

# Public Accountability Statement

2020

Sun Life  
Financial  
Inc.

# 2020 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, Sun Life Insurance (Canada) Limited and Sun Life Financial Trust Inc 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, 2020 to December 31, 2020). 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 2020, 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.

Due to the COVID-19 pandemic, many of our community partners faced challenges from staff reductions, event suspensions or cancellations, and lower fundraising activity. We kept our financial commitments and loosened our funding criteria to help our partners respond to more immediate needs. Together with our principal subsidiaries, we boosted our charitable funding by over \$2 million for communities hard hit by the pandemic.

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 \$38 million globally in support of diabetes awareness, prevention, care and research initiatives. In 2020, Sun Life donated a total of \$13.8 million to community organizations across Canada, the U.S., the UK, and countries in Asia. Our principal subsidiaries contributed an additional \$4.7 million to support community organizations globally.

In Canada, in 2020, Sun Life's charitable donations supporting community organizations coast to coast totaled \$8 million<sup>1</sup>. In addition,

<sup>1</sup>Includes donations made by individual business units.

some business units sponsored cultural, community and economic development initiatives.

Here are a few examples of our 2020 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 pandemic, both events were converted to virtual formats in 2020. 11,000 Sun Life employees and advisors across Canada participated to raise awareness and funds to help find a cure for type 1 diabetes. As a result of our employees participating, Sun Life donated over \$108,000. The two events encouraged participants to stay physically active during these unprecedented times while giving back to a worthy cause.

## Diabetes Prevention Clinic sponsored by Sun Life

We continued to fund our three-year commitment to the Montreal Heart Institute's Diabetes Prevention Clinic. During the clinic's second year, the majority of participants reduced their weight, waist circumference and average blood sugar. Since opening, the Clinic has seen over 200 patients and conducted more than 17,000 fitness sessions and 1,900 individual meetings.

## 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 USD\$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.

In 2020, Sun Life granted USD\$250,000 to five charities, including:

- **Emory University**, *Leveraging Soccer to Prevent Diabetes Among Minority Men, Atlanta*: Emory University implemented a soccer-based Diabetes Prevention Program to engage minority men with the goal of reversing a prediabetes diagnosis. Trained soccer coaches will lead facilitated discussions using the U.S. Centers for Disease Control and Prevention (CDC) National Diabetes Prevention Program modules, along with rigorous game play that incorporates a fitness curriculum from FIFA and other resources. The goal is for participants to reverse their prediabetes, demonstrate sustained weight loss and exhibit new knowledge of exercise, nutrition and wellness. Sun Life's support will cover all costs for program participants.
- **Physicians Committee for Responsible Medicine**, *Native Food for Life, Washington, D.C.*: The Native Food for Life program focuses on the prevention and reversal of diabetes in the Navajo Nation and the Eight Northern Pueblos of New Mexico. American Indian and Alaskan Native populations shoulder a disproportionate burden of type 2 diabetes among adults, according to the CDC. The program's diabetes prevention, treatment, and reversal curriculum uses ancestral wisdom and Navajo culture to help restore participants' physical health and vitality over the course of a 12-week period. Sun Life's grant support will: allow for an online adaptation of the curriculum, train local experts to assist in program delivery and help launch community workshops in four new locations. In moving their materials to an online format, coupled with the additional community workshops, the program is expected to reach over 10,000 individuals in the Navajo Nations.

## Sun Life Resolution Run

In January 2020, Sun Life offices in Indonesia and Malaysia hosted our annual Sun Life Resolution Run event. Due to the pandemic, our offices in Hong Kong and the Philippines developed alternative virtual run events. The Sun Life Resolution run events and virtual runs engaged over 10,000 participants and raised money and awareness of diabetes prevention.



## Arts and culture

### Sun Life Musical Instrument Lending Library program

In 2020, 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 2020, employees and advisors volunteered thousands of hours and donated to their favorite charities and organizations.

