



2016 Sustainability Report



Building sustainable, healthier communities for life



Life's brighter under the sun

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FORWARD-LOOKING STATEMENTS

Certain statements made in this report are forward-looking statements, including statements relating to our plan and priorities and other statements that are not historical facts. The forward-looking statements represent our current expectations, estimates and projections regarding future events. These forward-looking statements are not a guarantee of future performance, involve inherent risks and uncertainties and are based on key factors and assumptions, all of which are difficult to predict. Future results may differ materially from those expressed in forward-looking statements due to, among other factors, the matters set out in the Company's Management's Discussion and Analysis for the year ended December 31, 2016 and for the quarter ended March 31, 2017 under the heading "Risk Factors" and other factors detailed in the Company's annual and interim financial statements and any other filings with Canadian and U.S. securities regulators made available on www.sedar.com and www.sec.gov, respectively.

The forward-looking statements contained in this report describe our expectations as at March 31, 2017 and accordingly, are subject to change after such date. The Company does not undertake any obligation to update or revise its forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

OVERVIEW

AWARDS AND RECOGNITION



Global 100 Most Sustainable Corporations

For the eighth consecutive year in 2016, Sun Life ranked among the Global 100 Most Sustainable Corporations in the World, as selected by Corporate Knights.



Top 10 for Governance Practices

For the eighth consecutive year, Sun Life ranked in the top 10 in The Globe and Mail Report on Business' Board Games review of corporate governance practices of Canada's largest companies.



Canada's Best 50 Corporate Citizens

Sun Life has appeared on this annual ranking by Corporate Knights magazine 11 of the 15 years since its inception. The 2016 edition ranks Sun Life, the only major life insurance company on the list, ninth overall.



FTSE4Good®

Since 2001, Sun Life Financial has been a member of the FTSE4Good Index Series, an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards.



Most Trusted Brand™ Award

For the seventh year in a row, Canadians voted Sun Life Financial the Most Trusted Brand™ of Life Insurance Companies according to the 2016 Reader's Digest Trusted Brand™ Survey.

™ Trusted Brand is a registered trademark of Reader's Digest



Dow Jones Sustainability Index

For the 10th consecutive year, Sun Life was included on the Dow Jones Sustainability Index (DJSI) - North America.

ABOUT THIS REPORT

Published annually, the purpose of our sustainability report is to inform our key stakeholders about the environmental, social and governance (ESG) aspects of our business and our 2016 performance relevant to Sun Life's four sustainability pillars.

The concept of materiality is central to sustainability reporting and helps companies determine the types of ESG issues to address and report on. The Global Reporting Initiative (GRI) Guidelines, which we use to inform our sustainability reporting (see [GRI Index](#) on page 58), defines material aspects as those that reflect an organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders. On the basis of the GRI definition of material aspects, this report covers the ESG aspects regarded as material to our operations and stakeholders; we refer to these aspects as "priority topics". We include data related to our ESG performance, as well as information about how we are managing the impacts, risks and opportunities.

Report structure

This report is organized into two sections:

- The first section provides an overview of Sun Life's business and sustainability approach.
- The second section outlines our management approach and 2016 performance relevant to Sun Life's four sustainability pillars.

In addition to this report, you can find sustainability-related disclosures and management practices in our [Annual Report](#), [Annual Information Form](#), [Management Information Circular](#), [Public Accountability Statement](#), and on [sunlife.com](#).

Our process

Information and data included in this report was reviewed by internal subject matter experts and management, including members of our International Sustainability Council (ISC). The Governance, Nomination & Investment Committee (GNIC) of our Board of Directors approves the report before it is published. Our report is not externally assured.



Report scope

This sustainability report is for Sun Life Financial Inc., Sun Life Assurance Company of Canada and Sun Life Insurance (Canada) Limited for the fiscal year January 1 to December 31, 2016, and includes information regarding their subsidiaries and joint ventures, including Sun Life Financial Trust Inc. 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.

MESSAGE FROM THE PRESIDENT AND CEO

I'm pleased to introduce Sun Life's 2016 Sustainability Report – a presentation of how we've progressed against our key sustainability goals, in close alignment with our Four Pillar business strategy and our company's purpose to help Clients achieve lifetime financial security and well-being.

For more than 150 years, Sun Life has focused on building and maintaining a strong business for the long-term. In 2016 we built on that, announcing a step-change in putting our Clients at the centre of everything we do. Whether that's doing more to help prevent and treat diabetes, providing access to alternative investments with higher yields, or leading the way in digital innovation to make it easier for our Clients to get the services they need, we see a relentless focus on Clients as closely linked to furthering our sustainability commitment.

