

Public Accountability Statement

2019

Sun Life
Financial
Inc.

2019 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, 2019 to December 31, 2019). 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 global company with connections to communities around the world, we believe we play a role in their development and sustainability. In 2019, we continued to advance this focus through our donations and sponsorships and were proud to help improve the lives of our Clients, individuals and families.

Our philanthropic support is 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. Since announcing support for the cause in 2012, Sun Life has committed more than \$31 million globally in support of diabetes awareness, prevention, care and research initiatives. In 2019, Sun Life donated a total of \$10.6 million to community organizations across Canada, the U.S., the UK, and countries in Asia. Our principal subsidiaries contributed an additional \$4.9 million to support community organizations globally.

In Canada, in 2019, Sun Life's charitable donations supporting community organizations coast to coast totaled \$7.4 million.¹ In addition, some business units sponsored cultural, community and economic development initiatives.

Here are a few examples of our 2019 global donations and sponsorships.

¹Includes donations made by individual business units.



Sun Life Walk to Cure Diabetes for JDRF

As the title sponsor of the Sun Life Walk to Cure Diabetes for JDRF in Canada, Sun Life donated \$610,800 to the organization. Over 2,300 Sun Life employees and advisors across the country participated in the Walk and teamed up with JDRF to drive fundraising efforts and raise much-needed diabetes research dollars.

Sun Life Ride to Defeat Diabetes for JDRF

After three years as the Presenting Sponsor for the JDRF Ride, in 2019 Sun Life became the title sponsor of the Sun Life Ride to Defeat Diabetes for JDRF in Canada. Sun Life donated \$430,250 to the event and had record-breaking participation from 840 employees and advisors across the country.

Team Up Against Diabetes Regional Grant Program

Sun Life runs a North American-wide regional grant program, which provides programmatic support through grants of up to \$100,000 each to registered charities in Canada and 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.

In 2019, Sun Life granted more than \$425,000 to seven charities, including:

- **Dixon Hall Diabetes Prevention and Client Care Program:** The Dixon Hall Diabetes Prevention and Client Care Program will broaden the scope of its care to specifically support the health of those living with diabetes. The three program components will allow them to meet their clients' diverse needs through one holistic approach to diabetes care.
- **Michael Garron Hospital - Begin Right. Eat. Play:** Michael Garron Hospital - Begin Right. Eat. Play is a child health initiative in collaboration with community partners. Type 2 (adult) diabetes is now alarmingly on the rise in children under age 10 which can lead to devastatingly early eye and kidney disease. To help prevent this in the most at-risk neighbourhoods, the hospital organized community-based prevention programming in collaboration with Health Access, Thorncliffe Park Public School, and Early Years partners. Their priority neighbourhood, Thorncliffe Park, experiences the highest rates of gestational and type 2 diabetes in this area of the city, and has welcomed this prevention initiative with high local engagement and grassroots resourcefulness.

- **Mama's Kitchen:** Providing home-delivered, medically tailored, nutritious meals free of charge to individuals living with diabetes. With Sun Life funding, 200 additional individuals will be served through their services.

Kansas City Royals Home Run to Health program

For the third consecutive year, Sun Life sponsored Home Run to Health, a four-week program in partnership with the Kansas City Royals professional baseball team. The program promotes healthy choices and fitness activities aimed at improving the health of local youth in the U.S. In 2019, over 120 4th and 5th graders from a local elementary school in Missouri participated in the program. Over the course of the four weeks, participants completed over 54,000 sit-ups and consumed over 9,000 servings of fruits and vegetables.

Sun Life Resolution Run

Sun Life offices in Hong Kong, the Philippines, Indonesia, Vietnam, and Malaysia each hosted a Sun Life Resolution Run to encourage more people to be active. Around 16,000 runners ran approximately 110,000 km in Hong Kong, Manila, Jakarta, Ho Chi Minh City, and Kuala Lumpur to raise awareness of diabetes prevention. In 2019, the third annual Sun Life Resolution Run raised over \$250,000 for six non-profit organizations dedicated to the research and prevention of diabetes in the five countries across Asia.



