Investing

Beyond Tomorrow

2019 Report on Sustainability and Responsible Investing
Welcome to our second annual report on Sustainability and Responsible Investing.

At the beginning of this new decade, our world is faced with significant challenges. We're running out of time to decarbonize the global economy, species are going extinct at the highest rate in human history, and socioeconomic inequalities are fragmenting society. And now the coronavirus pandemic has highlighted how a seemingly limited, regional issue can rapidly transform into an unprecedented global crisis. To address these challenges appropriately, we need concerted global action on an extraordinary scale.

Fortunately, positive momentum is building. Average citizens and asset owners alike are increasingly vocal about the need for companies to create value, not only for shareholders but for all stakeholders. The expansion of impact investing, as well as the recognition that fulfilling fiduciary duty encompasses considering material non-financial factors, are major steps in the right direction. Following closely behind is the effort to standardize impact measurement and harmonize reporting frameworks, which will help streamline the comparison of investment opportunities that have different environmental and social impacts. I am both humbled by the size of the challenge ahead and yet encouraged by the actions undertaken thus far.

investment manager and one of the largest farmland investment managers, we have an opportunity to contribute to solutions for all of these global challenges. Both protecting and enhancing biodiversity, and bring rewarding employment opportunities to rural communities. If that were not enough, research is increasingly focusing on the role of maintaining healthy forests and preserving wildlife habitat in limiting outbreaks of new and emerging diseases.

I am also heartened by the knowledge that we are not just products we produce are good for society—low-carbon building materials (wood), healthy nuts, and fresh produce.

We want the world to be a place where our children and can make this vision viable. Good stewardship is good business, and that's never been more important than it is now.

Sincerely,

W.E. Peressini

Bill Peressini
HNRG creates value through the sustainable management of natural resource investments.
It's been a fruitful year at HNRG, and I'm delighted to share with you our second annual report on Sustainability and Responsible Investing.

This year was the culmination of a multi-year effort to help launch a sustainable agriculture standard. After two years of working collaboratively with many of our colleagues throughout the agriculture sector, we have developed a performance-based, industry-wide sustainability standard for agriculture. In November, the formation of Leading Harvest that will govern and maintain the new Farmland Management Standard.

As Bill referenced above, both our forests and farms are substantial carbon sinks. As a fully integrated investment and property manager, most of our sustainability opportunities and impacts derive from our forests and farms. But we believe that culture and “walking the talk” are extremely important. That’s why you’ll see our mission and vision woven throughout this report, and it’s also why—even though the size of the carbon sinks we manage dwarfs the extent of our corporate emissions—we decided to offset our 2018 emissions last year by planting trees with The Conservation Fund at Upper Ouachita National Wildlife Refuge in Louisiana.

Finally, amidst the backdrop of the coronavirus pandemic, I’d be remiss if I didn’t highlight how important it is to maintain healthy forests for preserving biodiversity. Forests are home to about 80% of the world’s terrestrial biodiversity, and deforestation—which drives animals out of their habitat and into closer contact with human populations—has been linked to over 30% of the outbreaks of new and emerging diseases.1,2 Having signed our own zero-deforestation commitment in 2019, we will continue to strive to preserve forests and all their benefits, including and perhaps especially because of those most difficult to quantify.

As we enter the new decade, it’s a privilege to have business priorities so closely aligned with the sustainability vision of the global community. Thank you for your interest in Sustainability and Responsible Investing.

Sincerely,

Brian Kernohan
Chief Sustainability Officer
Our freezer facility uses CO2 instead of more commonly used refrigerants such as ammonia, freon, or HFCs. While CO2 is more expensive initially, it’s much safer, and it is significantly less harmful to the ozone.

Photo courtesy of Christine Simmons

All data presented is sourced from HNRG as of December 31, 2019 unless otherwise indicated. All monetary figures in USD. AUM shown in fair market value.