Looking ahead, we want to improve the Client experience in three key ways – making it easier for Clients to do business with us, connecting with and talking to our Clients more than we do today, and being better at servicing Client needs and resolving their problems when issues arise.

This Client focus, coupled with building a winning culture that emphasizes collaboration, integrity and treating Clients and colleagues with dignity and respect, will advance our efforts to build strong, healthy communities.

I'd like to share with you a few examples of how we advanced our sustainability strategy in 2016.

Client and Community Wellness – We continued our focus on diabetes awareness, prevention, care and research, and have committed more than \$17 million to the cause since 2012.

Organizational Resilience – We're proud of our strong, inclusive culture at Sun Life, one that allows all employees to contribute to their full potential. In 2016, we achieved an employee engagement score of 85%, demonstrating we're on the right track and firmly placing us alongside leading high performance companies globally.

Environmental Responsibility – We continue to make great strides in reducing our environmental footprint, and are incorporating more green features and amenities within our real estate portfolio. Over the past three years, we have realized significant reductions in greenhouse gas emissions.

Governance and Risk Management – We're dedicated to continuous improvement in both our corporate governance and risk management practices. In 2016, for example, we updated our Risk Management Framework to include a risk culture statement. We view this as another critical step to entrenching a risk mindset across our organization, reinforcing to employees that we all play a role in managing risk.

As you read through this report, you'll see our commitment to our Clients, employees and shareholders, and our focus on building healthier, sustainable communities for life, but we recognize the need to advance our reporting to meet evolving stakeholder expectations. That's why we have made a number of improvements to this year's report, including

providing more meaningful, consistent performance data. We know we have more work and refinement to do, particularly around establishing our benchmarks and targets, all of which will help us to better measure and evaluate our progress on our priority topics.

A heartfelt thank you to our Clients, who entrust us with what's most important to them, and our employees and advisors, who work tirelessly to serve our Clients and help them achieve lifetime financial security and well-being. While there's still more to do to embed sustainability in our daily practices, we remain committed to the path ahead.



DEAN A. CONNOR

President & Chief Executive Officer

MESSAGE FROM THE CHAIR OF THE INTERNATIONAL SUSTAINABILITY COUNCIL

Thank you for taking the time to read our 2016 Sustainability Report. I am the Chair of Sun Life's International Sustainability Council – a group of business leaders charged with promoting our sustainability strategy across our business. It's been very rewarding to see the progress we are making towards an ever-stronger, responsive, resilient and sustainable organization.

Momentum is building in the implementation of sustainability principles and practices across Sun Life. The evidence can be found in the many initiatives recounted in this year's report, as well as the external recognition we have garnered in the past year through inclusion in key indexes and rankings like the FTSE4Good Index, Dow Jones Sustainability Indices and, most recently, the 2017 Global 100 Most Sustainable Corporations in the World.

I am often asked why Sun Life places such focus on sustainability, in light of other challenges our business faces. My answer is that not only does sustainability matter deeply to our individual and corporate Clients, employees, advisors, and shareholders, but it is also intrinsically linked to our core business and our long-term commitment to helping Clients achieve lifetime financial security and to live healthier lives.

As one important example, our world faces unprecedented challenges in relation to climate change, and these challenges pose significant economic and social risks, which will affect us all in the coming years.

This issue is real and relevant to our organization. We recognize its potential for impact on human health, including the physical and financial well-being of our Clients. Solutions to address climate change must come from a broad range of businesses, governments and individual citizens globally. For Sun Life's part, we are working to integrate assessment of climate change within our sustainability strategy. For example, in 2016 we expanded measurement of Sun Life's greenhouse gas emissions to reflect our global footprint, as a baseline to help us manage the impacts of our business operations. In addition, we formed a team to assess the potential impact of climate change on our investment strategies.

We have continued to enhance the resilience of our organization through our focus on building a diverse and inclusive workforce, which attracts the best and most talented people to our team. We remain fully committed to Clients and community wellness. We also emphasize strong governance and risk management practices to help ensure that we understand and address major risks to our business, and that we make more responsible, far-sighted investment decisions.

Of course, we can always do better, and we continue our efforts to identify any gaps in our strategy.

As we continue along this journey, our stakeholders can expect to see us do more to ensure our sustainability ambitions are holistic and outcome-based. While our activities may vary from country to country, they are centred around a common theme: building sustainable, healthier communities for life.

Ultimately, our sustainability-building initiatives make Sun Life a stronger, more resilient organization that is well positioned for long-term success – as a committed and preferred employer, as a trusted community partner, and as a company that is respected and admired for what we deliver to Clients and shareholders.



