



IT'S ABOUT ALL OF US

*Diversity, Equity & Inclusion
Strategy 2025*

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Diversity, Equity and Inclusion is about all of us moving forward, together.

We at Sun Life can't be bystanders and *hope* that inclusion happens.

We will work harder to be a more inclusive business.

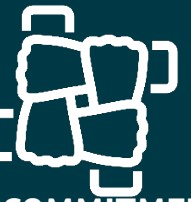
We will build a more just and equitable world.

And we will track our progress, share what we've learned, and be a leader in this space.

For everyone.



FROM OUR CEO



OUR COMMITMENTS



OUR STRATEGY



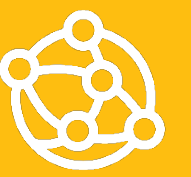
1: LEARNING



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OUR JOURNEY



OUR PEOPLE

It's about all of us.

Sun Life strongly believes in the importance of an inclusive and caring culture. More than just being the *right* thing to do – it's the key to attracting great talent, supporting an engaged workforce and serving the needs of our Clients and communities around the world.

This decade began with events that shone a bright light on existing challenges to achieving this type of culture, including systemic racism and social inequalities. These important issues sparked new conversations, elevated actions and raised awareness at Sun Life. It also reinforced the view that we have an obligation and the ability to champion the changes that are needed – within our organization, across our industry and throughout our whole society. We have a plan to make that happen.

Our DE&I strategy

I'm pleased to share our Diversity, Equity and Inclusion (DE&I) **Strategy 2025**. It outlines our plan, our focus areas, and our promise to keep pushing for action. While Sun Life has taken important steps to date and earned external recognition for having diverse and inclusive workplace practices, we can still do better.

That's why we're taking stronger measures to build inclusivity in our workplace and in our communities, with an eye on different groups and individuals most in need due to systemic challenges. Our focus is not just on company policies and programs, but on everyday experiences.

Our commitment to diversity, equity and inclusion is directly aligned with our Purpose, business strategy and ultimate success as a company. We draw strength from our differences because they unleash creativity and spark innovation. While we do talk about commitments, the focus is really on people. We want our boardroom and business tables to reflect the communities where we live and work.

It's not a destination, but a direction forward

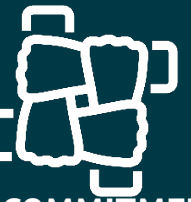
We set 2025 as a milestone year, with specific outcomes we need to achieve. But this isn't something that gets done or finished. It's an ongoing process and change that continues to adapt and grow as needed. It's about creating space in our culture and our world to accommodate a better way to do business. To get there, we know there's much more to do. And together, we can and will do better – for all of us.



Kevin Strain
President and Chief Executive Officer



FROM OUR CEO



OUR COMMITMENTS



OUR STRATEGY



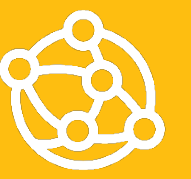
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Commitments 2025: Where we're going



Here are the commitments we've made to our people and our business partners for 2025. Publishing them transparently in this document is step one. We're going to report on our progress each spring in our Sustainability Report. And we'll make that progress public on our website, so anyone can track our activities during the year.

GLOBAL



Gender Parity

in VP+ roles globally at Sun Life

In 2020, we raised our commitment to achieve gender parity by 2025. We are at 35% today, and climbing, up 1% with new appointments in 2021.

NORTH AMERICA



25%

Percentage of underrepresented ethnicities in VP+ roles in North America at Sun Life

We are at 16.4% today, and climbing, up 1.4% with new appointments in 2021.

NORTH AMERICA

 **3.5%**

Percentage of Black employees in executive roles in Canada

Part of a series of commitments included in our role as signatory to the BlackNorth Initiative.*

 **13%**

Percentage of Black employees at all levels in the U.S.**

CANADA

Progressive Aboriginal RELATIONS **COMMITTED**

Canadian Council for Aboriginal Business 

In February 2021, we became a member of the Canadian Council for Aboriginal Business, and began our PAR certification, becoming the first insurer to do so.