Cranberry freezer in Plessisville, Quebec, Canada
About HNRG

Our purpose

Hancock Natural Resource Group (HNRG), a Manulife Investment Management (Manulife IM) company, exists to make lives better through stewardship of people and the environment. Founded in 1985 and with our headquarters in Boston, HNRG is one of the largest natural resource asset managers for institutional investors. We manage over 5.4 million acres of timberland and nearly 470,000 acres of farmland globally, with approximately $14.1 billion in assets under management.

Our foundational principle

HNRG was founded on the simple principle that good stewardship is good business. As stewards, we care for what has been entrusted to us, whether that means people (our employees and their families, contractors with whom we work, and communities in which we operate), planet (the environment, air, soil, water, plants and animals, farms and forests), or the investments we manage and their beneficiaries.

Our mission

Our mission is to create value through the sustainable management of natural resource investments. Creating value is broader than economic value alone—it also encompasses environmental and social values that in many ways underpin economic value itself.

Mt. Hood in Oregon, USA | Mt. Hood is visible from many high spots on our properties. Photo courtesy of Jenniffer Bakke

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Our values

Our values are the set of common commitments that define us and enable us to operate according to our foundational principle, create according to our foundational principle, and achieve our mission statement. These are the seven behaviors we want to count on from each other, no one is looking). Think big. Get it done together. Own it. Share your humanity.

HNRG at a glance

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## Our Assets Under Management

<table>
<thead>
<tr>
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<th>USA &amp; Canada</th>
<th>Chile</th>
<th>Australia</th>
<th>New Zealand</th>
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<td>3.26 M acres (1.32 M ha)</td>
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<tr>
<td>Farms</td>
<td>361 K acres (146 K ha)</td>
<td>–</td>
<td>🌳</td>
<td>–</td>
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Source: HNRG. Maps show different scales.

Cranberry harvest in Plessisville, Quebec, Canada | Water is recycled throughout the cranberry bog by drainage systems and pumps. Photo courtesy of Hugues Rinfret
About our report

Last year we released our inaugural report on Sustainability and Responsible Investing (SRI), the commitment we began over two decades ago to sustainably produce food and fiber in a way that contributes to society beyond our own financial performance. Last year’s report discussed how we are Investing Beyond Today.

As we enter a new decade, it’s increasingly clear that the challenges and opportunities our world faces are complex. They defy short-term thinking and easy solutions. What we need now is long- and ultra-long-term thinking. Indeed, sustainability requires thinking in timescales of generations. That’s why this, our sequel SRI report, is about Investing Beyond Tomorrow. The report provides an overview of HNRG’s approach to SRI and an update on our progress and achievements in 2019. The time period reflected in this report is January 1, 2019 to December 31, 2019, unless otherwise noted.

What’s new this year? Though our mission, purpose, values, and business have not changed in the past year, we accelerated our SRI activities in 2019, and Investing Beyond Tomorrow reflects these progressive efforts. Some of the new items we’re excited to share with you in this year’s report include:

Our food and fiber

We produce food and fiber sustainably, but we also produce food and fiber that are sustainable. In other words, the consumption of those forest and agricultural products we produce is good for both people and planet. This year’s report introduces a discussion of how our core products contribute to a sustainable society.

Our alignment with external standards

Our SRI strategy is deliberately focused on issues that are material to our business. The strategy is organic, from within, rather than structured around external standards. We also believe, however, that it’s the responsibility of every business—including ours—to demonstrate how this approach positively contributes to global goals. So, in this report, we present our SRI performance metrics in line with third-party sustainability standards governing forestry and agriculture, the Sustainable Development Goals (SDGs), and the Impact Reporting and Investment Standards (IRIS+) maintained by the Global Impact Investing Network (GIIN).

Our employee photography

Every photo in this report was taken by an employee or contractor on or near properties we manage, and reflects two core company values—“Own it” and “Share your humanity.” We know that managing living systems on behalf of our clients and future generations is a substantial responsibility as well as a great privilege. We take tremendous pride in our work, and we’ve decided to share some of that passion with you.

