



2016

**PUBLIC**

**ACCOUNTABILITY**

**STATEMENT**

Life's brighter under the sun



# 2016

# 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, pursuant to the PAS regulations of the Canadian federal government (*Insurance Companies Act* (Canada), section 489.1(1)). It contains information regarding our subsidiaries, including Sun Life Financial Trust Inc., and pertains to our most recent fiscal year (January 1, 2016 to December 31, 2016). 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 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

As a company with many connections to communities around the world, we believe we play a role in their development and sustainability. In 2016, we continued to advance our goal of building sustainable, healthier communities where we all live and work, and through our donations and sponsorships, we are proud to help improve the lives of individuals and families. This past year, our philanthropic support was focused on two key areas: health, through our TEAM UP AGAINST DIABETES™ platform; and arts and culture through our Making The Arts More Accessible™ program. In 2016, Sun Life committed a total of \$11.4 million in charitable donations to community organizations across Canada, the U.S., Asia and the U.K.

In Canada, in 2016, our corporate donations supporting community organizations coast to coast totalled \$8.6 million, and a further \$223,610 was allocated to sponsorships of cultural and community initiatives. Here are a few examples of our 2016 global donations and sponsorships in the area of community development that align with our business goals and priorities.

## HEALTH

### Diabetes Canada (*formerly the Canadian Diabetes Association*)

Sun Life once again teamed up with Diabetes Canada to support their national Diabetes Awareness Campaign in the month of November. The campaign was aimed at increasing diabetes awareness and encouraging Canadians to go online and get screened for their risk of developing type 2 diabetes using the CANRISK assessment tool. Throughout November, over 118,000 Canadians were screened for the risk of developing the disease.

### #SunLifeDunk4Diabetes

In support of the YMCA of Greater Boston's Diabetes Prevention Program, Sun Life U.S. teamed up to fight diabetes through a social fundraising and digital marketing campaign called #SunLifeDunk4Diabetes. For every dunk made by a Boston Celtics player during November – Diabetes Awareness Month – Sun Life donated \$1,000. In addition, Sun Life also donated \$1 for every #SunLifeDunk4Diabetes hashtag used on social media. With \$40,000 raised on the court, \$10,000 raised through social media and another \$25,000 donated from the Boston Celtics Shamrock Foundation, #SunLifeDunk4Diabetes raised \$75,000 in 2016.

## SunPIOLOgy Run

For the eighth consecutive year, Sun Life Philippines held its holiday fund-raising event – the **SunPIOLOgy Run**. This year’s theme, #SUGARWARS, challenged its runners with battle stations that reflected the pitfalls of a diet high in sugar. This run helped raise diabetes awareness and educated the public on the benefits of proper nutrition and adequate exercise. Sun Life’s \$100,000 contribution supported programs helping underprivileged community members in the Philippines prevent and cope with diabetes.

## ARTS AND CULTURE

### Sun Life Financial Musical Instrument Lending Library program

In 2016, Sun Life launched the Sun Life Financial Musical Instrument Lending Library program in public libraries in Toronto, Vancouver and Montreal. The program gives individuals with a valid library card the opportunity to borrow a variety of instruments – free of charge. Sun Life’s philanthropic donation to each participating library funds the program’s operating costs. In addition, 100 instruments were donated to each library, including guitars, ukuleles, violins, drums, xylophones and portable keyboards.

## 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, during 2016, employees and advisors volunteered thousands of hours to charities and organizations. Many employees and advisors also made personal donations to their favourite charities throughout the year.

In support of employee giving, Sun Life’s Matching Gifts program matches eligible donations to registered charities dollar-for-dollar up to \$500 for every employee and advisor.

### Sun Life Assurance Company of Canada Employee Matching Gift Contributions<sup>1</sup>

CANADA	2016
# EMPLOYEE CONTRIBUTIONS	1,478
EMPLOYEE CONTRIBUTIONS	\$373,014
COMPANY MATCH	\$255,822
TOTAL COMBINED DONATION	\$628,837
# REGISTERED CHARITIES SUPPORTED	506

<sup>1</sup>The contributions do not include Sun Life employees’ or advisors’ support of the United Way.