In September 2021, we [published](#) more of our actions and commitments in Indigenous Communities in Canada.***

Underrepresented ethnicities:

Canada: those who self-identify as Visible Minorities per the Employment Equity Act.

U.S.: those who self-identify as People of Color per the Equal Employment Opportunity Commission.



*Additional commitments as part of the [BlackNorth Initiative](#) include: 5% of black participants in our student workforce; 3% of corporate donations and sponsorships to promote investment and create economic opportunities in the Black community in Canada; and commitments to improve our workplace practices, including: making our workplaces trusting places to have complex, and sometimes difficult conversations about anti-Black systemic racism, creating and fostering education that addresses unconscious bias and anti-Black systemic racism, sharing best practices with other organizations, and creating strategic inclusion and diversity plans with our board of directors.

**U.S. refers to the U.S. Group Benefits and In-Force management businesses as reported by Sun Life Financial Group Inc.

***Indigenous is a collective name for the original peoples of North America and their descendants. In Canada, the term Aboriginal Peoples is also used for individuals identifying themselves as First Nations, Inuit or Metis.



FROM OUR CEO



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What we're doing to get there

Our Vision

We will create an environment where: everyone is treated fairly and respectfully, at work and in our communities; where we all can fully contribute our beliefs, perspectives and talent; and where we all have equal access to opportunities and resources.

Our Strategy

We have set three strategic pillars to enhance and evolve our DE&I effort.



**Pillar 1:
Learning**

The foundation of our strategy is measurement and research. It's the crucial first step before we act to create impactful solutions. We're using data-driven insights and employee feedback to **learn** where barriers exist, and where to focus our efforts.



**Pillar 2:
Building**

We're building our people's capabilities and strengthening our "DE&I muscle", by fostering a respectful culture with inclusive policies, programs and education. The entire organization is developing new practices and finding opportunities to improve existing ones so they work for everyone.



**Pillar 3:
Leading**

We're creating tools and practices that empower our people to lead by example, empower our senior leadership to take ownership and accountability, and raise awareness of opportunities and challenges across the board.

Who we're focused on



CLIENTS

Better reflect and anticipate the unique needs of our Clients across all lines of business and locations.



COLLEAGUES

Nurture an inclusive and respectful workplace where all of our people can contribute to their full potential.

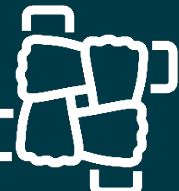


COMMUNITIES

Better support the communities where we work. And create strong working relationships with suppliers who share our values and commitment to social responsibility.



FROM OUR CEO



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1: LEARNING



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Pillar 1: Learning



Using research and insights to learn where we can do better, and advance our diversity, equity and inclusion efforts.



Finding ways to improve our recruitment processes

An ongoing study of our recruitment practices is uncovering new data. We're using these insights to help us better reach diverse candidates, including those in underrepresented groups, in 2021 and beyond. We will also use advanced artificial intelligence (AI) tools and other proven practices to minimize bias in our candidate screening. As well, we'll be regularly re-examining our hiring outcomes with an inclusive lens to ensure we're on track.



Understanding ourselves better

We're creating more DE&I dashboards and reporting requirements for our people leaders and business partners. This will ensure we analyze our progress, draw meaningful insights, and stay the course on DE&I.



Using what we've learned to ensure equitable compensation

Across our business, we use tools to learn about potential pay gaps, which in turn supports meaningful changes. Managers make more equitable compensation decisions as a result. These tools show how annual pay decisions (i.e. performance distribution, salary adjustments, annual incentive awards and long-term incentive grants) compare across women and men, as well as other diverse groups. As a result, our pay equity continues to improve across the entire company.



Evaluating the Client experience from a diversity lens

We're increasing research and user testing to better understand our diverse Clients and their unique needs. We're also working to train all our teams on using inclusive language and accessible content in their interactions with Clients.