Almond orchard in bloom in California, USA. | Photo submitted by Traci Maselli.
Responding to global challenges

Our business directly affects three of the greatest challenges facing our world over the next decade: climate change, rapidly declining biodiversity, and rising socioeconomic inequality. We strive to play our part—and more—in confronting these global challenges, believing that long-term investments in forestry and agriculture, and the rural communities that support them, are critical to addressing them.

Sustainable fiber

Wood is the only renewable structural building material that can be deployed at scale, with sustainable forestry essential to its production. Building with timber can reduce GHG emissions by between 25% and 38% when compared to building with concrete or steel.

Sustainable food

The global food system has no doubt contributed to some of the challenges our world is facing. Agriculture has been linked to deforestation, climate change, water scarcity, and declining biodiversity. Yet with the world population expected to reach nearly 10 billion feed this growing population, agriculture must enhance rather than erode the natural environment, and it must produce nutritious foods that promote health and vitality.

Nearly half of our agriculture portfolio consists of nutritious, low-carbon protein (nuts), while most of the other half comprises fresh fruits and vegetables.

Our global agricultural portfolio* 

GHG emissions can be reduced by between 25% and 38% when building with timber—compared to building with concrete or steel.
Our SRI priorities

Climate stability

Ecosystem resiliency

Watershed protection

People empowerment

Community prosperity

Our approach to sustainability and responsible investing

Materiality

Our approach to SRI is grounded in the principle of materiality: a focus on the sustainability issues that most significantly affect our business. In 2018, we commissioned a third-party materiality assessment to identify the environmental, social, and governance (ESG) factors that are most important and financially material to our business. The assessment singled out over 70 potentially material issues, which we then refined into 20 thematic priorities that encompassed all of them: Climate Stability, Ecosystem Resiliency, Watershed Protection, People Empowerment, and Community Prosperity. These priorities form the basis for what we call Sustainability and Responsible Investing (SRI) and guide every aspect of our business, from our governance to our investment processes and property management.

Governance

Accountability for SRI lies with our Executive Team, the most senior decision-making body in the company. As a member of the Executive Team, our Chief Sustainability Officer oversees implementation of SRI in matters of investment, operations, and policy, and SRI issues are further informed by sustainability working groups within HNRG and Manulife. Last year, the Executive Team adopted a formal zero-deforestation policy, requiring any land on which native forests have been cleared since regional cut-off dates agreed upon by international best practices. In future years, we plan to begin reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD).
Thematic Investing: SRI in the investment process

As a thematic investment manager, we ensure that our investments in forests and farms help achieve important environmental and social objectives, while also offering market rates of return. But SRI affects not only how we manage properties in which we invest; it also guides our investment processes, screening, and underwriting. Sometimes this restricts our investment universe—for example, our zero-deforestation commitment makes agriculture in certain parts of Brazil off limits—while at other times, SRI expands our investment universe. Land produces value beyond food and fiber, and we actively seek ways to invest in value-added services such as ecosystem services, carbon offsets, renewable energy, and recreation leases for our clients and other stakeholders.

In acquisition due diligence, we adhere to the United Nations Principles for Responsible Investment (UN PRI) and the International Finance Corporation’s (IFC) Equator Principles. We also conduct comprehensive environmental, biological, and social reviews of all targets and require all reviews to highlight variance from U.S. standards, even when the relevant local standards are less stringent. Approval to proceed with investments from our Natural Resource Investment Committee must include consideration of all relevant SRI issues.

