

# Public Accountability Statement

2021

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Sun Life  
Financial  
Inc.

# 2021 Public Accountability Statement

This report is filed as the consolidated Public Accountability Statement (PAS) for Sun Life Financial Inc., Sun Life Assurance Company of Canada and Sun Life Insurance (Canada) Limited as declarants (collectively, the “Declarants”), pursuant to the PAS regulations of the Canadian federal government (Insurance Companies Act (Canada), section 489.1(1) and Trust and Loan Company Act section 444.2(1) as applicable). It contains information regarding our subsidiaries and pertains to our most recent fiscal year (January 1, 2021 to December 31, 2021). Unless otherwise noted, all dollar amounts are expressed in Canadian currency. In this document, unless the context requires otherwise, references to “we,” “our,” “us,” “the Company,” “Sun Life,” and “Sun Life Financial” mean Sun Life Financial Inc. and where applicable, its subsidiaries; and references to “employees and advisors” refer to those of Sun Life Financial Inc. and its subsidiaries.

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# Community development and philanthropic activity<sup>1</sup>

Sun Life has a long-standing focus on community health and wellness and invests in partnerships which encourage healthy and active living. Through our donations and sponsorships in 2021, we continued to actively support the communities in which we live and work, with the goal of building a healthier, brighter future for our Clients, employees, advisors, shareholders and communities.

Due to the ongoing COVID-19 pandemic, many of our community partners continued to face challenges from staff reductions, event suspensions or cancellations, and lower fundraising activity. In 2021, we maintained our financial commitments and loosened our funding criteria to help our partners respond to more immediate needs. We also provided over \$1 million in funding for communities hardest hit by the pandemic.

Sun Life's Purpose is to help Clients achieve lifetime financial security and live healthier lives. Our philanthropic support is one way we are bringing our Purpose to life. With a focus on driving measurable social impact, we are making investments that encourage healthy behaviours and supporting those that are most in need including at risk, underserved, low income or underrepresented communities. Since 2012, diabetes prevention, awareness and care has been Sun Life's global philanthropic cause. To date, we have contributed \$42.7 million globally towards slowing the advance of diabetes and its related complications.

In addition to our philanthropic work supporting the prevention of diabetes, in Canada we are also focused on improving the mental health of youth, particularly those from marginalized and underserved communities.

In 2021, across all programs, Sun Life donated a total of \$15.3 million to community organizations across Canada, the U.S., the UK, and countries in Asia. Our principal subsidiaries contributed an additional \$5.6 million to support community organizations globally. In Canada, in 2021, Sun Life's charitable donations supporting community organizations coast to coast totaled \$8.3 million<sup>2</sup>.

Sun Life's corporate philanthropic work is bolstered by its employees and advisors who generously volunteer, donate to and participate in causes that they are passionate about. In this way, employees and advisors further contribute to the communities where they live and work. Below are a few examples of our 2021 global donations and sponsorships.



## Sun Life and JDRF

Sun Life is the title sponsor of JDRF's two major national fundraising events, Sun Life Walk to Cure Diabetes for JDRF and Sun Life Ride to Defeat Diabetes for JDRF. Due to the ongoing pandemic, both events were once again converted to virtual formats in 2021. The two

<sup>1</sup>In this section, unless otherwise stated, references to "employees and advisors" excludes individuals from Sepulveda Funding and Massachusetts Financial Services ("MFS") and BentallGreenOak ("BGO") companies listed on [page 13](#).

<sup>2</sup>Includes donations made by individual business units.

events encouraged Canadians as well as Sun Life employees and advisors across Canada to stay physically active while also raising awareness and funds to help find a cure for type 1 diabetes.

