code of business conduct and ethics](#) provides information about our toll-free hotline and email for reporting unethical, unprofessional, illegal, fraudulent, or other questionable behavior, including concerns and grievances of affected or potentially affected stakeholders. If an adverse event occurs, we work with our contractor(s) and/or other buyers to proportionally remediate or mitigate any adverse impact and study the root cause to avoid future harm, where appropriate.

In addition to the principles listed above, there are other steps we may take to create further value, when feasible:

- **Local procurement and supplier diversity**

While upholding our duty of care and prudence, Manulife IM can prefer contracts from responsible local and diverse suppliers to build long-term relationships with suppliers in communities in which we operate that are familiar with local sensitivities.

- **Competitive bidding**

Manulife IM seeks to promote a competitive bidding process when selecting third-party contractors to provide certain construction, maintenance, operations, and other business-related services. A competitive bidding process encourages fair competition and actively seeks bids from all qualified sources that can demonstrate relevant experience with projects of a similar scale and nature. This shall not apply in cases in which Manulife IM (including its affiliates) provides such services directly. Bid reviews shall include consideration of duty of care, prudence, and competitive risk-adjusted returns. Price is only one factor. Other important considerations include worker training, experience, expertise, reputation for honesty and ethical conduct, integrity, timeliness, availability, dependability, quality of services, soundness of work methods and approach, technological capability, worker protections, safety record, insurance, and references. These criteria aren't listed in order of importance nor is the list complete. Manulife IM may add or delete factors, change weightings, or decline to consider one or more factors and may use different outreach strategies in every asset class to source offers from contractors meeting these criteria.

We acknowledge that we don't always have control over procurement activities. In real assets that we don't directly control and operate, Manulife IM may communicate our responsible contracting approach to our operating company managers and use reasonable efforts to encourage alignment with that approach. We're working to improve our ability to monitor our third-party managers to ensure that responsible contracting practices are in place and implemented. Manulife IM investment teams may also use relevant elements of these principles when engaging with their portfolio companies and issuers.

## Collaborations

We place a strong emphasis on collaboration with peers, industry associations, civil society organizations, and other groups that seek fairer conditions and standards for workers everywhere. We'll collaborate with other industry stakeholders when we believe that an initiative is in the long-term interests of both our clients and the investment industry.

**Manulife Investment Management**

Manulife Investment Management is the global wealth and asset management segment of Manulife Financial Corporation. We draw on more than a century of financial stewardship to partner with clients across our institutional, retail, and retirement businesses globally. Our specialist approach to money management includes the highly differentiated strategies of our fixed-income, specialized equity, multi-asset solutions, and private markets teams—along with access to specialized, unaffiliated asset managers from around the world through our multimanager model.

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