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Sustainability Certification: SRI in property management

SRI is also fundamental to our property management. Our forest and farm managers integrate SRI priorities into our operations by implementing stewardship principles that are aligned with third-party sustainability certification standards. We continue to manage all eligible investments in North America to as meeting the Sustainable Forestry Initiative® (SFI®) Standard. We are Forest Stewardship Council® (FSC®) certified in Australia, New Zealand, and Chile, and many are dual certified where standards endorsed by the Programme for the Endorsement of Forest Certification (PEFC) schemes exist. This year, after two years of working collaboratively with many of our colleagues throughout the agriculture sector, we have developed a performance-based, industry-wide sustainability standard and third-party certification program for agriculture, known as Leading Harvest. We are committed to enrolling eligible properties in the program. All of these sustainability standards are comprehensive and well-aligned with global impact reporting standards (see Sustainability Dashboard).
Climate stability

Why it's important

Global temperatures are already on average 1°C above pre-industrial levels, and climate-related natural disasters are increasing in frequency to almost one per week.\(^4\) At the current rate of global emissions, we have about ten years left before we exceed the carbon budget to limit warming to 1.5°C above pre-industrial levels.\(^5\) The world must decarbonize quickly, and natural climate solutions such as sustainable forestry and agriculture will be critical in this effort, providing approximately 37% of the CO\(_2\) mitigation required over the next decade.\(^6\) Yet some of the effects of climate change are unavoidable, and all industries—including forestry and agriculture—will be impacted.

Our management approach

We are in the business of providing natural climate solutions. Our core business—responsibly managing forests and farms—opens up natural carbon sequestration opportunities. And we further enhance our carbon sequestering investments in renewable energy and energy efficiency. Engaged in partnerships and through our research, we're funding work to understand how we can best adapt our investment decision-making and property management practices to climate change.

Our 2019 impact

773 M
Forests - MtCO\(_2\) stored at year end

3.2 M
Forests - MtCO\(_2\) stored in wood products harvested in 2019

160
Forests - MtCO\(_2\) stored in wood products harvested in 2019

74 K
Forests - MtCO\(_2\) stored in wood products harvested in 2019

1.16 B
Forests - trees planted (cumulative)

6.1 M
Forests - carbon credits sold (cumulative, MtCO\(_2\))

41 K
Total scope 1 emissions (MtCO\(_2\)e)

426 K
Total scope 2 emissions (MtCO\(_2\)e)

-3.1 M
Total GHG removals (MtCO\(_2\)e/5-year trailing average)

\(\text{MtCO}_2 = \text{metric tons CO}_2 \text{ equivalent}\)
How we’re contributing to climate stability

Sequestering carbon

When sustainably managed, forests and farms are natural climate solutions—they biologically remove carbon dioxide from the atmosphere. We rigorously account for the net GHG emissions of our properties.

Offsetting our carbon footprint

Our properties are a net carbon sink, but our corporate operations emit about 1,300 MtCO₂e. We believe partnered with The Conservation Fund to plant trees in the Upper Ouachita National Wildlife Refuge in Louisiana.

Halting deforestation

Deforestation is one of the top contributors to climate change. We adhere to a strict zero-deforestation commitment, and as a signatory to the 2019 Investor statement on the Amazon, we fully participate in the Global Forest Solutions Group and Scaling Positive Agriculture, as well as with both the MIT Joint Program on the Science and Policy of Global Change and the Climate Smart Land Network.

Selling carbon credits

We actively participate in carbon markets. In 2019 alone we sold over 1.2 million credits from our New Zealand forests. Since inception, we have sold over 6.1 million metric tons of carbon credits.

Improving soil health

Many of our farms use regenerative agriculture practices such as cover-cropping and no-till or low-till farming in order to maintain/enhance soil health. Such practices can preserve or increase soil organic carbon and reduce input costs for fertilizers and tilling. Over the long term, these practices may provide substantial carbon sequestration opportunities.

