



2023 Public Accountability Statement

Sun Life Financial Inc.



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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, 2023, to December 31, 2023). 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 activity¹

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 2023, we continued to support the communities where we live and work. Our goal is to build a healthier, brighter future for our Clients, employees, advisors, shareholders and communities.

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. We focus on improving physical health, mental health and overall well-being with a particular emphasis on youth and underserved communities. The prevention of type 2 diabetes continues to be Sun Life's global philanthropic health cause. In 2023, we provided \$5.7 million in support of diabetes-focused programs, surpassing more than \$50 million committed to the cause globally since 2012.

In addition to supporting the prevention of type 2 diabetes, we've increased our commitment to support greater access to mental health services. In Canada, our support focuses on youth and their families from underserved communities. In 2023, Sun Life announced \$4.7 million in donations for youth mental health programming for at-risk or underserved communities. This funding will support 11 organizations across Canada over the next three years. With new partnerships announced in 2023, Sun Life's donations in support of mental health in Canada total more than \$7.1 million since 2020.

Oral health is also an important focus area in our U.S. business. In 2023, \$1.2 million was invested in programs to improve the ease, flexibility and convenience of access to oral health care throughout the country.

Through Sun Life's global philanthropic donations, we aim to reduce health inequities and barriers to care for underserved and marginalized communities. With principles of diversity, equity and inclusion (DE&I) embedded within Sun Life's global philanthropic health pillars, we ensure our funding intentionally targets those who need help most. An example of this approach is the announcement of a three year, \$1 million partnership with Spirit North to promote healthy lifestyles and physical activity in Indigenous communities across Canada. As a result of these efforts, in 2023, Sun Life donated a total of \$4.3 million globally to support DE&I initiatives worldwide. This represents a 13% increase over the previous year's DE&I-related investments.

For the first time in 2023, we donated to climate change initiatives. We invested nearly \$350,000 to examine and better understand the implications of climate change on health. Funding included support for:

- a research study focused on assessing select Canadian municipalities on the state of their preparedness to limit extreme heat risk,
- a mangrove restoration and citizen-science project to support biodiversity in the Philippines, and
- a research project that addresses the impact of climate change, air pollution and air quality on mortality and morbidity risk in the U.S.

¹In this section, unless otherwise stated, references to "employees and advisors" excludes individuals from Massachusetts Financial Services ("MFS") and BGO companies listed on page 12.

In 2023, across all programs, Sun Life and its affiliates donated \$25.1 million to community organizations worldwide. In Canada, in 2023, Sun Life's charitable donations supporting community organizations coast to coast totaled \$9.5 million². Below are a few examples of donations and sponsorships from Sun Life and its subsidiaries.

Health

University Health Network partnership

In partnership with University Health Network's Toronto Rehabilitation Institute (Toronto Rehab), Sun Life committed \$750,000 over three years to further invest in Sun Life Diabetes College resources and the myDiabetes program. The new funding will help develop culturally appropriate diabetes prevention resources for Indigenous and Black communities and provide tailored myDiabetes content to the unique needs of young adults living with diabetes and pre-diabetes. This support is expected to help 2,800 people. Since 2015, Sun Life has committed over \$2.3 million to Toronto Rehab to support the Sun Life Diabetes College.

Sun Life Bright Futures Kids Wellness Program

In a new partnership with Children's Aid Foundation of Canada, Sun Life pledged \$1 million over four years to help launch the Sun Life Bright Futures Kids Wellness Program, a pan-Canadian mental health prevention initiative for youth in government care. The program is expected to support 700 youth, ages 6-18. This partnership demonstrates our commitment to the health and well-being of youth in Canada, ensuring access to the support they need to thrive.

Team Up Against Diabetes grant program

Each year, Sun Life U.S. runs a national grant program which provides support through grants of up to US\$100,000 each. The grants are awarded to registered charities focused on diabetes awareness, prevention, education and care. Sun Life created the program to help grassroots organizations seeking funding for diabetes programming in their local communities. Since the program began in 2016, Sun Life has donated over US\$2 million in funding to organizations throughout the U.S.