## Sun Life Assurance Company of Canada Employee United Way Contributions

A long-standing supporter of the United Way across Canada, Sun Life encourages employees and advisors to organize local campaigns in their communities and matches each employee and advisor's individual donations dollar-for-dollar up to \$500.

CANADA	2016
EMPLOYEE CONTRIBUTIONS	\$1,251,247
COMPANY MATCH	\$676,499
TOTAL COMBINED DONATION	\$1,927,746

## OUR VOLUNTEER PROGRAM

In Canada, Sun Life's volunteer program recognizes the efforts of employees and advisors who volunteer at least 50 hours each year for a registered charity or humanitarian cause. Those who qualify receive a \$500 cheque for the charity of their choice. In 2016, our employees and advisors reported over 27,000 volunteer hours of their personal time to local charities and organizations.

## Sun Life Assurance Company of Canada Employee Volunteer Grant Contributions

	2016
EMPLOYEE CONTRIBUTIONS	27,000 HOURS
COMPANY MATCH	\$143,500
# REGISTERED CHARITIES SUPPORTED	114

Each year, we recognize the efforts of employees by identifying a National Volunteer of the Year as well as three finalists. In 2016, we were proud to recognize Martha Palaroan as our National Volunteer of the Year, along with three finalists, Rahim Bhatia, Tonya Veltman and Suzanne Morin. These employees contributed greatly to their communities by donating time and effort to local charities. Each of their charities received a donation from Sun Life for a total of \$19,000 in support.

## **VOLUNTEER HIGHLIGHTS**

### **Community Care Day**

Sun Life U.S. hosts an organized Community Care Day each year. In 2016, more than 100 Sun Life employees gathered at the Hale Reservation to tackle projects across the Reservation's 1,000-plus acres of land. Employees volunteered their time to mulch gardens and plant flowers, constructed fifteen picnic table benches and cleared acres of brush to minimize the chance of brush fires.

### **A Grain Bucket Challenge – From Me to You**

The Grain Bucket Challenge consisted of employees from the Asia Service Center India (ASCI) team who nominated colleagues and teams to donate food grain to non-profit organizations. Employees from all the teams volunteered to contribute to this cause, taking the nomination count to an impressive 494 employees.

In total, 1,728 kg of food grain was collected over the course of the 15-day challenge, which was then donated to three NGOs. Through the Grain Bucket Challenge, the ASCI team touched over 700 lives.

# Employees and Advisors

Sun Life Financial 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 2016, Sun Life paid \$3.4 billion in salaries and benefits to employees worldwide.

EMPLOYEES IN CANADA <sup>1</sup>	FULL-TIME	PART-TIME	TOTAL
ALBERTA	686	9	695
BRITISH COLUMBIA	569	16	585
MANITOBA	42	0	42
NEW BRUNSWICK	11	1	12
NEWFOUNDLAND AND LABRADOR	7	0	7
NOVA SCOTIA	57	0	57
ONTARIO	7,174	139	7,313
PRINCE EDWARD ISLAND	2	0	2
QUEBEC	1,939	43	1,982
SASKATCHEWAN	15	0	15
<b>TOTAL</b>	<b>10,502</b>	<b>208</b>	<b>10,710</b>

<sup>1</sup> As of December 31, 2016.

EMPLOYEES AROUND THE WORLD <sup>1,2</sup>	
AUSTRALIA	20
BERMUDA	55
CHINA	2,250
EUROPE - OTHER	15
HONG KONG	745
INDIA	9,645
INDONESIA	540
IRELAND	330
JAPAN	30
MALAYSIA	510
PHILIPPINES	2,145
SINGAPORE	25
SOUTH AMERICA	10
UNITED KINGDOM	240
UNITED STATES	5,310
VIETNAM	255
<b>TOTAL</b>	<b>22,125</b>

<sup>1</sup> Includes 11,917 employed by our Asia joint ventures.

<sup>2</sup> As of December 31, 2016.



# 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 2016, in all jurisdictions where we operate, taxes paid or payable to governments totalled \$955 million. Of this total, \$234 million was paid or payable in income taxes; \$312 million in premium taxes and investment income taxes; and \$409 million in excise, property, payroll and other taxes. In Canada, our total tax paid or payable amounted to \$606 million.