Deploying renewable energy and energy efficiency

We integrate renewable energy and energy efficiency into our operations. Irrigation, for example, can require considerable energy, especially to pump water, but we are using energy monitoring systems and upgrading

Understanding climate risks

Through our partnerships with the World Business Council on Sustainability Solutions Group and Scaling Positive Agriculture, as well as both the MIT Joint Program on the Science and Policy of Global Change and the Climate Smart Land Network, we are responding to the risks climate change poses to forestry and agriculture. Manulife is a signatory to the Task Force on Climate-related Financial Disclosures (TCFD), and we are preparing to report in accordance with the TCFD in future years.

Native forest in Los Rios region, Chile. Our management program encourages the return of natural habitat and expedites forest growth to healthy, productive native species. Photo submitted by Jason Reynolds.
Why it’s important

Productive ecosystems thrive on biodiversity, and biodiversity is declining exponentially faster now than at any time in human history. In addition to the tremendous intrinsic value of biodiversity, at least 40% of the world’s economy and 80% of the needs of the poor are derived from biological resources.

Ecosystem resiliency

Our management approach

We pursue comprehensive third-party and farmland assets and strive to protect biodiversity through our Sensitive Lands program, stewardship and conservation efforts. Good stewardship requires not only growing trees or crops, but managing ecosystems, which is why we go out of our way to protect existing habitat for threatened and endangered species, and even create new habitat onto our land. We know soil health is critical for long-term agricultural productivity, and proving it (cover cropping or low-till or no-till farming, for example).

Our 2019 impact

471 K sensitive forest lands protected (cumulative acres)

101 K farmland acres certified sustainable

100% forests % certified sustainable
How we’re contributing to *ecosystem resiliency*

**Forest certification**

We manage over 3.6 million acres under the Sustainable Forestry Initiative® (SFI), and nearly 2.2 million acres of forests in Australia, New Zealand, and Chile certified under the Forest Stewardship Council® (FSC), of which 1.9 million acres are dual-certified under the Programme for the Endorsement of Forest Certification (PEFC).

**Farmland certification**

HNRG currently manages over 100,000 acres of third-party certified sustainable farmland. Certifications include Global GAP, USDA GAP, SAI-FSA, Lodi Rules, and the Leading Harvest Farmland Management Standard. We are proud to have helped establish Leading Harvest, a third-party, industry-wide, performance-based sustainability standard for agriculture. Our goal is to bring our farmland up to the same standard as our forests, with 100% certified as sustainable.

**Establishing wetlands**

We know that wetland ecosystems are crucial for biodiversity, as well as providing climate benefits, and we take care to preserve them. In Wisconsin, for example, every acre of cranberry production requires approximately six acres of support wetland. Our growers carefully protect these high-quality wetlands to ensure not only the high standard of water needed for cranberry production, but also to protect the wide variety of plants, insects, birds and aquatic animals that thrive on the properties.

**Conserving biodiversity**

We protect riparian (shoreline) areas, create pollinator habitats, work with partners to establish and enhance migratory bird habitats, and encourage mutually beneficial predatory species on our properties. For example, over the past three years, we have planted nearly 95 acres of pollinator habitat on our California almond orchards. We also vary and rotate crop species on our properties.

**Protecting sensitive lands**

Our staff biologists identify Forests with Exceptional Conservation Value (FECVs) and Threatened and Endangered (T&E) Species. We develop plans to preserve FECVs and protect habitat for T&E species, and hold training sessions and tailgate meetings so field staff know how to identify them.

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Honeybee pollinating almond tree

Photo courtesy of Darren Sargood

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Healthy forests are vital for maintaining freshwater resources, and there is a direct relationship between higher forest cover and lower water treatment cost. In the United States, five of the largest municipal water systems in the country— including the largest, in New York City— are unfiltered, relying instead on “green infrastructure”— forests. On the other hand, in water-scarce areas, agriculture may increase water stress. Globally, 69% of water usage is for agriculture, and total water withdrawals are only expected to rise with global food demand and population growth.