In 2023, Sun Life awarded US\$350,000 in funding via Sun Life's Team Up Against Diabetes grant program to six charities, including:

- **Iowa City Free Medical Clinic**
The Iowa City Free Medical Clinic received a US\$100,000 grant from Sun Life to support their "Good to Great" diabetes prevention and management program. The Good to Great program aims to supplement ongoing routine care for Hispanic/Latinx individuals at risk or living with diabetes with Spanish language one-on-one health education, access to group workshops, exercise programs, fresh fruits and vegetables, and nutrition/cooking classes to better support their health. With Sun Life's support, the program hopes to reach upwards of 260 patients.
- **T2 Fitness Foundation**
The T2 Fitness Foundation, based in Norfolk, Virginia received a US\$50,000 grant from Sun Life to support their T2 Fresh Start Initiative. The free, 12-week comprehensive wellness program aims to decrease health disparities impacting African American women and individuals living in under-resourced communities who have diabetes. With Sun Life's support, this initiative hopes to reach an additional 50 women in Isle of Wight County, Virginia.

²Includes donations made by individual business units.

Beyond Sport

Sun Life helped encourage youth in Asia to live more active and healthier lives through a partnership with Beyond Sport, a global sport-for-social-change foundation. In 2023, Sun Life made a \$1 million donation to support the development of basketball courts and youth activity programming in six Asian countries.

Pan-Mass Challenge

For 25 years, MFS has been a corporate sponsor of the Pan-Mass Challenge (“PMC”), a bike-a-thon held in Massachusetts, U.S. PMC raises millions of dollars for cancer research and treatments for the Dana-Farber Cancer Institute (“Dana-Farber”). In 2023, MFS helped raise more than US\$1.3 million of the PMC’s record-breaking US\$72 million gift to Dana-Farber.

Employee gifts and volunteer contributions

Sun Life’s corporate philanthropic work is supported by its employees and advisors who generously volunteer, donate to and participate in causes that they are passionate about. In 2023, employees and advisors volunteered thousands of hours and donated to organizations in the communities where they live and work. Across Canada, the U.S. and Ireland, where our You Give We Give Program operates³, Sun Life and its employees and advisors donated over \$4.5 million to more than 4,200 charities. This is the largest sum donated in the history of our employee giving program.

You Give We Give - Our employee and advisor giving and volunteer program

One of the ways we bring our Purpose to life is by supporting the health and well-being of the communities where we live and work. Through You Give We Give, employees and advisors can choose how to give back to the causes that are important to them.

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

Employee and advisor giving contributions (Canada)

Category	2023
Employee and advisor contributions (number)	3,263 employees and advisors made 50,604 donations
Employee and advisor contributions	\$1,609,104
Company match	\$1,395,546
Total combined donation	\$3,004,650
Registered charities supported (number)	1,960

³As of December 31, 2023, 18,283 regular and temporary employees at Sun Life were eligible for participation in the You Give We Give program (includes 11,841 employees in Canada, 5,912 employees in the U.S. and 530 employees in Ireland).

In Canada, Sun Life’s volunteer program recognizes the efforts of employees and advisors who volunteer for a registered charity or humanitarian cause. 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 takes part in. In 2023, our employees and advisors in Canada volunteered and reported over 20,400 volunteer hours with local charities and organizations.

Employee volunteer grant contributions (Canada)

Category	Amount
Employee contributions (hours)	20,499
Company donation	\$200,964
Registered charities supported (number)	278

Volunteer highlights

Sun Life employees in North America and Asia took part in volunteer opportunities to contribute to the well-being of their local communities.

Double company donations

Employees in Canada participated in an initiative that doubled charity rewards during specific days or months. While Sun Life matches hourly volunteering with corporate donations of \$20/hour towards an employee’s designated registered charity, these amounts were doubled in July and August. During GivingTuesday, the world’s largest generosity movement, Sun Life also offered the \$40/hour volunteer donation match along with an additional two-to-one company match for monetary donations made by employees. This initiative, coupled with

other matched donations made by employees, raised more than \$360,000 for communities across Canada in one day.