## Right to Play

We continued to support the health pillar of Right to Play's Promoting Life Skills in Aboriginal Youth (PLAY) program. In 2021, Sun Life's funding directly supported 3,500 Indigenous children and youth in making positive, long-lasting healthy lifestyle choices in 36 communities across British Columbia, Yukon, Alberta, Manitoba, Ontario, New Brunswick and Labrador. Participants reported making positive choices after completing the program: 88% reported they now try to be physically active each day and 83% said they now try to eat healthy snacks and meals at home.

## Team Up Against Diabetes grant program

Each year, Sun Life U.S. runs a national grant program, which provides programmatic support through grants of up to US\$100,000 each to registered charities in the U.S. focused on diabetes awareness, prevention, education and care. The program was developed to meet the needs of grassroots organizations that are seeking funding for diabetes programming in their local communities. Since the program began in 2016, Sun Life has donated over US\$1.3 million in funding to communities throughout the U.S.

In 2021, Sun Life awarded US\$350,000 in funding via Sun Life's Team Up Against Diabetes grant program to six charities, including:

- **Appetite for Change, Healthy Meal Box Delivery Program, Minneapolis:** Appetite for Change is a community-led non-profit that uses food as a tool to build health, wealth and social change. As a Black-led organization, their programs are based around a goal of creating health equity and eliminating health disparities in North Minneapolis which is comprised of 75% people of colour. The organization also aims to serve as a model to engage and elevate Black communities. Sun Life's grant will support Appetite for Change's meal box program, which began at the onset of the COVID-19 pandemic. Soon after, it became a collaborative effort with local organizations to support the economic stability of small and mid-sized farms run by farmers from underrepresented communities. In a six-month span, the organization has delivered over 117,000 healthy meals to more than 800 families in the region.
- **Shepherd's Clinic: Diabetes Self-Management Program, Baltimore:** Shepherd's Clinic (the "Clinic") provides comprehensive health care for uninsured/underinsured adults in the Baltimore region. Sun Life's grant will help support their Diabetes Self-Management Program, a unique approach to educate, treat, support and manage patients with pre-diabetes or diabetes. In addition to providing self-management education, medications, testing strips, nutrition/food assistance and helping participants set goals, the program also provides advanced training to their staff members on the impact of structural racism experiences on health. As part of the program, the Clinic will screen for

racism experiences to better tailor patient care plans and to increase the Clinic's ability to address the behavioral health barriers that might mitigate remission rates of diabetes. In addition, Sun Life's support will provide patient incentives for accomplishing individual health goals. Incentives include transportation cost coverage, food boxes and gift cards.

## SunPIOLogy Fun Run

In the Philippines, we held the annual SunPIOLogy Fun Run to support the health, wellness and education of Filipinos. The run raised P4.2 million (Philippine Pesos), for health and education advocacy and programs. The funding helped send kids to school via the Hebreo Foundation and raised awareness about diabetes in partnership with the Institute for Studies on Diabetes Foundation.

## Pan-Mass Challenge

MFS has been a corporate sponsor of the Pan-Mass Challenge ("PMC"), a bike-a-thon held in Massachusetts, for 24 years. PMC raises millions of dollars for cancer research and treatments for the Dana-Farber Cancer Institute ("Dana-Farber"). In 2021, MFS helped raise more than US\$1.2 million of the PMC's US\$64 million gift to Dana-Farber.

## Built to Lead

BentallGreenOak ("BGO") launched BGO Built to Lead in 2021 to help students from underrepresented communities embark on early

pathways to a meaningful career in commercial real estate. The program features several initiatives in Canada and the U.S., ranging from academic scholarships, student internships and sponsored mentorship opportunities.

One program where BGO has been particularly active is Project Destined. It's an immersive learning program and business case study competition. Through donations from BGO's philanthropy program in 2020 and 2021, sponsored teams of university undergraduate students from Morehouse College, Spellman College, Georgetown University and New York University came together to compete in a global program featuring live deal making. Backed by mentors from BGO's U.S. offices, Team BGO students placed first in the U.S. The experience eventually led to employment opportunities for many of the participants.