PHILIP GILLIN

Senior Managing Director and Portfolio Manager,
Canadian Property Investments and Chair
of the International Sustainability Council

ABOUT SUN LIFE

Founded in Canada in 1865, today Sun Life Financial is a leading international financial services organization. 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.

We provide a diverse range of protection and wealth solutions to individuals, businesses and institutions, including:



INSURANCE

- Life insurance, including term life and permanent life
- Health insurance, including dental, critical illness, long-term care, disability



INVESTMENTS

- Mutual funds, segregated funds, annuities and guaranteed investment products



ADVICE

- Financial planning and retirement planning services through licensed professionals



ASSET MANAGEMENT

- Pooled funds, institutional portfolios and pension funds – provided through our subsidiaries, MFS Investment Management and Sun Life Investment Management

Our mission

To help Clients achieve lifetime financial security and well-being.

Our ambition

To be one of the best insurance and asset management companies in the world.

Sun Life's four pillar strategy:

Our strategy is focused on four key pillars of growth, where we aim to be a leader in the markets in which we operate.



A leader in Insurance and Wealth Solutions in our Canadian home market



A Leader in U.S. Group Benefits and International high net worth solutions



A Leader in global Asset Management



A Leader in Asia through Distribution Excellence in Higher Growth Markets

Sun Life's strategic areas of focus

ENHANCED CLIENT FOCUS

We are focused across all of our businesses on building lasting Client relationships, and putting our Clients at the centre of everything we do.



DIGITAL

We will continue to invest in our digital capabilities - including both technologies and the talent and culture that will enable us to be more agile, bolder and faster.



DATA AND ANALYTICS

We are finding ways to use data to strengthen Client relationships, and enhance our efficiency, effectiveness and profitability.



TALENT AND CULTURE

Our goals are to attract a disproportionate share of top talent across our geographies, continue to build on our high-performance culture and ensure that our focus on our Clients becomes deeply embedded in our culture.



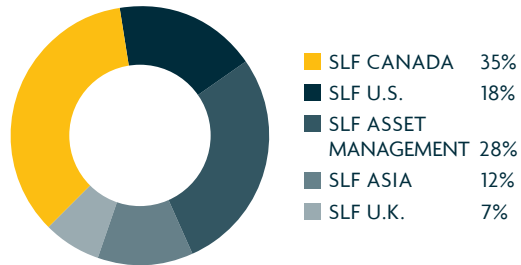
FINANCIAL DISCIPLINE

Continued financial prudence, disciplined capital allocation and strong execution will be crucial for us to meet our objectives.

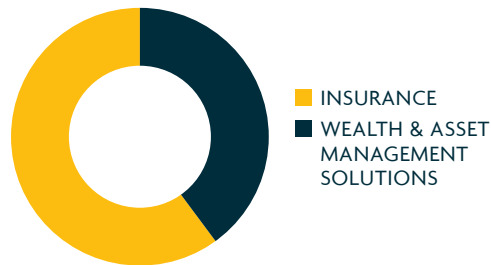


Financial highlights

2016 UNDERLYING NET INCOME BY BUSINESS GROUP ^{1,2,3}



2016 UNDERLYING NET INCOME BY PRODUCT TYPE ^{1,2}



\$903 billion

ASSETS UNDER MANAGEMENT ^{1,2}

Markets of operation



¹ All figures as of December 31, 2016.

² Underlying net income, underlying return on equity, underlying earnings per share and assets under management described on pages 1-8 of our Annual Report represent non-IFRS (International Financial Reporting Standard) financial measures. For additional information see Non-IFRS Financial Measures in our 2016 annual Management's Discussion and Analysis.

³ Excludes Corporate Support results. 2016 Reported Net Income by Business Group: SLF Canada 35%, SLF U.S. 19%, SLF Asset Management 27%, SLF Asia 12%, SLF U.K. 7%; excludes Corporate Support results.

OUR SUSTAINABILITY STRATEGY

Sun Life's focus on advancing sustainability – centred around a vision of building sustainable, healthier communities for life – is a key strategy for the Company and is essential to our overall business success.

We define sustainability as taking accountability for our social, environmental, economic and governance impacts, risks and opportunities, in ways that help to ensure our long-term ability to deliver value to our Clients, employees, shareholders and communities.

While we have had sustainability-related programs in place for many years, in 2014 our Board of Directors approved a formal, Company-wide sustainability strategy. The strategy focuses on four pillars within which we continue to deepen our commitment and strengthen our practices: organizational resilience, environmental responsibility, community wellness and governance and risk management. Our priority topics, informed by stakeholder feedback (see page 12), are mapped to these four pillars.