How data and insights were applied in practice

Gender Equity Pay analysis

In 2020, we conducted an expanded analysis of total average pay by gender for roles at the same level for our North American employees.



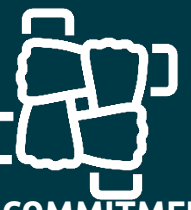
- **In Canada:** Sustained results from previous year with women earning 98-99 cents for every \$1 earned by men.
- The gap increased to five cents at the executive level, driven by a changing population of both men and women at these levels. We have flagged this for further research.



- **In the US:** Women earned between 95-97 cents to every \$1 earned by men (depending on level)
- Demographic factors such as regional locations contributed to these differences. We are assessing this in more depth due to varied talent costs across the US.



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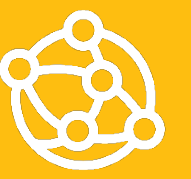
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Pillar 2: Building



Designing the right policies, programs and practices to build a more inclusive business.



Increased support for employee networks and communication

We're increasing the funding and resources we provide to our employee-driven inclusion networks to better serve their mandates. And we will continue to encourage regular, open dialogue. Through our main employee collaboration and communication platform, we've created safe spaces for our people to exchange thoughts and ideas.



More diverse marketing and communications

We're building our expertise to "speak" DE&I. Research shows that many people – of different cultures, communities, income levels, generations and gender – feel the financial system doesn't speak to them. We at Sun Life want our marketing and communications to reflect diverse perspectives and use more inclusive language.



Inclusion-focused education

It isn't enough to deliver one round of inclusion-focusing training and call it a day. We're embedding DE&I education and practices in all of our learning channels to support our people build inclusive behaviour and capability.



Boosting support for community initiatives

We're evolving our charitable giving program to place a bigger focus on advancing inclusion, especially for disadvantaged or marginalized communities. Recent events – including the COVID-19 pandemic, the Black Lives Matter movement and historical injustices faced by Canada's Indigenous peoples – have inspired us to ramp up our investments.



Expanding supplier diversity

Our promise to practice diversity includes our supply base and the partners in our supply chain. Through our Supplier Diversity Program, we recognize, encourage and include diverse suppliers as part of our competitive bidding process. We will continue exploring opportunities to strengthen this program.

How we're building our capabilities and walking the walk on DE&I

Kaleidoscope by HIVE Learning

[Introduced in 2020](#), Hive Learning's Inclusion Works program – branded "Kaleidoscope" at Sun Life – is the world's leading interactive digital inclusion program for DE&I. This learning platform provides modern social learning rather than traditional classroom training. It also includes comprehensive discussion guides to promote conversation and learning.



Inclusion scholarships for Black & Indigenous Students

[Launched in September 2021](#), this program will provide 100 scholarships over the next 5 years to Black and Indigenous university students in their last year of study*. Selected students will be awarded a \$5,000 scholarship, a summer internship, professional coaching from a Sun Life mentor and possibility of a full-time opportunity at Sun Life after graduation.



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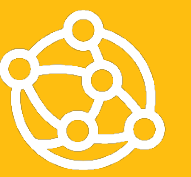
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*The program is open to qualifying applicants who are Canadian citizens or permanent residents of Canada and are currently enrolled in a Canadian university.

Pillar 3: Leading



Equipping our leaders and people, and ensuring responsible oversight of our diversity, equity & inclusion goals.



Representation

Employee resource groups and taskforces are growing across our organization. These employees represent our diverse communities and colleagues. They champion and support our DE&I initiatives by creating safe spaces and fostering inclusion.



Inclusive recruiting practices

We implemented a newly-developed recruitment approach to deliver an inclusive process. This includes diverse interview panels and candidate slates, consistent screening practices, and acknowledgement and mitigation against bias.