## Arts and culture

### Sun Life Musical Instrument Lending Library program

In 2021, we continued to support the award-winning Sun Life Musical Instrument Lending Library program. The program is putting instruments into the hands of individuals, families and communities across Canada by offering anyone with a valid library card the ability to borrow a variety of instruments free of charge. Thanks to the Sun Life Musical Instrument Lending Library program, over three million library cardholders across Canada now have access to musical instruments.



## Employee contributions

We are extremely proud of our employee and advisor volunteers who work hard to make life brighter for others in their communities. In Canada, in 2021, employees and advisors volunteered thousands of hours and donated to their favorite charities and organizations. Together, we donated nearly \$3.3 million – the largest sum donated in the history of our employee giving program – for over 1,700 charities.

In 2021, Sun Life refreshed its You Give We Give program (its North American employee giving program) to provide greater flexibility to employees and advisors.

### Our Matching Gifts program

In Canada, You Give We Give now provides up to \$1,250 of matched donations each year, per employee and advisor, to their charities of choice. Employees and advisors can contribute through any combination of financial donation, volunteering or event participation.

### Employee and advisor Matching Gifts contributions (Canada)

Canada	2021
Employee and advisor contributions (number)	6,201 employees and advisors made 71,381 donations
Employee and advisor contributions	\$1,782,477
Company match	\$1,497,397
Total combined donation	\$3,279,874
Registered charities supported (number)	1,700

### Our volunteer program

In Canada, Sun Life's volunteer program recognizes the efforts of employees and advisors who volunteer for a registered charity or humanitarian cause. As part of our You Give We Give program, for every hour employees and advisors volunteer with a registered charity, Sun Life will donate \$20 to that charity. Sun Life will also donate \$20 for each charitable event that an employee or advisor participates in. In 2021, our employees and advisors in Canada volunteered safely from home due to the ongoing pandemic and reported over 16,000 virtual volunteer hours with local charities and organizations.

### Employee volunteer grant contributions (Canada)

Category	Amount
Employee contributions (hours)	16,012
Company donation	\$128,703
Registered charities supported (number)	167



## Volunteer highlights

### **Sun Life employees in North America participate in virtual volunteer opportunities to help contribute to the well-being of their local communities**

In 2021, employees from across North America continued to participate in safe, virtual volunteer opportunities to help their local communities. These opportunities included activities like mentoring, making cards or calling people who were living alone. In Canada, for example, a group of employees and their families got together and made cards to help brighten the day for seniors. The homemade cards were distributed to care facilities across Canada. Employees' spirit of giving back to those in need was stronger than ever.

### **Sun Life Foundation, Philippines volunteer engagement program**

The Sun Life Foundation, Philippines (the "Foundation"), continues to encourage employees and advisors to give back to their local communities through a volunteer engagement program. The program offers volunteer and donation opportunities where departments, branches, business units and even individuals can participate in specific "acts of kindness".

Our employees and advisors engaged in many activities throughout the year, despite the pandemic, aligned to the philanthropic priorities of the Foundation. For example, the Foundation hosted a week-long virtual volunteers' fair. The fair featured a series of workshops on topics including education, health, environment and arts and culture for the benefit of different partner organizations and the vulnerable communities they support.

Over the year, the Foundation engaged more than 2,900 volunteers and touched almost 117,000 lives. This was in addition to the social development programs run by the Foundation which have positively impacted more than 2.9 million lives.

# Access to financial services

We aspire to increase the lifetime financial security of our Clients, employees and communities. That includes improving access to financial services for underserved groups. Below are a few examples of initiatives undertaken in 2021 and products that support the needs of low-income individuals, persons with disabilities and senior citizens.

## Low-income individuals

In Canada, we offer various term insurance products for individuals looking for affordability, flexibility and protection. One example is SunSpectrum Term Life Insurance. The product includes guaranteed premiums and options to convert to lifetime protection if needs change and provides coverage amounts beginning at \$50,000 for terms of 10, 15, 20 or 30 years.