Protecting and improving watersheds is vital for the ecosystems and communities that depend on them. We do this by protecting sensitive lands, adhering to strict water and land management policies and best practices, supporting forest growth, and incorporating water availability into our due diligence. With nearly 12,000 miles of stream frontage, we take great care to maintain or improve the quality of water flowing through the land we manage, and use only the water we need. All of our directly operated farms have water management plans in place and employ water conservation practices. Many of these track water consumption on a daily basis, sometimes down to the millimeter. In California, we have also built recharge basins that enable us to put floodwater back into groundwater aquifers.
Maintaining riparian zones

Riparian zones—the interface between land and rivers or streams—are important to ecological and community health. We maintain well-established riparian zones with generous buffers, on both our forests and our farms, providing space for natural filtering to improve downstream water quality.

Prioritizing water in due diligence

In water-scarce agricultural regions, we conduct extensive environmental and legal due diligence, beyond the scope of standard environmental assessments, to ensure we have legal access to sufficient water, now and into the future.

Conserving water

We encourage cover vegetation, such as native winter grasses and seeding cover, to grow in orchard middles, and in some of these distribute wood chips, in order to minimize the evaporation. We have also enrolled a test property in the California Almond assessment tool, and contribute data to help with tool development.

Replenishing groundwater supplies

We actively manage surface water and reduce well usage where possible. In California, we have fallowed hundreds of acres in order to capture flood flows (which would otherwise be lost, or flood and damage properties) to replenish groundwater supply.

Deploying precision irrigation

We use remote irrigation control and soil moisture probes to optimize water usage. We also calibrate irrigation systems to site, soil, and topographic characteristics, and hire external water consultants to projects.

Maintaining water quality

We install and actively manage fertilizer injection pumps throughout our farms. By using nutrient management planning and injecting rather than broadcasting fertilizers, we can precisely match our fertilization to the consumptive use of the crop to prevent leaching.
Our management approach

We value our employees and contractors, not only safe and healthy working environments, but the tools, training, and support they need to thrive. People are our most valuable asset, and keeping them safe always comes first. But we go beyond safety to empower our people, providing extensive training and development opportunities, and rewarding them for their hard work with comprehensive inclusive teams, recognizing they are more engaged and outperform those that are less diverse and inclusive.17

Health and safety are important in every sector, but in forestry and agriculture they are paramount. Both sectors often require long hours outdoors in remote locations working with heavy equipment, and exposure to temperature extremes and different kinds of wildlife. Globally, the safety statistics for these two sectors compared to other industries reflect the demands of their working environments. And while safety is essential, it’s not enough—employee engagement is the real key to a successful (and safe) business.16

People empowerment

Why it’s important

Why it’s important

Our 2019 impact

906

total number of employees

906

training hours

8,500

training hours

28%

total workforce % female

906

total number of employees

8,500

training hours

28%

total workforce % female

* TIFR = Total injury frequency rate
** LTIFR = Lost time injury frequency rate
Living our values

Last year our CEO Bill Peressini convened a task force to articulate our company’s culture and values. They are both descriptive of the unique and consistent ways we have operated and interacted with our colleagues, clients and communities for decades, as well as aspirational, in the sense that these values are what we want to be known for: Protect our people from harm. Consider clients first. Do the right thing (even when no one is looking). Think Big. Get it done together. Own it. Share your humanity.

Fostering a safety culture

Health and safety are the responsibility of every employee, and no job is too important or urgent that it cannot be done safely. We conduct independent reviews and audits of our safety and welfare programs, as well as weekly site-level safety meetings for operations and annual meetings with vendors, universities, and pest contractors to discuss emerging health and safety issues.

Leveraging innovation

We partnered with startup Droneseed to plant more rapidly on land exposed to wildfires. Our Australasian forestry operations use technology in logging truck cabs to monitor for driver fatigue, keeping drivers and other road users safe. We also helped develop a method for mechanized tree felling on steep terrain to reduce the need for manual felling.

