

Additional ESG disclosure in relation to the underlying fund of Manulife MPF Sustainable Pacific Asia Bond Fund

(A) Summary of the ESG policy / primary investment policy of the Manulife Sustainable Pacific Asia Bond Fund (the “Sustainable Pacific Asia Bond Fund”)

It is intended that the underlying investments of the Sustainable Pacific Asia Bond Fund will invest at least 85% of its net assets in USD-denominated fixed income and fixed income-related securities of companies domiciled in, traded in and/or with substantial business interests in the Asia Pacific region and/or (if eligible) governments and government-related issuers located in the Asia Pacific region, who demonstrate strong sustainability attributes. The Sustainable Pacific Asia Bond Fund invests solely in an APIF (the “**Underlying Fund**”).

Sustainability attributes may include but are not limited to an issuer’s performance on and management of certain environmental factors, such as climate change and natural resource use, social factors, such as labor standards and diversity considerations, and governance factors, such as board composition and business ethics. Issuers with strong sustainability attributes are those that are avoiding harm to these factors while positively contributing to the sustainability of these factors.

In order to select securities of issuers with strong sustainability attributes, the investment manager of the Underlying Fund (the “**Underlying Fund IM**”) will, with respect to the investment universe: (i) apply positive screening; (ii) adhere to an exclusion framework; and (iii) remove securities with the lowest internal ESG rankings.

With regard to the positive screening, the Underlying Fund seeks to invest primarily in companies making a positive sustainability impact. This is principally achieved by applying a positive screening process which filters issuers that demonstrate strong sustainable practices. Factors considered can be both products or services related (e.g. revenue contribution from business activities with positive impact), or business practice related (e.g. adoption of carbon emission reduction targets or product safety management programs). With regard to limited data availability, missing data or a lack of coverage will be supplemented with company reported information and/or findings from proprietary credit analysis and ESG research.

The Underlying Fund shall also adhere to an exclusion framework where certain issuers are removed from the investment universe. This includes screening out issuers, where possible, who are considered by third party data providers to be in violation of the Ten Principles of the United Nations Global Compact. This also includes issuers with products or within industries that are considered by the Underlying Fund IM to be unsustainable or associated with significant environmental or social risks. These may be updated from time to time depending on the assessment of each product or industry against the abovementioned principles, but currently issuers deriving more than 5% of revenue from alcohol, tobacco, gambling operations, adult entertainment, fossil fuel production, conventional weapons and any revenue from controversial weapons are automatically eliminated from investment consideration (exclusion framework). For the avoidance of doubt, issuers which have not been assessed by third party data providers regarding their compliance with the Ten Principles of the United Nations Global Compact will not be excluded from the investment universe of the Underlying Fund provided that they are also not issuers with the abovementioned categories of products or within the abovementioned categories of industries.

Furthermore, the positive and negative (i.e. exclusion framework) screening are complemented by the investment process of the Underlying Fund which integrates ESG considerations by combining bottom-up fundamental credit analysis with a proprietary ESG-based methodology which considers ESG factors alongside other business and financial factors of each issuer with the aim of identifying ESG

exposures as well as related risks and opportunities and their potential implications. Each potential issuer will be assigned with one of four rankings in respect of each category of environmental, social and governance, based on the Underlying Fund IM's assessment of that issuer's performance on and management of ESG issues, in consideration of and/or in reference to a number of industry principles and standards including the principles of financial materiality as outlined by the Sustainability Accounting Standards Board. The ESG rankings will be determined and assigned by the Underlying Fund IM using a proprietary method which aims to incorporate relevant ESG factors, considering and processing third party ratings and scores together with the analysis of raw industry data (such as publicly available ESG reports, assessment reports or case studies). Issuers with lowest internal ESG rankings will be removed.

After applying the positive screening, exclusion framework and removal of issuers with lowest internal ESG rankings, the Underlying Fund IM will in effect remove at least 20% of the investment universe. The remaining issuers will as a result be above the minimum standard determined by the Underlying Fund IM to demonstrate strong sustainability attributes as the eligible investment universe.

Additionally, within the primary investment strategy, the Underlying Fund will also invest a minimum of 15% of net assets in ESG themed bonds issued by companies domiciled in, traded in and/or with substantial business interests in the Asia Pacific region and/or (if eligible) governments and government-related issuers located in the Asia Pacific region. "ESG themed bonds" are bonds which align with a combination of one or more of the International Capital Market Association ("ICMA") Green Bond Principles, ICMA Social Bond Principles and/or the ICMA Sustainability Bond Guidelines, amongst others.

