

SUN LIFE TAX STRATEGY

Sun Life Financial Inc. ("SLF Inc.") and its subsidiaries are collectively referred to herein as "the Company", "Sun Life", "we", "our", and "us".

Sun Life, headquartered in Canada, is a leading international financial services organization providing insurance, wealth and asset management solutions to individual and corporate Clients. Sun Life has operations in a number of markets worldwide, including Canada, the United States, the United Kingdom¹, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda. Due to the nature and geography of our business, we are subject to complex tax laws and regulations in multiple jurisdictions. This Tax Strategy reflects a global approach to the management of Sun Life's tax affairs to ensure that we comply with the letter and spirit of applicable tax laws.

Sun Life is committed to being a responsible global tax citizen and meeting its tax obligations in the jurisdictions in which we operate. The taxes we pay in Canada and around the world, published annually in our Public Accountability Statement ([Public Accountability Statement](#)), are a measure of the way Sun Life contributes to the economies and communities in which we live, work and do business.

This Tax Strategy applies to the entire Sun Life group of companies and is reviewed by Sun Life's Tax Department on an annual basis. Certain subsidiaries publish a separate Tax Strategy under United Kingdom law. ([MFS International \(U.K.\) Limited - Tax Strategy](#) and [InfraRed Holdco Group – UK Tax Strategy](#))

Sun Life's approach to effective tax risk management and governance

The SVP, Tax is accountable for carrying out effective tax risk management and governance and ensures that Sun Life complies with applicable tax laws, including transfer pricing legislation, in the countries in which Sun Life operates. We use a robust framework of policies, procedures and internal controls, which align with the Company's Risk Management Framework ([Risk Management Framework](#)), to manage our tax risk and ensure that our Tax Strategy is adhered to.

¹ The Board of Sun Life Financial of Canada (U.K.) Overseas Investments Limited reviews this document annually, and has approved its application to the company for the year ending December 31, 2023 in accordance with the requirements set out in Paragraph 19 (2) Schedule 19 of the Finance Act 2016



The Board of Directors of SLF Inc. and Sun Life Assurance Company of Canada (the “Board of Directors”), through its committees, is apprised of significant tax developments, tax management actions and tax outcomes. Further, the Board of Directors approves and oversees the Risk Management Framework. Sun Life has a business case review and approval process, whereby a group of senior executives oversees and approves every significant transaction entered into by Sun Life in consultation with the SVP, Tax on tax matters.

Sun Life’s approach to transfer pricing

As a multinational financial institution, affiliates of Sun Life regularly enter into cross-border intercompany transactions. In the pricing of these transactions, our Tax Strategy requires that prices charged by and between affiliates reflect economic and commercial reality. To manage tax risk related to these transactions, we ensure that cross-border transactions occur at market prices where these can be determined using recognized and appropriate transfer-pricing methodologies. Where market pricing is not readily available, we ensure that pricing is appropriate and supported. Formal documentation and review processes exist to ensure that jurisdictional transfer pricing requirements are met in all countries where Sun Life operates.

Sun Life’s approach to tax planning

We make management decisions after careful consideration of key metrics, including regulatory, legal, accounting and tax implications, in line with our Risk Management Framework. Where we identify tax issues from a proposed management action, we analyze and understand them to ensure that we are in compliance with the letter and spirit of applicable tax laws. While the management of Sun Life’s tax affairs contributes to achieving business objectives, we base all tax decisions on an underlying business purpose with commercial and economic substance aligned to our overall Purpose and strategy.

Where there is tax uncertainty, we may consult with leading law and accounting firms to obtain expert advice, opinions and objective guidance on tax matters, or to help us to understand new tax legislation or industry practice.

Sun Life’s approach to dealings with tax authorities

Our Code of Business Conduct outlines the standards of ethical behaviour we hold ourselves accountable to as we work with our Clients, shareholders, business partners, communities and each other. Consistent with our Code of Business Conduct, we engage with all our stakeholders, including tax authorities and policymakers, with honesty, integrity and professionalism.