Arts and Culture

Sun Life Musical Instrument Lending Library program

In 2019, we continued our expansion of the award-winning Sun Life Musical Instrument Lending Library program, bringing it to two additional public libraries in Canada – Winnipeg Public Library and Prince Edward Island Public Library Service. Sun Life made a philanthropic donation of \$140,000 to each library to fund the program’s operating costs. In addition, Sun Life donated 150 instruments to each library and created a series of videos to assist with the use, care and enjoyment of the instruments. The instruments Sun Life donated include guitars, banjos, mandolins, ukuleles, violins, drums and portable keyboards.

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 2019, employees and advisors volunteered thousands of hours and donated to their favorite charities and organizations.

In support of employee giving, Sun Life’s Matching Gifts program matches eligible donations to registered charities, including United Way, up to \$1,000 for every employee and advisor.

Employee Matching Gift Contributions (Canada)¹

Canada	2019
Employee contributions (number)	4,328
Employee contributions	\$1,770,000
Company match	\$900,220
Total combined donation	\$2,670,220
Registered charities supported (number)	977

¹ Contributions include Sun Life employees’ or advisors’ support of United Way.



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. Those who qualify receive \$20 per hour up to 25 hours, or \$500 per year for the charity of their choice. In 2019, our employees and advisors in Canada reported over 12,800 hours of their personal time volunteering with local charities and organizations. Sun Life is also a long-standing supporter of United Way across Canada and encourages employees and advisors to organize local campaigns in their communities.

Employee volunteer grant contributions (Canada)

Category	Amount
Employee contributions (hours)	12,880
Company donation	\$75,000
Registered charities supported (number)	180



Volunteer Highlights

Sun Life employees give back to help people stay warm during the holiday season

In 2019, employees from our Waterloo and Toronto offices collected and donated over 2,000 winter items for three charities in Ontario. These charities work with people experiencing homelessness to help break the cycle of poverty and strengthen local communities.

In the spirit of Sun Life's ongoing commitment to give back, employees went above and beyond to ensure their community members stayed warm and dry. Some employees had their family members help knit winter wear to donate, while some donated bags of new warm items such as socks, hats, gloves and scarves.

Day of Volunteering

Sun Life U.S. hosts a day of volunteering each year. In 2019, more than 100 Sun Life employees gathered at the New England Base Camp for the third consecutive year to tackle a variety of projects to prepare the camp for the busy summer season. Employees volunteered their time to paint cabins and fencing, clear pathways and brush, and build life-sized board games for the summer campers to enjoy. In addition to the volunteer work, Sun Life donated \$2,500 USD to the Camp so it can continue the great work to support its valuable programs and services every day.

Sun Life Foundation, Philippines volunteer engagement program

The Sun Life Foundation, Philippines continues to encourage employees and advisors to give back to their local communities through a volunteer engagement program. The program offers a volunteerism menu, where departments, branches, units and even individuals can choose specific “acts of kindness” to take part in.

Our employees and advisors engaged in many activities throughout the year aligned to the Foundation’s philanthropic priorities. Education initiatives included the distribution of back-to-school kits to disadvantaged kids and participation in the annual Brigada Eskwela initiative by the Department of Education where hundreds of Sun Life volunteers revamped public elementary schools in

preparation for the start of classes. The Foundation also organized visits to orphanages, hospitals and homes for the elderly. Blood donation drives were also conducted three times during the year contributing significantly to the country’s blood bank. Environmental activities included coastal clean ups, tree planting and recycling initiatives.

Over the year, the Foundation engaged almost 3,000 volunteers and touched 152,295 lives. This was above the Foundation’s social development programs which transformed more than 71,000 lives.

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 2019, Sun Life spent approximately \$4 billion on compensation and benefits globally.

Employees in Canada¹

Province	Full-time	Part-time	Total
Alberta	585	15	600
British Columbia	438	15	453
Manitoba	46	0	46
New Brunswick	13	1	14
Newfoundland and Labrador	9	2	11
Nova Scotia	50	0	50
Ontario	7,879	182	8,061
Prince Edward Island	3	1	4
Québec	2,142	82	2,224
Saskatchewan	29	0	29
Total	11,194	298	11,492

¹As of December 31, 2019.