In some countries where we operate, life insurance penetration is low. Helping people access affordable insurance represents huge growth potential for any insurer bridging the significant coverage gap. In 2021, we expanded low-cost insurance options for consumers through new strategic partnerships including Moneygment by Togetech, and GCash in the Philippines.

In Indonesia, we partnered with LinkAja, one of the country's leading financial technology applications, and other platforms to leverage

their digital distribution channels. With these partners, we're expanding access to insurance products through their digital apps, with nearly 15,000 policies sold in 2021.

We also continue to provide low-cost insurance solutions for Clients through partnerships with Lazada (Philippines) and TheBank.vn (Vietnam).

## Persons with disabilities

We strive to provide products and services in a way that respects the dignity and independence of persons with disabilities. We are committed to giving persons with disabilities the same opportunity to access our products and services so they may benefit from those same services, in similar ways as other Clients. We are also committed to meeting the needs of persons with disabilities in a timely manner and continue to meet applicable legislative requirements for preventing and removing barriers.

Our [Multi-Year Accessibility Plan](#) and [Customer Service Policy Statement](#) outline our approach to establishing accessible products, services, employment, and workplaces for persons with disabilities. Our public websites and web content published on those sites are WCAG 2.0, Level AA compliant and we continue to review new and upcoming legislation that may impact our business.

## Senior citizens

In Canada, we offer personal health insurance. This insurance is an ideal solution for those who are retiring and leaving a group benefits plan. These types of products provide affordable coverage for day-to-day health expenses and unexpected medical emergencies that aren't covered by provincial plans. Dental benefits are optional on some plans.

In the Philippines, our SUN Senior Care product is specifically designed to provide health insurance to those who are already in their pre-retiree or retiree life stages. Benefits include access to a wellness program that offers preventative care services and health perks, and coverage for 17 common advanced-age critical illness conditions. If the insured remains healthy and well throughout the coverage period, they are also protected with guaranteed life insurance.

# Employees

Sun Life has operations in a number of markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda. In 2021, Sun Life spent approximately \$5.1 billion on compensation and benefits globally.

## Employees in Canada<sup>1</sup>

Province	Full-time	Part-time	Total
Alberta	441	5	446
British Columbia	213	1	214
Manitoba	22	0	22
New Brunswick	13	0	13
Newfoundland and Labrador	8	0	8
Nova Scotia	52	0	52
Ontario	7,436	94	7,530
Prince Edward Island	3	0	3
Québec	2,022	36	2,058
Saskatchewan	24	0	24
<b>Total</b>	<b>10,234</b>	<b>136</b>	<b>10,370</b>

<sup>1</sup> As of December 31, 2021.

# Taxes paid

The taxes we pay in Canada and around the world are another measure of the way Sun Life contributes to the economies and communities in which we live, work and do business.

In 2021, in all jurisdictions where the Company operates, taxes paid or payable to governments totalled \$1,827 million. Of this total, \$920 million was paid or payable in income taxes; \$396 million in premium taxes and investment income taxes; and \$511 million in excise, property, payroll and other taxes. In Canada, the Company's total taxes paid or payable amounted to \$766 million.

## Consolidated tax expenses in Canada

(in thousands of dollars)

Type of tax	Income taxes <sup>1</sup>	Premium taxes and investment taxes	Total other taxes <sup>2</sup>	Total
Federal	\$150,759	\$25,414	\$70,314	\$246,487
Provincial/Territorial				
Alberta	\$6,429	\$30,449	\$16,673	\$53,551
British Columbia	\$11,309	\$30,748	\$14,649	\$56,706
Manitoba	\$1,695	\$4,892	\$235	\$6,822
New Brunswick	\$1,615	\$4,001	\$884	\$6,500
Newfoundland and Labrador	\$1,131	\$2,726	\$675	\$4,532
Northwest Territories	\$51	\$190	\$0	\$241
Nova Scotia	\$1,817	\$4,727	\$1,069	\$7,613
Nunavut	\$19	\$71	\$0	\$90
Ontario	\$42,142	\$125,755	\$82,603	\$250,500
Prince Edward Island	\$491	\$1,054	\$234	\$1,779
Québec	\$15,677	\$46,386	\$57,727	\$119,790
Saskatchewan	\$2,729	\$7,959	\$125	\$10,813
Yukon	\$81	\$289	\$0	\$370
<b>Total</b>	<b>\$235,945</b>	<b>\$284,661</b>	<b>\$245,188</b>	<b>\$765,794</b>