Executive-led forums

Starting in 2020, our executives began hosting DE&I sessions with external experts in the field. These internal forums are an important part of our DE&I journey, helping us to learn and grow together while getting more comfortable having important (but not always easy) discussions.



Mentorship and sponsorship

We have expanded our internal mentorship and career development programs to ensure they are equitable, accessible and inclusive. We recently implemented a new global mentorship framework with an inclusion focus to ensure consistency across our businesses.



Increasing transparency

This document is part of a larger story. We're ramping up how - and how often - we communicate internally and externally about our DE&I performance. And we will seek opportunities to participate in external DE&I initiatives, to share our experiences with others.

How our people are empowered to act

Inclusion Networks at Sun Life

Our Inclusion Networks are voluntary, employee-led communities. Each one supports and advocates for one of the many diverse populations at Sun Life. These networks play an important role in fostering and leading a culture of inclusion within Sun Life.



Together, our Inclusion Network memberships total 7,536.

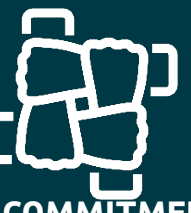
Each year, the networks hold events, engage employees, and allocate \$100,000 (CDN) and \$150,000 (US) in philanthropic funding to community partners and charitable organizations.

Executive Diversity, Equity & Inclusion Council

Founded in 2018, Sun Life's Executive DE&I Council supports the integration of DE&I practices across our global company. With leaders from across the business, the Council champions a wide range of programming and helps influence DE&I policies and practices.



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Our journey so far



We've made important strides on our journey to making Sun Life a truly inclusive business and workplace. Making diversity a top priority, we started the foundational work on our enhanced DE&I strategies in 2015. We have been building steadily from there. We created a new DE&I team, launched our Executive Council, and continued to expand our inclusion networks. Our efforts have earned us internal and external recognition as a committed leader in DE&I.

94%*

of our employees say Sun Life supports diversity in the workplace, and that the company recognizes and respects the value of human differences. 81% say it's safe to speak up at Sun Life.

\$2.04M

in total, global philanthropic spending for DE&I initiatives.

2.1%

of employees in executive roles in Canada identify as Black. When looking at our overall Canadian employee population, we're at 3%. And in our student population, we're at 4.2%.

62%

of our CEO's Direct Reports identify as women. And women make up 45% of our Executive Team.

35%

of VP+ employees globally at Sun Life identify as women.

16.4%

of VP+ employees in North America at Sun Life identify as belonging to an underrepresented ethnicity.

1.4%

of employees in executive roles in Canada identify as Indigenous. When looking at middle management and our overall workforce in Canada, we're at 0.3% and 0.7%, respectively.

47.6%

of our Board of Directors identify as women.



FROM OUR CEO



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*These survey results are as of November 15, 2021. All other figures on this page are as of December 31, 2021.

**Bloomberg Gender-Equality Index listing every year since 2018.

***12 consecutive annual recognitions by Corporate Knights as one of the world's 100 most sustainable corporations.

Sun Life colleagues say it best



Sarah Connolly
Financial Operations,
Premium Reporting
Analyst

I was three or four when I got my first hearing aid. I didn't know anyone else my age who wore a hearing aid or who was Deaf. I had no one to share my experience with. I felt lonely.

I got used to being the odd person out. The one who has to be concerned about surprise rain showers and finding a safe, dry place to store my hearing aid when I swam at the pool. It can be exhausting and stressful to worry about things most people don't think about.

When I came to work at Sun Life, I was very worried about the reactions to my hearing loss. **I was so happy to find my managers were supportive and anxious to make sure I had the accommodations I needed to thrive and work well.**

When DiverseAbility (one of our Employee Resource Groups) was created, I was over the moon. Not only does it mean so much to me to know my company recognizes the importance of inclusion, equity and diversity, it also means that I am not alone anymore. Other people living with disabilities don't have to feel alone anymore.

We shine best and brightest when we make a place for everyone.



