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Independent Practitioners' Limited Assurance Report

To the management of Sun Life Financial Assurance Company of Canada ('Sun Life' or 'the Entity')

We have undertaken a limited assurance engagement of the following selected indicators:

Indicator	Results
Scope 1 Greenhouse Gas (GHG) emissions	17,422 tCO ₂ e
Scope 2 GHG emissions	28,695 tCO ₂ e (location-based) 26,072 tCO ₂ e (market-based)
Scope 3 GHG emissions related to electricity paid by third party	7,058 tCO ₂ e (location-based) 6,702 tCO ₂ e (market-based)
Scope 3 GHG emissions related to business travel	735 tCO ₂ e
Annual GHG emissions intensity increase/(reduction) between 2020 and 2021	0.3%

Collectively, the "subject matter information" in Sun Life's 2021 Sustainability Report (the "Report") as at and for the year-ended December 31, 2021.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

MANAGEMENT'S RESPONSIBILITIES

There are no mandatory requirements for the preparation, publication, or review of climate information. As such, Sun Life applies internally developed measurement methods:

- Based on the The World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol, Revised Edition (the 'GHG Protocol') which can be found [online](#) to measure Scope 1, 2 and 3 GHG emissions, except Sun Life has chosen to implement the 'GHG Protocol' organizational boundary requirements as interpreted by REALPAC which can be found in Annex I, and,
- As defined in Section 10 of Sun Life's 2021 GHG Reporting Methodology which can be found [online](#) to calculate Sun Life's annual emission increase/reduction between 2020 and 2021.

Collectively, the "applicable criteria". Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria.



Management is responsible for determining the appropriateness of the use of the applicable criteria. Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error.

PRACTITIONERS' RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the subject matter information based on evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3410, *Assurance engagements on greenhouse gas statements*. These standards require that we plan and perform our engagement to conclude whether a matter(s) has come to our attention that causes us to believe that the subject matter information is materially misstated.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

Our engagement included, amongst others, the following procedures performed:

- Inquiries with relevant staff at the corporate level as well as third-party service providers to understand the data collection and reporting processes for the subject matter information,
- Assessment of the suitability, application and disclosure of the applicable criteria in respect of the subject matter information;
- Where relevant, performance of walkthroughs to understand the design of internal controls relating to data collection and reporting of the subject matter information;
- Comparisons of the reported data for the subject matter information to underlying data sources on a sample basis;
- Inquiries regarding key assumptions and the re-performance of calculations on a sample basis; and,
- Review of the presentation of the subject matter information to determine whether the presentation is consistent with our overall knowledge of, and experience with, the GHG emissions performance of the Sun Life.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our conclusion.



Sun Life Financial Assurance Company of Canada
March 29, 2022

PRACTITIONER'S INDEPENDENCE and QUALITY CONTROL

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Canadian Standard on Quality Control (CSQC) 1, Quality Control for Firms that Perform Audits and Review of Financial Statements, and Other Assurance Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

SIGNIFICANT INHERENT LIMITATIONS

Non-financial information, such as that contained in the Report, is subject to more inherent limitations than financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability.

OUR CONCLUSION

Based on the procedures performed, nothing has come to our attention that causes us to believe that for the year ended December 31, 2021, the subject matter information, as described above and disclosed in the Report, have not been prepared and presented, in all material respects, in accordance with the applicable criteria current as at the date of our report.

SPECIFIC PURPOSE OF SUBJECT MATTER INFORMATION

The subject matter information has been prepared and presented based on the applicable criteria. As a result, the subject matter information may not be suitable for another purpose.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants
March 29, 2022
Toronto, Canada



ANNEX 1 – REALPAC interpretation of Financial Control

The following paragraphs were extracted from the publication “Whose Carbon is it? GHG Emissions and Commercial Real Estate” as issued by REALPAC and ICF International (2010) and form part of the applicable criteria as applied by Sun Life.

Relevant extracts from Section 3.2 Organizational Boundaries

Good practice guidance from The GHG Protocol suggests that the organizational boundary may be defined using either the equity share or control approach (the latter of which is further subdivided into financial control or operational control).

Using the financial consolidation (control) approach, a company should account for 100% of the GHG emissions from a building under Scope 1 and Scope 2 if it has the ability to direct the financial and operating policies of that building... a company is considered to have financial control of an operation if it retains the majority risks and rewards of ownership of the building. In practice, the financial control approach means that the entity that is receiving the financial benefit from the operation of the building is, alone, responsible for the emissions from the operation of the building.

Relevant extracts from Section 4.1 Recommendations for owners

In the commercial building sector, we recommend that building owners use the financial consolidation approach, as it is the clearest and most transparent of the available options for the commercial building sector. In addition, due to their similarity (both are subsets of the control approach), and in the context of commercial buildings, there is rarely a distinction between the operational and financial consolidation approaches for owners.

As demonstrated by the scenarios appended to this document, there are some instances where a building owner may not have direct financial control over a specific activity in the building - for instance, the building in question could be an industrial facility, where utility costs are paid and operational decisions that affect energy consumption are made directly by the tenant.

Where sub-metering of tenants occurs, the party that is directly responsible for the utility costs is a reasonable method for determining control. For instance, if an owner installed electrical sub-metering for each tenant, and the tenants were responsible for payment of the electricity consumed, then it is far less likely that the owner is responsible for any associated emissions (however, in these cases the owner would still be responsible for emissions associated with the operation of common spaces, outdoor lighting, etc.)

In a situation where the owner pays for the utility costs directly and does not charge them back to individual tenants based on sub-metered consumption, the emissions belong to the owner.