Training our people

Last year, our employees completed training covering topics such as ethics, compliance and leadership, as well as providing extensive training for many of our employees on how to safely plant trees. We also provided extensive training for many of our contractors, like setting up model orchards to prepare labor crews for harvesting.

Providing comprehensive benefits

We provide a comprehensive compensation and benefits package to our employees, and while benefits vary by country, they may include performance bonuses, health insurance, retirement plans, pension plans, employee stock ownership, transit commuter subsidies, as well as generous matching gift programs and tuition support for employees furthering their education.

Funding university research and scholarship

We contribute to a number of universities and research organizations to promote research in agriculture and forestry, and to support scholarships for the next generation of foresters, farmers, and investment managers.

Committing to diversity and inclusion

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How we’re contributing to people empowerment
Community prosperity

Why it's important

Forestry and agriculture take place in rural areas that often experience greater economic challenges and have fewer promising employment opportunities. As the world population increasingly gravitates toward urban centers, maintaining strong and prosperous rural communities will grow in importance. Key to this prosperity will be developing genuine collaborative relationships with local and Indigenous communities that call these areas home.

Our management approach

Committed to supporting and strengthening the local and Indigenous communities where we operate, we provide rewarding employment opportunities, allow public use of our lands, support local causes, and strive to be a good neighbor in these communities.

Community impact

- $512K charitable contributions (corporate)
- $49K charitable contributions (employees)
- 5.2M lands open to public access of any type (acres)
- 2.3M lands open to public access (acres, unrestricted only)

Christmas tree shopping in Washington, USA

Employees building a strong community by doing fun office activities together, such as bringing our dogs along to help find the perfect Christmas tree. Dogs from left to right: Ava, Drake, Daisy, Finley, Junior, Ember, Annie. Photo courtesy of Heather Druffel.
Buying local to facilitate economic development

Preferring to buy local, we maintain a preferred vendor list and contracts with local companies wherever possible. Farm labor is locally sourced and their wages are higher than local averages. Managers work with suppliers for neighbors to help with pest control.

Making charitable contributions

In 2019, we contributed over employee contributions to charitable organizations of their choice.

Hosting workshops and community days

Some of our community work involves hosting pollinator workshops, presenting on sustainable agriculture to local high schools, and providing materials for wood shop classes to build owl and bat boxes. A number of our farms hold public events and sustainable farming practices.

Volunteering

for the Trees to provide over 100 fruit trees to residents in low tree-canopy neighborhoods. We also volunteered on a two-acre urban farm in Boston run by The Food Project, harvesting, weeding, and composting, and engaged in group activities highlighting healthy food access and community health.

Conserving land for hiking trails

In 2019, we sold land to The Conservation Fund, which enabled the repositioning of the Pinhoti Trail from roads onto trails and pathways in the woods. This segment is in Alabama, close to the southern terminus point at Flagg Mountain.

Managing visual impacts in forestry

We develop harvest plans with visual contact local Indigenous communities to ensure we appropriately address any of their concerns.

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Managing visual impacts in forestry

We develop harvest plans with visual contact local Indigenous communities to ensure we appropriately address any of their concerns.

Engaging Indigenous peoples

In keeping with the Equator Principles, we formally acknowledge the rights of Indigenous peoples and employ many contractors of First Nations descent in our operations. For example, we manage land for the Muckleshoot tribe and are seeding plants that the tribe has determined roads, landings, and throughout commercial thinning operations.

Protecting special sites

We maintain a special site protection program to safeguard areas of our property that are culturally, historically, or geologically unique. If a potential archeological site is contact local Indigenous communities to ensure we appropriately address any of their concerns.
Sustainability dashboard

This dashboard represents our performance against key metrics and columns to the right of the yearly statistics document alignment of our metrics with external impact measurement standards, including the Global Impact Investing Network (GIIN), Sustainable Forestry Initiative (SFI), Leading Harvest (LH), and the SDGs. The GIIN metrics align at a granular level; the other three align at the broader SRI priority level.