## Sun Life Financial Inc.'s 2016 Consolidated Tax Expenses (in thousands of dollars)

### Canada

TYPE OF TAX	INCOME TAXES*	PREMIUM TAXES AND INVESTMENT INCOME TAXES	TOTAL OTHER TAXES**	TOTAL
<b>FEDERAL</b>	<b>105,350</b>	<b>18,362</b>	<b>57,486</b>	<b>181,198</b>
ALBERTA	9,837	21,787	25,809	57,433
BRITISH COLUMBIA	12,209	28,276	16,189	56,674
MANITOBA	1,805	4,285	141	6,231
NEW BRUNSWICK	1,860	4,046	761	6,667
NEWFOUNDLAND AND LABRADOR	1,264	2,461	453	4,178
NORTHWEST TERRITORIES	45	102	0	147
NOVA SCOTIA	2,049	3,780	1,918	7,747
NUNAVUT	0	0	0	0
ONTARIO	33,923	75,601	74,935	184,459
PRINCE EDWARD ISLAND	633	1,164	235	2,032
QUEBEC	16,380	38,731	35,446	90,557
SASKATCHEWAN	2,522	6,039	111	8,672
YUKON	103	180	0	283
<b>TOTAL</b>	<b>187,980</b>	<b>204,814</b>	<b>213,484</b>	<b>606,278</b>

\* Income tax amounts are estimates based on information available for the year ended December 31, 2016.

\*\* The category "Total other taxes" refers to \$98 million in property taxes, \$68 million in payroll taxes and \$47 million in sales and excise taxes.

# Debt financing as of December 31, 2016

(authorized amount in thousands of dollars)

Sun Life is committed to making debt financing available to businesses across Canada. In 2016, authorized debt financing totalled approximately \$3.3 billion.

		\$1,000,000 - \$4,999,999	\$5,000,000 +	TOTAL
ALBERTA	Authorized Amount*	20,258	271,177	291,435
	Number of Clients	6	11	17
BRITISH COLUMBIA	Authorized Amount*	34,815	721,515	756,330
	Number of Clients	14	31	45
MANITOBA	Authorized Amount*	-	37,971	37,971
	Number of Clients	-	2	2
NEWFOUNDLAND AND LABRADOR	Authorized Amount*	-	-	-
	Number of Clients	-	-	-
ONTARIO	Authorized Amount*	45,035	1,722,993	1,768,028
	Number of Clients	16	69	85
OTHER PROVINCES**	Authorized Amount*	6,225	45,006	51,231
	Number of Clients	2	4	6
QUEBEC	Authorized Amount*	9,820	347,609	357,429
	Number of Clients	4	13	17
TOTAL	Authorized Amount*	116,153	3,146,271	3,262,424
	Number of Clients	42	130	172

## NOTES

\* Authorized amount includes all new commitments for 2016.

\*\* Other Provinces include Nova Scotia, PEI, New Brunswick and Saskatchewan.

There was no activity for authorization levels \$0 - \$24,999; \$25,000 - \$99,999; \$100,000 - \$249,999; \$250,000 - \$499,999; \$500,000 - \$999,999 in 2016.



## Principal subsidiaries

The following is a list of subsidiaries of Sun Life Financial Inc. as of December 31, 2016.

Bentall Kennedy (Canada) Limited Partnership  
Bentall Kennedy (U.S.) Limited Partnership  
Massachusetts Financial Services Company  
PT. Sun Life Financial Indonesia  
Sun Life Assurance Company of Canada  
Sun Life Assurance Company of Canada (U.K.) Limited  
Sun Life Financial Distributors (Canada) Inc.  
Sun Life Financial Investment Services (Canada) Inc.  
Sun Life Financial Trust Inc.  
Sun Life Global Investments (Canada) Inc.  
Sun Life Hong Kong Limited  
Sun Life Institutional Investments (Canada) Inc.  
Sun Life Insurance (Canada) Limited  
Sun Life of Canada (Philippines), Inc.  
Sun Life Vietnam Insurance Company Limited