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

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

Canada	2020
Employee and advisor contributions (number)	7,627 employees and advisors made 73,145 donations
Employee and advisor contributions	\$1,850,000
Company match	\$961,318
Total combined donation	\$2,811,318
Registered charities supported (number)	1,845



## 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 2020, our employees and advisors in Canada volunteered safely from home due to the pandemic and reported over 11,800 virtual volunteer hours of their personal time with local charities and organizations.

### Employee volunteer grant contributions (Canada)

Category	Amount
Employee contributions (hours)	11,882
Company donation	\$83,996
Registered charities supported (number)	192



## Volunteer highlights

### **Sun Life employees in North America perform ‘acts of kindness’ to help contribute to the well-being of their local communities**

In 2020, employees from across North America continued to participate in safe, virtual volunteer opportunities to help their local communities. These opportunities included activities like mentoring or calling people who were living alone. Aside from volunteering for charities, employees also delivered many ‘acts of kindness’ through the month-long Sun Life Together employee giving campaign. Examples included buying groceries for a neighbour, creating get-well cards and safely delivering a meal to someone in need. More than 565 acts of kindness were performed during the month as employees spread brightness to their local communities. Additionally, during our campaign we provided every employee and advisor with funding that they could provide to a charity. Our spirit of giving back to those in need was stronger than ever.

### **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 volunteer and donation opportunities where departments, branches, business units and even individuals can participate in specific ‘acts of kindness’ despite the pandemic.

Our employees and advisors engaged in many activities throughout the year aligned to the philanthropic priorities of the Sun Life Foundation. For example, the Sun Life 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 Sun Life Foundation engaged more than 3,600 volunteers and touched almost 145,000 lives. This was in addition to the Foundation’s social development programs which transformed more than 299,000 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 2020 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. The opportunity to help people gain access to affordable insurance represents huge growth potential for any insurer that can help bridge this significant coverage gap. In 2020, we expanded low-cost insurance options for consumers in the Philippines and Indonesia, through strategic partnerships with MediCard and LinkAja.

Sun Life Philippines teamed up with MediCard to offer more affordable personal accident insurance to Filipinos. For only P20.00, qualified Health Check members can avail a one-year personal accident insurance coverage worth P20,000. This coverage provides financial protection in case of loss of life, dismemberment and loss of sight due to an accident.

In Indonesia, we partnered with financial technology company, LinkAja, to leverage their digital distribution channels. Together, we're expanding access to insurance products through their digital apps, with nearly 10,000 policies sold in 2020.

We also continue to provide low-cost insurance solutions for Clients through partnerships with Lazada (Philippines) and U Mobile (Malaysia).

## 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 and allowing them to benefit from the same services, in the same place and in a similar way 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. For example, in 2020, we completed our journey to make our public websites and web content published on those sites, conform with WCAG 2.0, Level AA. We have also introduced significant accessibility improvements to the my Sun Life mobile app and enhanced our Accessibility Training and Best Practices program.

## 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 2020, Sun Life spent \$4.4 billion on compensation and benefits globally.

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

Province	Full-time	Part-time	Total
Alberta	430	7	437
British Columbia	227	1	228
Manitoba	19	0	19
New Brunswick	14	0	14
Newfoundland and Labrador	10	0	10
Nova Scotia	45	0	45
Ontario	7,414	114	7,528
Prince Edward Island	3	0	3
Québec	2,086	43	2,129
Saskatchewan	28	0	28
Total	<b>10,276</b>	<b>165</b>	<b>10,441</b>

<sup>1</sup>As of December 31, 2020.

# 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 2020, in all jurisdictions where the Company operates, taxes paid or payable to governments totalled \$1,728 million. Of this total, \$868 million was paid or payable in income taxes; \$395 million in premium taxes and investment income taxes; and \$465 million in excise, property, payroll and other taxes. In Canada, the Company's total taxes paid or payable amounted to \$727 million.