### Climate stability

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<td>Forests - MtCO₂ stored at year end</td>
<td>773 M</td>
<td>817 M</td>
<td>829 M</td>
<td>773 M</td>
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<tr>
<td>Forests - MtCO₂ stored in wood products harvested in 2019</td>
<td>4.2 M</td>
<td>3.2 M</td>
<td>3.2 M</td>
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<tr>
<td>Forests - MtCO₂ stored in wood products harvested in 2019</td>
<td>163</td>
<td>160</td>
<td>160</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Forests - MtCO₂ stored / acre</td>
<td>163</td>
<td>158</td>
<td>160</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forests - MtCO₂ stored / $1 M invested</td>
<td>75 K</td>
<td>78 K</td>
<td>74 K</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forests - trees planted (cumulative)</td>
<td>1.06 B</td>
<td>1.11 B</td>
<td>1.16 B</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Forests - carbon credits sold (cumulative, MtCO₂)</td>
<td>4.1</td>
<td>4.9</td>
<td>6.1</td>
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### Ecosystem resiliency

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>GIIN</th>
<th>SFI</th>
<th>LH</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensitive forest lands protected (cumulative acres)</td>
<td>462 K</td>
<td>470 K</td>
<td>471 K</td>
<td>PI 1924</td>
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<tr>
<td>Permanent crop farms using water conservation practices</td>
<td>6.9 K</td>
<td>10.1 K</td>
<td>10.1 K</td>
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### Watershed protection

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<tr>
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<th>GIIN</th>
<th>SFI</th>
<th>LH</th>
<th>SDGs</th>
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</thead>
<tbody>
<tr>
<td>Miles stream frontage protected</td>
<td>12 K</td>
<td>PI 1239</td>
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<tr>
<td>Permanent crop farms using water conservation practices</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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### People empowerment

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<thead>
<tr>
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<th>2018</th>
<th>2019</th>
<th>GIIN</th>
<th>SFI</th>
<th>LH</th>
<th>SDGs</th>
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</thead>
<tbody>
<tr>
<td>Employees</td>
<td>906</td>
<td>OI 1630</td>
<td></td>
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<tr>
<td>Training hours</td>
<td>10.7</td>
<td>7.0</td>
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<tr>
<td>Enterprise TiFR²⁰</td>
<td>6.3</td>
<td>OI 2613</td>
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<tr>
<td>Enterprise LTFR²¹</td>
<td>10.7</td>
<td>7.0</td>
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### Community prosperity

<table>
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<tr>
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<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>GIIN</th>
<th>SFI</th>
<th>LH</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable contributions (corporate)</td>
<td>$466 K</td>
<td>OI 3774</td>
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<tr>
<td>Charitable contributions (employees)</td>
<td>49 K</td>
<td>FP 3774</td>
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<tr>
<td>Lands open to public access of any type (acres)</td>
<td>2.3 M</td>
<td>PD 9009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lands open to public access (acres, unrestricted only)</td>
<td>2.3 M</td>
<td>PD 9009</td>
<td></td>
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</table>
About Hancock Natural Resource Group, Inc.

Hancock Natural Resource Group, Inc. is a registered investment adviser and part of Manulife Investment Management's Private Markets platform. We specialize in global farmland and timberland portfolio development and management on behalf of our investors worldwide. Our timber division manages approximately 5.4 million acres of timberland across the United States and in Canada, New Zealand, Australia, and Chile. Our agricultural investment group oversees approximately 470,000 acres of prime farmland in major agricultural regions of the United States and in Canada and Australia.

About Manulife Investment Management

Manulife Investment Management is the global wealth and asset management segment of Manulife Financial Corporation. We draw on more than 150 years 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.

Every photo in this report was taken by an employee or contractor on or near properties we manage. We take tremendous pride in our work, and we've decided to share some of that passion with you.