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 2019, in all jurisdictions where we operate, taxes paid or payable to governments totaled \$1,384 million. Of this total, \$552 million was paid or payable in income taxes; \$375 million in premium taxes and investment income taxes; and \$457 million in excise, property, payroll and other taxes. In Canada, our total taxes paid or payable amounted to \$635 million.

Consolidated Tax Expenses in Canada

(in thousands of dollars)

Type of tax	Income taxes ¹	Premium taxes and investment income taxes	Total other taxes ²	Total
Federal	\$92,888	\$22,814	\$62,674	\$178,376
Provincial/Territorial				
Alberta	\$4,317	\$31,152	\$18,989	\$54,458
British Columbia	\$4,377	\$29,578	\$13,552	\$47,507
Manitoba	\$632	\$4,611	\$149	\$5,392
New Brunswick	\$589	\$3,712	\$813	\$5,114
Newfoundland and Labrador	\$434	\$2,637	\$581	\$3,652
Northwest Territories	\$59	\$474	\$0	\$533
Nova Scotia	\$823	\$4,597	\$947	\$6,367
Nunavut	\$7	\$55	\$0	\$62
Ontario	\$23,737	\$118,783	\$82,002	\$224,522
Prince Edward Island	\$179	\$1,010	\$223	\$1,412
Québec	\$6,103	\$43,625	\$48,833	\$98,561
Saskatchewan	\$987	\$7,363	\$68	\$8,418
Yukon	\$36	\$277	\$0	\$313
Total	\$135,168	\$270,688	\$228,831	\$634,687

¹ Income tax amounts are estimates based on information available for the year ended December 31, 2019.

² The category "Total other taxes" refers to \$99 million in property taxes, \$74 million in payroll taxes and \$56 million in sales and excise taxes.

Debt financing

Sun Life is committed to making debt financing available to businesses across Canada. In 2019, authorized debt financing totaled approximately \$3.7 billion.

Debt financing in Canada

(Authorized amounts are as of December 31, 2019 and are stated in thousands of dollars)

Province or territory	Category	\$1,000,000 - \$4,999,999	\$5,000,000 +	Total
Alberta ¹	Authorized Amount ²	\$0	\$155,234	\$155,234
	Number of Clients	0	8	8
British Columbia	Authorized Amount ²	\$8,592	\$951,655	\$960,247
	Number of Clients	2	21	23
Manitoba	Authorized Amount ²	\$0	\$45,642	\$45,642
	Number of Clients	0	3	3
Nova Scotia	Authorized Amount ²	\$0	\$45,227	\$45,227
	Number of Clients	0	2	2
Ontario	Authorized Amount ²	\$13,244	\$2,178,470	\$2,191,714
	Number of Clients	4	62	66
Other provinces or territories ³	Authorized Amount ²	\$7,754	\$26,500	\$34,254
	Number of Clients	2	1	3
Québec	Authorized Amount ²	\$17,257	\$183,937	\$201,194
	Number of Clients	3	6	9
Saskatchewan	Authorized Amount ²	\$0	\$55,881	\$55,881
	Number of Clients	0	2	2
Total	Authorized Amount²	\$46,847	\$3,642,546	\$3,689,393
	Number of Clients	11	105	116

¹ For Client confidentiality, one exposure in Alberta in the \$1M-\$4.99M authorization level is included in the 'other provinces' category.

² Authorized amount includes all new commitments for 2019.