## Consolidated tax expenses in Canada

(in thousands of dollars)

Type of tax	Income taxes <sup>1</sup>	Premium taxes and investment income taxes	Total other taxes <sup>2</sup>	Total
Federal	\$129,843	\$22,467	\$63,285	\$215,595
Provincial/Territorial				
Alberta	\$7,314	\$32,973	\$17,073	\$57,360
British Columbia	\$9,893	\$33,256	\$10,513	\$53,662
Manitoba	\$1,395	\$4,957	\$143	\$6,495
New Brunswick	\$1,261	\$3,871	\$790	\$5,922
Newfoundland and Labrador	\$907	\$2,676	\$593	\$4,176
Northwest Territories	\$39	\$159	\$0	\$198
Nova Scotia	\$1,542	\$4,617	\$858	\$7,017
Nunavut	\$15	\$59	\$0	\$74
Ontario	\$44,757	\$124,407	\$80,863	\$250,027
Prince Edward Island	\$370	\$1,004	\$190	\$1,564
Québec	\$12,774	\$46,492	\$54,963	\$114,229
Saskatchewan	\$2,184	\$7,922	\$57	\$10,163
Yukon	\$77	\$300	\$0	\$377
<b>Total</b>	<b>\$212,371</b>	<b>\$285,160</b>	<b>\$229,328</b>	<b>\$726,859</b>

<sup>1</sup> Income tax amounts are estimates based on information available for the year ended December 31, 2020.

<sup>2</sup> The category "Total other taxes" refers to \$99 million in property taxes, \$77 million in payroll taxes and \$54 million in sales and excise taxes.

# Debt financing

Sun Life is committed to making debt financing available to businesses across Canada. In 2020, authorized debt financing totalled over \$2.7 billion.

## Debt financing in Canada

(Authorized amounts are as of December 31, 2020 and are stated in thousands of dollars)

Province or territory	Category	\$1,000,000 - \$4,999,999	\$5,000,000 +	Total
Alberta <sup>1</sup>	Authorized Amount <sup>2</sup>	-	\$463,137	\$463,137
	Number of Clients	-	9	9
British Columbia	Authorized Amount <sup>2</sup>	\$27,141	\$533,335	\$560,476
	Number of Clients	8	15	23
Manitoba	Authorized Amount <sup>2</sup>	\$0	\$47,180	\$47,180
	Number of Clients	0	2	2
Ontario	Authorized Amount <sup>2</sup>	\$26,342	\$1,465,857	\$1,492,199
	Number of Clients	7	48	55
Other provinces or territories <sup>3</sup>	Authorized Amount <sup>2</sup>	\$4,016	\$36,948	\$40,964
	Number of Clients	3	2	5
Québec <sup>1</sup>	Authorized Amount <sup>2</sup>	-	\$141,212	\$141,212
	Number of Clients	-	8	8
<b>Total</b>	<b>Authorized Amount<sup>2</sup></b>	<b>\$57,499</b>	<b>\$2,687,669</b>	<b>\$2,745,168</b>
	<b>Number of Clients</b>	<b>18</b>	<b>84</b>	<b>102</b>

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

<sup>2</sup> Authorized amount includes all new commitments for 2020.