Oral health and diabetes prevention promotion

In the U.S., employees came together to promote oral health and diabetes prevention by participating in two volunteer initiatives throughout October. Over 1,100 employees helped to assemble 55,000 oral health kits with dental supplies (toothbrushes, toothpaste and floss) for communities in need. In addition, employees helped assemble over 700 healthy activity kits which were donated to support the American Diabetes Association’s Project Power program, an initiative that Sun Life supports as a national sponsor.

Sun Life Foundation, Philippines volunteer engagement program

In the Philippines, Sun Life employees and advisors can give back to their local communities through a volunteer engagement program. The program offers departments, branches, business units and individuals the opportunity to take part in specific acts of kindness.

Throughout the year, our employees and advisors engaged in many activities that support Sun Life’s philanthropic priorities. For example, we held a week-long virtual volunteers’ fair featuring a series of workshops on topics including education, financial literacy, health and the environment. The workshops benefited various partner organizations and the at-risk communities they support. In 2023, these programs engaged more than 1,600 volunteers and touched over 33,000 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 2023 and products that support the needs of lower-income individuals, persons with varying abilities⁴ and senior citizens.

Lower-income individuals

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

In some countries where we operate, financial education has been underdeveloped for years, resulting in low life insurance penetration. Helping people access affordable insurance represents huge growth potential for any insurer bridging the significant coverage gap. In 2023, we continued to provide access to more affordable insurance products⁵ through strategic and digital partnerships in Asia. We insured over 2.4 million lives through these partnerships in 2023.

Persons with varying abilities

We strive to provide products and services in a way that respects the dignity and independence of persons with varying abilities. We are committed to giving persons with varying abilities the same opportunity to access our products and services as other Clients. We are also committed to meeting the needs of persons with varying abilities in a timely manner and continue to meet applicable legislative requirements for preventing and removing barriers. In Canada, we apply the highest accessibility legislation to our organization. That's regardless of the originating province, to ensure the best experience for our Clients, including those with varying abilities.

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

⁴Our reporting on supporting the needs of persons with varying abilities is intended to address the Public Accountability Statements (Insurance Companies and Trust and Loan Companies) Regulations section 3(1)(f) requiring an overview of initiatives undertaken during the period, by the declarant and by the affiliates in respect of which the statement is published, to improve access to financial services for disabled persons.

⁵Affordable insurance products help people in the mass market (including lower-income segments) meet risk protection needs at an accessible price point. The criteria for a product to be considered affordable insurance varies by country and is based on factors such as: insurance premium amount relative to average income, coverage period, underwriting requirements and/or government regulation.

Senior citizens

In Canada, we offer personal health insurance. This type of 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 medical emergencies that aren't covered by provincial plans. Dental benefits are optional on some plans.

Sun Life also offers long-term care insurance. Sun Retirement Health Assist long-term care insurance protects against the impact that long-term care costs can have on retirement savings or income plans. It's a solution focused on planning for the health risks associated with later retirement and the realities of ageing. This insurance can help cover the costs of care when the insured becomes dependent on another person for their basic needs and safety. It allows them to have more choice around the care they'll receive and helps preserve their savings and investments.

In the Philippines, our SUN Senior Care product provides health insurance to those who are already in their pre-retiree or retiree life stages. Benefits include access to a wellness program and coverage for 17 common advanced-age critical illness conditions. If the insured remains healthy and well throughout the coverage period, the Client is still 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 2023, Sun Life spent approximately \$6.1 billion on compensation and benefits globally.

Employees in Canada⁶

Province	Full-time	Part-time	Total
Alberta	582	7	589
British Columbia	462	9	471
Manitoba	70	8	78
New Brunswick	13	0	13
Newfoundland and Labrador	12	0	12
Nova Scotia	62	1	63
Ontario	9,075	111	9,186
Prince Edward Island	2	0	2
Québec	2,153	42	2,195
Saskatchewan	24	0	24
Total	12,455	178	12,633

⁶ As of December 31, 2023.