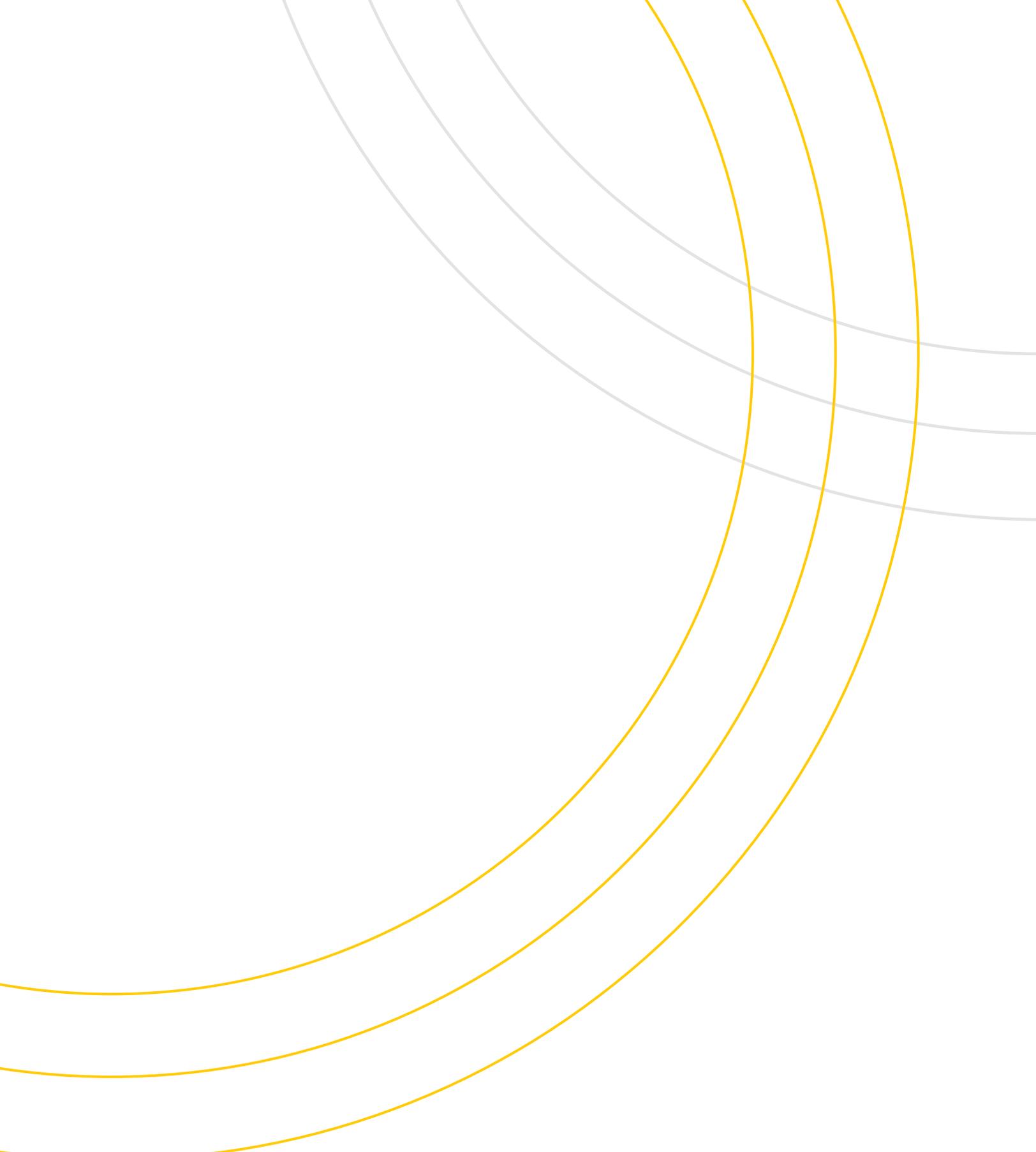
³ Other provinces and territories comprises New Brunswick, Newfoundland & Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon and in the \$1M-\$4.99M authorization level, Alberta.

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 2019.

Affiliates

The following is a list of principal subsidiaries of Sun Life Financial Inc. as of December 31, 2019.

- BentallGreenOak (Canada) Limited Partnership
- BentallGreenOak (U.S.) Limited Partnership
- BGO Holdings (Cayman), LP
- 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 Capital Management (Canada) Inc.
- Sun Life Insurance (Canada) Limited
- Sun Life of Canada (Philippines), Inc.
- Sun Life Vietnam Insurance Company Limited



Life's brighter under the sun