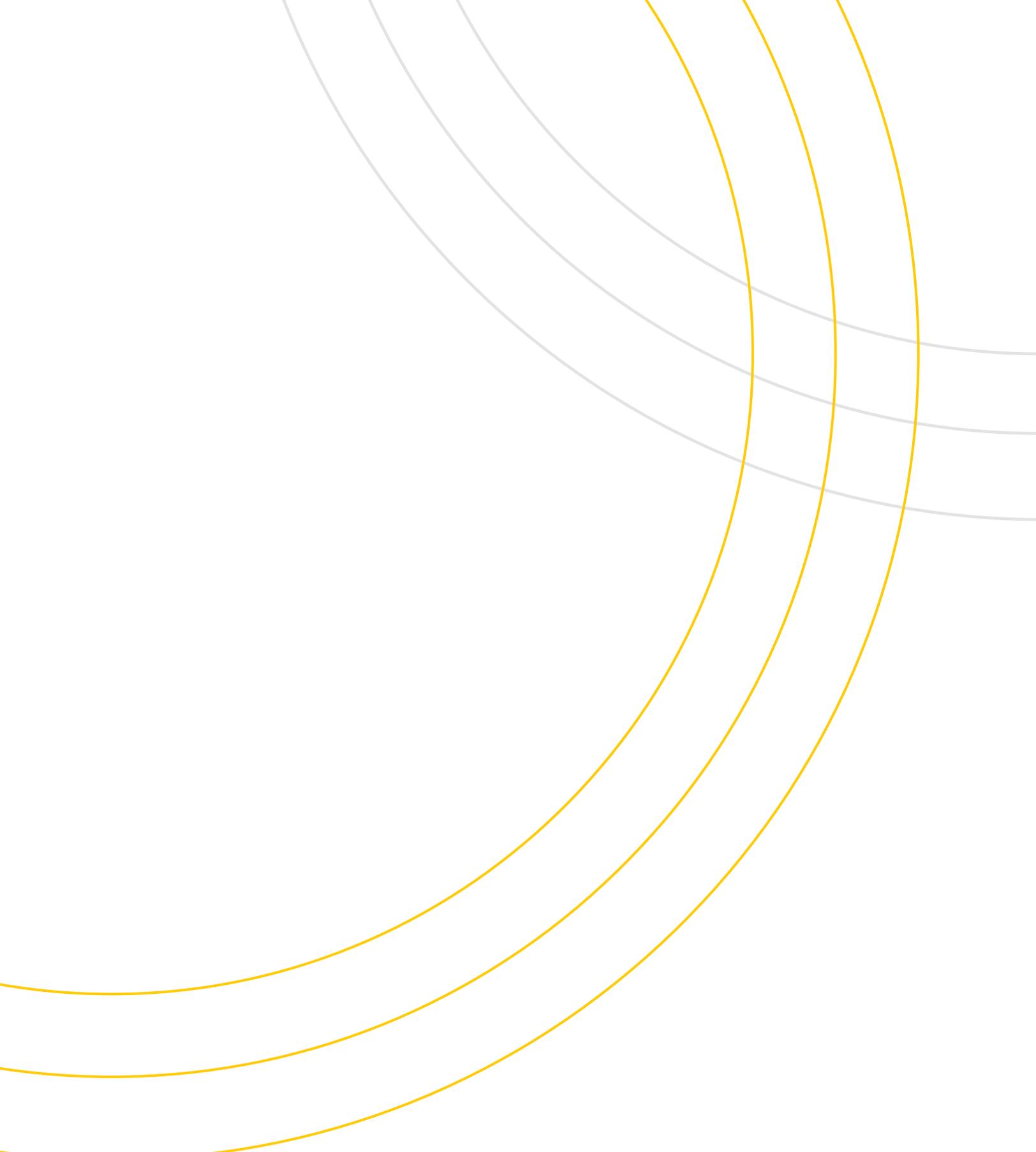
<sup>3</sup> Other provinces and territories comprises Alberta, Nova Scotia and Québec in the \$1M-\$4.99M authorization level, and Nova Scotia and Saskatchewan in the \$5M+ authorization level.

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; \$500,000-\$999,999 in 2020.

# Affiliates

The following is a list of affiliates of the Declarants as of December 31, 2020.

- BentallGreenOak (Canada) Limited Partnership
- BentallGreenOak (U.S.) Limited Partnership
- BGO Holdings (Cayman), LP
- Massachusetts Financial Services Company
- PT. Sun Life Financial Indonesia
- SLGI Asset Management Inc.
- 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 Hong Kong Limited
- Sun Life Capital Management (Canada) Inc.
- Sun Life Capital Management (U.S.) LLC
- Sun Life Insurance (Canada) Limited
- Sun Life of Canada (Philippines), Inc.
- Sun Life Vietnam Insurance Company Limited



Life's brighter under the sun