Aligned with our business strategy and stakeholder input

Our sustainability strategy is based on input from external and internal stakeholders and is aligned with our business strategy and our four pillars of growth (see page 8) that have guided our Company for the past several years. With a cohesive sustainability strategy, we are able to apply focus, discipline and coordination to our diverse global efforts, instill senior management accountability, and promote the development of specific, targeted programs connected directly to our business strategy.

The four pillars of our sustainability strategy:



ORGANIZATIONAL RESILIENCE

We believe that putting the Client at the centre of all we do, and supporting our talent and culture, contributes to a resilient organization that is forward-thinking and built for the long term.



ENVIRONMENTAL RESPONSIBILITY

We are accountable for the impact of our operations on the environment, so we're taking even more steps to measure, manage and reduce that impact.



COMMUNITY WELLNESS

We believe that by actively supporting the communities in which we live and work, we can help to build a positive environment for our Clients, employees, advisors and shareholders.



GOVERNANCE AND RISK MANAGEMENT

A well-run organization contributes to a stable operating platform for the Company, and positions us to meet our obligations to stakeholders. Pro-active risk management and an embedded risk culture are essential to our long-term success.

“Our approach to sustainability is a real differentiator for Sun Life. Through our focused strategy, we are taking action to advance our organizational resilience, be accountable for our environmental interactions, strengthen communities and demonstrate the strong governance and risk management that will serve us –and our Clients – for the long-term. We continue embedding this sustainability perspective into our culture and across operations, knowing that it's a driver of long-term success.”



MELISSA J. KENNEDY

Executive Vice-President, Chief Legal Officer & Public Affairs and Executive Sponsor of Sustainability

STAKEHOLDER ENGAGEMENT

We engage in many ways with our stakeholder groups. We value open and constructive dialogue as it allows us to build positive relationships and to understand the evolving priorities, expectations and concerns of diverse parties. In turn, this helps us continually improve our business and ensures we're taking action on the right issues.

Our main stakeholders, listed below, are those who we consider to have a direct or indirect interest in, or can influence or be impacted by, our business activities.



STAKEHOLDERS	ENGAGEMENT METHODS
Clients	<ul style="list-style-type: none"> • Client experience surveys • Focus groups • Client feedback channels (in-person, email, social media, call centre) • Customer/market research • Claims management processes • Complaint resolution processes
Employees and advisors	<ul style="list-style-type: none"> • Bi-annual Global Employee Engagement Survey • Training and development activities • Internal social media and online forums • Manager/staff meetings, including formal performance appraisals • Town hall meetings with senior executives • Employee Ethics Hotline
Shareholders, investors, ESG analysts	<ul style="list-style-type: none"> • Investor Days • Annual Meetings • Quarterly earnings conference calls, webcast presentations, conference participation • Meetings with investor groups • Participation in surveys

STAKEHOLDERS	ENGAGEMENT METHODS
Community organizations and members	<ul style="list-style-type: none"> • Community outreach • Sponsorships • Employee and advisor giving and volunteerism • Memberships • Community consultations/meetings
Governments and regulators, NGOs, industry associations	<ul style="list-style-type: none"> • Ongoing dialogue • Participation in consultation processes • Participation in conferences, events, symposia • Industry/trade association memberships
Suppliers	<ul style="list-style-type: none"> • RFP processes • Regular meetings and briefings • Ongoing relationship management • Supplier risk assessment • Supplier Diversity Program
Media	<ul style="list-style-type: none"> • Briefings/interviews • Press releases • Phone, email and social media channels

PRIORITY TOPICS

Through a materiality process, we identified, prioritized and validated 14 priority topics most relevant to our sustainability strategy, based on their current significance to our stakeholders and our business. These topics drive the content of this report, and below they are mapped to Sun Life's four sustainability pillars:



Materiality process

The key steps in our materiality process include:

- Listening to external stakeholders throughout the year via diverse channels (see page 11).
- Consulting with relevant internal partners, including our ISC.
- Reviewing industry trends related to sustainability.
- Considering global reporting frameworks, including the GRI.
- Seeking feedback on our previous sustainability reports.
- Participating in the United Nations Environment Programme Finance Initiative (UNEP FI), Council for Clean Capitalism, United Nations supported Principles for Responsible Investment (UN-supported PRI) and Sustainable Waterloo Region programs.

In 2016 we continued to be guided by feedback received through a stakeholder panel on sustainability, conducted by a third party in 2015. The goal was to help ensure we engage in and report on the topics that are most likely to influence stakeholder assessments and decisions. The session involved external and internal stakeholders representing Clients, employees and advisors, investors, shareholders, government, advocacy groups, industry associations, sustainability think tanks, NGOs and community interest groups and academia.