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 2023, in all jurisdictions where the Company operates, taxes paid or payable to governments totalled \$2,434 million. Of this total, \$1,346 million was paid or payable in income taxes; \$532 million in premium taxes and investment income taxes; and \$555 million in excise, property, payroll and other taxes. In Canada, the Company's total taxes paid or payable amounted to \$902 million.

Consolidated tax expenses in Canada

(in thousands of dollars)

Type of tax	Income taxes ⁷	Premium taxes and investments taxes	Total other taxes ⁸	Total
Federal	\$174,142	\$25,988	\$86,738	\$286,868
Provincial/Territorial				
Alberta	\$8,679	\$33,446	\$18,461	\$60,586
British Columbia	\$14,773	\$37,919	\$15,816	\$68,508
Manitoba	\$1,879	\$4,914	\$263	\$7,056
New Brunswick	\$1,880	\$4,094	\$1,054	\$7,028
Newfoundland and Labrador	\$1,476	\$3,090	\$851	\$5,417
Northwest Territories	\$62	\$186	\$0	\$248
Nova Scotia	\$2,228	\$5,006	\$1,167	\$8,401
Nunavut	\$39	\$111	\$0	\$150
Ontario	\$66,153	\$143,673	\$96,701	\$306,527
Prince Edward Island	\$494	\$936	\$242	\$1,672
Québec	\$19,523	\$51,373	\$65,848	\$136,744
Saskatchewan	\$3,433	\$8,920	\$98	\$12,451
Yukon	\$125	\$356	\$0	\$481
Total	\$294,886	\$320,012	\$287,239	\$902,137

⁷ Income tax amounts are estimates based on information available for the year ended December 31, 2023.

⁸ The category "Total other taxes" refers to \$114 million in property taxes, \$101 million in payroll taxes and \$72 million in sales and excise taxes.

Debt financing

Sun Life is committed to making debt financing available to businesses across Canada. In 2023, authorized debt financing for businesses in Canada totaled over \$3.1 billion.

Debt financing in Canada

(Authorized amounts are as of December 31, 2023 and are stated in thousands of dollars)

Province	Category	\$500,000 - \$999,999	\$1,000,000 - \$4,999,999	\$5,000,000 +	Total
Alberta	Authorized Amount ⁹	-	-	\$488,299	\$488,299
	Number of Clients	-	-	12	12
British Columbia	Authorized Amount ⁹	-	\$9,266	\$578,165	\$578,431
	Number of Clients	-	3	13	16
Ontario	Authorized Amount ⁹	-	\$38,477	\$1,772,410	\$1,810,887
	Number of Clients	-	12	42	54
Québec	Authorized Amount ⁹	-	-	\$265,066	\$265,066
	Number of Clients	-	-	7	7
Other ¹⁰	Authorized Amount ⁹	\$1,829	-	\$12,503	\$14,332
	Number of Clients	2	-	1	3
Total	Authorized Amount⁹	\$1,829	\$47,743	\$3,116,443	\$3,166,015
	Number of Clients	2	15	75	92

There was no activity in Manitoba, New Brunswick, Newfoundland & Labrador, Northwest Territories, Nova Scotia, 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 2023.

⁹Authorized amount includes all new commitments for 2023.

¹⁰Other provinces and territories comprises Alberta, Ontario and Saskatchewan which were combined for Client confidentiality.

Affiliates

The following is a list of affiliates of the Declarants as of December 31, 2023.

- BGO Capital (Canada) Inc.
- BGO US Lending HRI Loan Pledgor LLC
- BGO US Lending HRI Loan Seller LLC
- BGO US Lending Originator LLC
- BGO US Lending Pledgor II LLC
- BGO US Lending Pledgor III LLC
- BGO US Lending Seller I LLC
- BGO US Lending Seller II LLC
- BGO US Lending Seller III LLC
- MFS Institutional Advisors, Inc.
- MFS Investment Management Canada Limited
- MFS Investment Management Company (LUX) S.à.r.l.
- SLC Management Canadian Commercial Mortgage Fund
- SLGI Asset Management Inc.
- Sun Life Canada Securities 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.