Shamika Hoyt
Associate Director, Stop
Loss & Health

Many of the corporations I worked for lacked diversity. I never saw many people who looked like me in positions of leadership. When I started at Sun Life, I noticed a similar trend, although, there was more diversity of the employee population.

In 2018, I became co-chair of the Black Excellence Alliance (BEA). Although it is a very rewarding and positive experience, it can sometimes weigh heavy upon me. The battle of trying to bring your best self to work and perform, knowing that Black people are constantly being under-valued, underestimated and marginalized, is extremely difficult.

The number of Black and African Americans killed by police is heartbreaking. Being present mentally at work during this time is tough, when deep down you're hurting and worried about your own family coming home safely.

Having an outlet like BEA to discuss these issues and emotions is necessary and therapeutic. It affords us the opportunity to engage with and educate our allies on the effects of racism. **I am very proud of how Sun Life stepped up during these times of social unrest. They asked questions, listened to understand, and took action to make positive changes.**



Rahim Ali
IT Audit Manager

Since joining Sun Life almost 5 years ago, I always wished for more accessible avenues for us to more easily come together to share our stories, and mutually learn and benefit from one another.

In May 2019, I got an opportunity to lead the launch event of Ascend Canada at Sun Life. **It was a proud moment to witness Sun Life realize yet another commitment towards fostering diversity, equity and inclusion,** and play a role in creating and cultivating inclusive corporate culture.

I am amazed to see how our various Inclusion Networks provide opportunities for our people to upskill, grow, and feel empowered to bring their authentic selves to work.

I have learned that **being inclusive is a value that needs to be attained and learned.** It is not just a matter of being tolerant to diversity. We need to actively engage, and embrace our differences, and the intrinsic value that our individual identities bring to the table.



Ashwin Gowani
Managing Director,
Client Solutions,
SLC Management

I didn't truly appreciate the personal benefits of working in an inclusive company until I joined Sun Life.

I remember attending the Sun Life PRIDE event the first year I joined, and **was overwhelmed by how publicly celebrated and attended the event was** – not just by senior leadership, but also, allies of various levels across the organization. I hadn't felt like this in a work environment before, and it really stands out as one of my favourite memories of working at Sun Life so far.

Like other organizations, I believe that we have our challenges at Sun Life, from a DE&I perspective. What I can say, hand on heart, is that when someone like me has an issue related to diversity, equity or inclusion, that **I've received support from senior leadership to try to understand, and help to address the issue in a meaningful way.**

I think that's what an increasingly diverse workforce can and should expect from their senior leaders, and I'm glad that it exists here at Sun Life.

This is not a short, easy journey. But we are challenging ourselves to do better. By learning, building and leading, we'll drive the required changes forward through our individual and collective actions, and benefit from our results together.

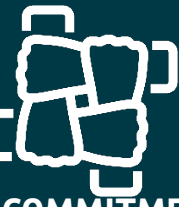
Because it's about **all of us.**



Sarah Kheir
AVP, Head of Diversity,
Equity & Inclusion



FROM OUR CEO



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1: LEARNING



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Diversity, Equity & Inclusion at Sun Life

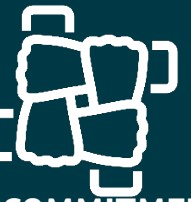
Document Scope

This document is for Sun Life Financial Inc., and only where applicable, its subsidiaries, joint ventures and associates. The information included does not generally pertain to acquired companies under the banner of SLC Management, including Bentall GreenOak Real Estate. Unless otherwise noted, we presented all information in this report as at and for the year ended December 31, 2021.

All dollar amounts are in Canadian currency, unless otherwise stated. References to "we," "our," "us," "the Company," and "Sun Life" mean Sun Life Financial Inc. and, where applicable, its subsidiaries, joint ventures and associates.



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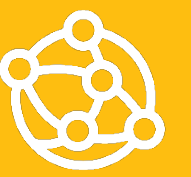
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