<sup>1</sup> Income tax amounts are estimates based on information available for the year ended December 31, 2021.

<sup>2</sup> The category "Total other taxes" refers to \$102 million in property taxes, \$83 million in payroll taxes and \$61 million in sales and excise taxes.

# Debt financing

Sun Life is committed to making debt financing available to businesses across Canada. In 2021, authorized debt financing for businesses in Canada totalled over \$3.6 billion.

## Debt financing in Canada

(Authorized amounts are as of December 31, 2021 and are stated in thousands of dollars)

Province or territory	Category	\$500,000 - \$999,999	\$1,000,000 - \$4,999,999	\$5,000,000 +	Total
Alberta <sup>1</sup>	Authorized Amount <sup>2</sup>	-	-	\$287,005	\$287,005
	Number of Clients	-	-	11	11
British Columbia <sup>1</sup>	Authorized Amount <sup>2</sup>	-	\$43,824	\$777,157	\$820,981
	Number of Clients	-	11	18	29
Nova Scotia	Authorized Amount <sup>2</sup>	-	-	\$113,028	\$113,028
	Number of Clients	-	-	5	5
Ontario	Authorized Amount <sup>2</sup>	-	\$18,376	\$2,128,431	\$2,146,807
	Number of Clients	-	6	61	67
Other provinces or territories <sup>1</sup>	Authorized Amount <sup>2</sup>	\$621	\$6,013	\$36,923	\$43,557
	Number of Clients	1	2	2	5
Québec	Authorized Amount <sup>2</sup>	-	\$18,710	\$223,807	\$242,517
	Number of Clients	-	4	10	14
<b>Total</b>	<b>Authorized Amount<sup>2</sup></b>	<b>\$621</b>	<b>\$86,923</b>	<b>\$3,566,351</b>	<b>\$3,653,895</b>
	<b>Number of Clients</b>	<b>1</b>	<b>23</b>	<b>107</b>	<b>131</b>

<sup>1</sup> For Client confidentiality, provinces and territories with one exposure in the authorization levels have been classified as other provinces and territories. Other provinces and territories comprise Alberta, British Columbia, Manitoba, Nova Scotia and Saskatchewan.