(B) Additional Information relating to Sustainable Pacific Asia Bond Fund

The Sustainable Pacific Asia Bond attained its ESG focus via its investment in the Underlying Fund.

The Sustainable Pacific Asia Bond has adopted a look-through approach in measuring and monitoring its ESG focus via its investment in the Underlying Fund. Please refer to the information below for further details on the Underlying Fund and the Underlying Fund IM.

(i) How the ESG focus is measured and monitored throughout the lifecycle of the Sustainable Pacific Asia Bond Fund and the Underlying Fund and the related internal or external control mechanisms

The Underlying Fund will invest at least 85% of its net assets in USD-denominated fixed income and fixed income-related securities of companies domiciled in, traded in and/or with substantial business interests in the Asia Pacific region and/or (if eligible) governments and government-related issuers located in the Asia Pacific region, who demonstrate strong sustainability attributes.

Sustainability attributes may include but are not limited to an issuer's performance on and management of certain environmental factors, such as climate change and natural resource use, social factors, such as labor standards and diversity considerations, and governance factors, such as board composition and business ethics. Issuers with strong sustainability attributes are those that are avoiding harm to these factors while positively contributing to the sustainability of these factors.

The ESG focus of the Underlying Fund is measured and monitored throughout the lifecycle of an investment. One sustainability indicator that is measured and reported is below:

- Percentage of investment in ESG themed bonds. “ESG themed bonds” are bonds which align with a combination of one or more of the ICMA Green Bond Principles, ICMA Social Bond Principles and/or the ICMA Sustainability Bond Guidelines, amongst others.

The sustainable investment objective and the sustainability indicator of the Underlying Fund are monitored during initial security selection and ongoing portfolio management using a combination of internal and external data.

Once an investment is made, and to ensure that investments continue to meet the Underlying Fund’s sustainability criteria, the Underlying Fund IM continues to monitor material factors that could impact an investment, including sustainability risks and factors. Relevant risks or concerns are addressed as part of the Underlying Fund IM’s ongoing investment process which may result in changes in a fund position size or divestment. The Sustainable Investment team may also conduct reviews on a periodic basis, and engage with the investment team about potential sustainability risks. The Underlying Fund IM uses a combination of externally sourced data and proprietary research to ensure that the information used when monitoring the sustainable investment objective of the Underlying Fund is suitably robust, given the current levels of disclosure by companies, and performs periodic reviews allowing the Underlying Fund IM to seek to identify gaps and/or data that may require further review. The current level of disclosure of environmental and social characteristics remains comparatively limited in comparison with other financial data, and that which is available is typically subject to more limited review.

(ii) The methodologies adopted to measure the ESG focus of the Sustainable Pacific Asia Bond Fund and the attainment of the ESG focus by the Sustainable Pacific Asia Bond Fund and its Underlying Fund

The Underlying Fund IM’s overall investment process includes both quantitative and qualitative metrics to measure how the sustainable investment objective of the Underlying Fund is met, including an exclusionary framework, positive screening and a proprietary ranking of ESG characteristics. In addition, the Underlying Fund IM seeks to understand the sustainability risks and opportunities by using a range of external research providers as well as internal research.

Each sustainability indicator for the Underlying Fund is subject to measurement using clearly defined metrics on an ongoing basis, using a combination of internal and external data and research as is appropriate for the particular indicator.

(iii) Due diligence carried out in respect of the ESG-related attributes of the Sustainable Pacific Asia Bond Fund’s underlying assets

Due diligence is a key element of the methodology for integrating sustainability factors into the investment decision making process, on both a pre-investment and ongoing basis. As part of the due diligence process, the Underlying Fund IM seeks to assess sustainability risks and factors material to an investment, and incorporate these issues into fundamental analysis, which then may influence their valuations, portfolio construction decisions, and transaction underwriting, where relevant.

To inform their assessment framework, the Underlying Fund IM may utilise ESG research and data as described below as well as support from the dedicated in-house Sustainable Investment team assigned to the Underlying Fund IM. The Underlying Fund IM may also consider the responses of investee company management teams to inquiries focused on their ability and willingness to manage ESG issues. Conclusions about the sustainability risks and factors are documented in investment research. The Underlying Fund IM may engage with company management to understand their ESG

strategy, influence best practices towards disclosure, seek improvement in key sustainability metrics over time, and to address issues pertinent to the specific investment thesis.