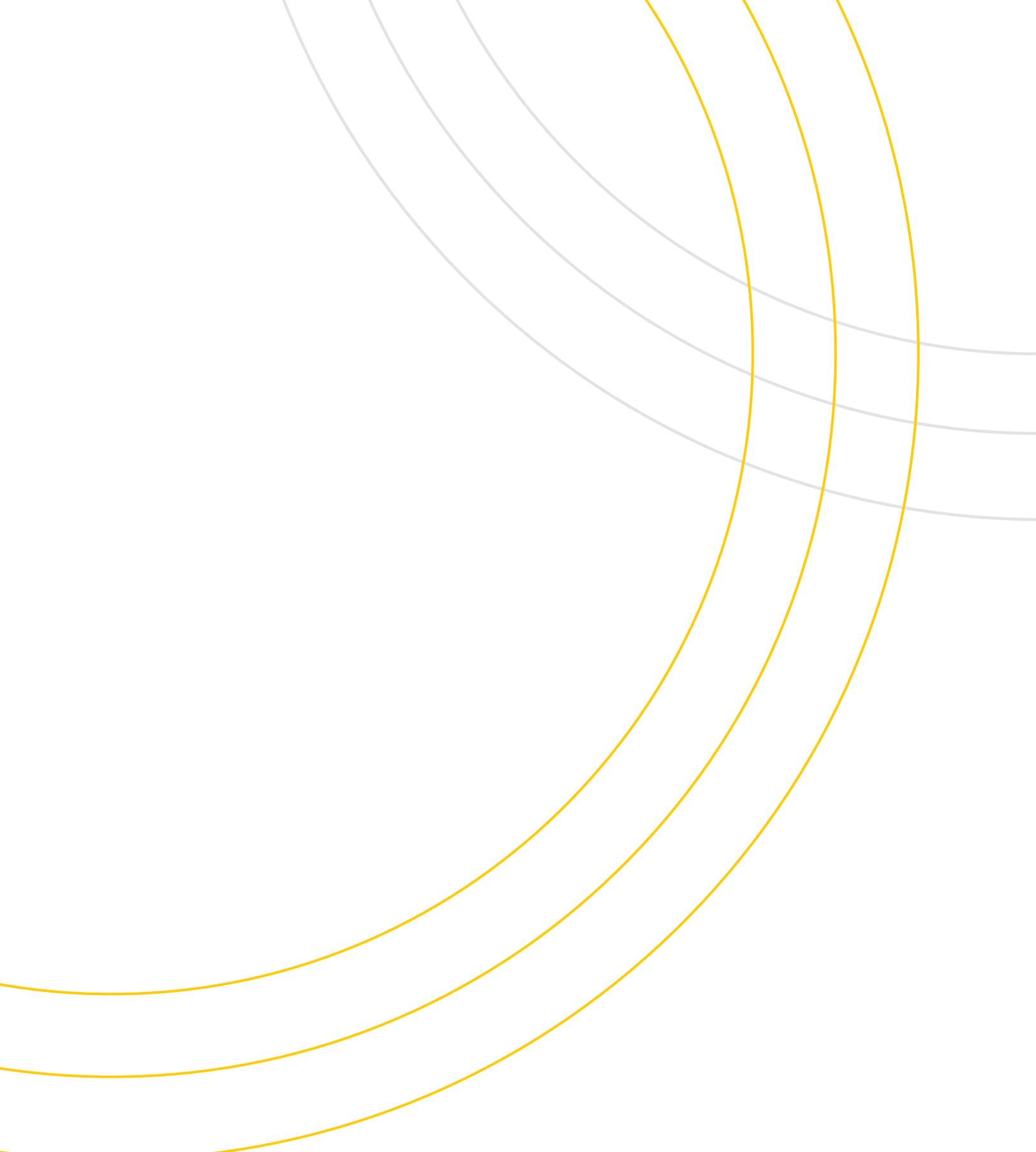
<sup>2</sup> Authorized amount includes all new commitments for 2021.

There was no activity in New Brunswick, Newfoundland & Labrador, Northwest Territories, Nunavut, Prince Edward Island and Yukon or for authorization levels \$0-\$24,999; \$25,000-\$99,999; \$100,000-\$249,999; \$250,000-\$499,999 in 2021.

# Affiliates

The following is a list of affiliates of the Declarants as of December 31, 2021.

- BGO Capital (Canada) Inc.
- BGO US Lending Originator LLC
- BGO US Lending Seller I LLC
- MFS Institutional Advisors, Inc.
- MFS Investment Management Canada Limited
- MFS Investment Management Company (LUX) S.à.r.l.
- Sepulveda Funding, LLC
- SLC Management Canadian Commercial Mortgage Fund
- SLGI Asset Management Inc.
- Sun Life Capital Management (Canada) Inc.
- Sun Life Financial Distributors (Canada) Inc.
- Sun Life Financial Investment Services (Canada) Inc.
- Sun Life Financial Trust Inc.



Life's brighter under the sun