Once an investment is made, the Underlying Fund IM continues to seek to monitor material issues that could impact an asset or company, including sustainability risks, factors and opportunities. Relevant risks or concerns are addressed as part of the Underlying Fund IM's ongoing investment process, via ongoing company surveillance and engagement, where relevant, portfolio positioning and risk monitoring.

The Sustainable Investment team may also conduct, on a periodic basis, reviews of individual portfolios, and engage with the Underlying Fund IM about potential sustainability risks as a further support to the investment process. The nature of any material risks identified will inform decisions as to next steps within the context of the Underlying Fund IM's overarching investment process, including further company research and company engagement among other considerations.

(iv) The engagement (including proxy voting) policies

Responsible stewardship is an integral component of the Underlying Fund IM's business and culture.

Engagement with investee companies provides an opportunity to gather further information, which feeds into the Underlying Fund IM's due diligence process. The Underlying Fund IM will also engage to enact positive change in disclosure, management, and performance related to sustainability risks or factors.

The Underlying Fund IM will meet with company management as part of their fundamental research process. These meetings provide analysts and portfolio managers with insights into management quality, business drivers, and the strategies of the companies in which they invest. In addition, these meetings allow the Underlying Fund IM to assess companies' risk, including exposure to sustainability factors and the companies' management of that exposure to protect shareholder value. Where appropriate, members of the Sustainable Investment team may also participate in company meetings alongside investment analysts and portfolio managers.

The Underlying Fund IM also participates in collaborative engagements with other firms in the industry. Engaging collaboratively with other investors amplifies the Underlying Fund IM's impact on the companies, industries, and markets in their collective orbit of influence. For the companies the Underlying Fund IM engages with, collaborative efforts reduce the noise of numerous points of view, helping focus on goal setting and real outcomes. Collaboration is always in alignment with the Underlying Fund IM's fiduciary duty to their clients as an asset manager.

If in the Underlying Fund IM's opinion issues of concern remain unaddressed by a company's leadership after a process of engagement conducted over a reasonable period of time, then the Underlying Fund IM may consider an escalation. Depending on the asset in question, this could include engaging other executives, communicating with the board, adjusting position size, or divesting, where applicable.

The Underlying Fund IM may also occasionally engage with regulators where the Underlying Fund IM believes it is appropriate and in the best interests of their clients.

(v) The sources and processing of ESG data; limitation to methodologies and data

The Underlying Fund IM uses a range of data sources in order to monitor the sustainable investment objective of the Underlying Fund, including both in-house research and third party data provider(s).

These are used to systematically screen client portfolios for sustainability risks, identify priority companies for engagement and to inform company analysis as described in the Underlying Fund's investment policy. The third party data provider(s) are subject to ongoing review and change and may differ between asset classes or funds depending on the nature of the characteristic to be measured.

The Underlying Fund IM acknowledges that, given the lack of a consistent standard of global regulatory requirements on sustainability disclosures generally, third party data provider(s) upon whom the Underlying Fund IM places reliance do have to estimate datapoints and the proportion of estimations used will vary depending on the subject matter and asset in question. The Underlying Fund IM does not seek to systematically audit those estimates but does challenge numbers with third-parties if it identifies data it believes is inaccurate, and where possible places greater reliance on actual disclosed data. The Underlying Fund IM seeks to encourage adoption of sustainability disclosure standards by issuers and thus decrease reliance in the industry on estimated or incomparable information.

The main limitation to the methodologies and data sources is the lack of global reporting standards and availability of consistent data. Where data is available, this also has limitations and is subject to estimation and reporting gaps and continues to evolve. The Underlying Fund IM keeps under review the sources of data it uses for the implementation of its sustainability policy and will make changes where it considers this is necessary.

In case data gaps pose challenges to making an informed decision on an aspect of the investment process the Underlying Fund IM's Sustainable Investment team, together with the investment analysts and fund managers may seek further information. Such options may include a direct dialogue with the company, a dedicated engagement plan or a decision against holding the company.

(vi) Information relating to the Underlying Fund's IM

For further information relating to the Underlying Fund IM's approach to sustainable investing, please refer to <https://www.manulifeim.com.hk/en/about-us/sustainability.html>.