During the session, we identified and discussed a wide range of sustainability topics. Participants used a confidential voting tool to indicate whether the topic impacts (positively or negatively) the community or organization they represented, and whether Sun Life was in a position to have an impact on the topic. The results of this exercise were presented to our ISC, who evaluated the topics taking stakeholder input into consideration.

While we find value in these steps of the materiality process, we acknowledge there is room to further develop the stakeholder engagement process and to more frequently and intentionally connect stakeholder engagement outcomes to our sustainability strategy.



ORGANIZATIONAL RESILIENCE

Our ambition is to be one of the best insurance and asset management companies in the world. It's about cultivating an organization that is competitive, resilient and forward-thinking.

To achieve this, we are working hard to understand Client needs and how we can deliver the best Client experience at key touch points in each of our markets worldwide. We know that our employees are the most critical factor in this effort, so our focus is also on building the best team possible for today and tomorrow – by effectively managing and developing our talent, supporting our employees' well-being and fostering an inclusive, high-performance culture.

IN THIS SECTION

- 1 Client Focus
- 2 Digital Innovation
- 3 Data Security and Privacy
- 4 Talent Management
- 5 Workforce Wellness
- 6 Diversity and Inclusion

CLIENT FOCUS



Why it matters

Our Clients are at the centre of everything we do. We believe that relentlessly focusing on Clients means they will do more business with Sun Life, stay with us longer, and refer more friends and family.

Our approach

We have always sought to be diligent in our services to our Clients, but our strategy going forward will intensify this focus across all of our businesses. We are elevating Client-centricity and thinking as part of our enhanced Client focus strategy. To get there, our sights are firmly set on improving the Client experience in three key ways:

- 1. Making it easier to do business with us** – for example, by simplifying processes and writing documents in clearer, plain language
- 2. Being more proactive in contacting our Clients** – so that we engage with them more than we do today
- 3. Providing better problem resolution** – when issues arise

By doing these three things well, we will create the conditions to drive a strong emotional connection to our brand. There is a lot to do in each of these areas, and we are making progress.

Responsibility for the Client experience at Sun Life is shared across our businesses.

Progress in 2016

Proactive contact

We are working to expand the consultative practices of our advisor community. It's an essential component of our enhanced Client focus strategy, and it involves building stronger relationships by actively engaging with our Clients and proactively offering them solutions that will get them on track towards financial security and well-being. Here are some examples from 2016:

- In the U.S., we increased proactive contact with Clients through hundreds of additional face-to-face meetings.
- We produced videos in which our Clients shared their stories of overcoming disabilities to get back to the rewards of healthy work.
- We invited our employer Clients to digital forums on key issues they face, like trends in high cost medical claims, mental health issues in the workplace and the effect politics may have on benefits.
- We provided 48,000 in-person and online benefits enrollment consultations to our Clients.

48,000

in-person and online
benefits enrollment
consultations provided
to our Clients

Making it easier to do business with us

This year we introduced significant individual insurance underwriting changes and enhanced insurance products and services to make it easier and more convenient to access insurance.

Highlights include:

- In Canada, we launched some of the most comprehensive changes to underwriting requirements in the industry in over a decade, making it easier and more convenient to access insurance. We no longer require oral fluid samples, urine HIV tests, electrocardiogram (ECG), or medical exams. We also introduced life insurance coverage of more than \$3 million to people living with HIV – providing the most coverage for the broadest range of ages (20 and older) in the Canadian industry – 50 per cent more coverage than our closest competitor.
- In the U.S., we improved the setup of new group benefit plans, creating a more seamless transition for Clients moving to Sun Life. In our short-term disability business, we are piloting the use of predictive modelling for processing Client claims, which could speed up the payment of almost half of these claims.
- In the Philippines, we launched **Sun Fit and Well**, a comprehensive life and health protection product, to address Client concerns about their health and lack of financial preparedness to face grave illnesses. The first of its kind in the market, it encourages wellness and prevention and provides comprehensive coverage for 114 critical illnesses from diagnosis through to treatment and rehabilitation.
- In a pilot program in Hong Kong, we're offering standard life insurance rates to Clients with diabetes (who would typically otherwise pay higher premiums) who attend diabetes clinics regularly and manage their condition successfully for two years.

In addition, we continued to innovate using technology to make it easier for our Clients to get the services they need. Refer to page 16 for more details.

In 2016, we also launched a clear communication initiative in Canada to review and rewrite Client-facing materials based on plain language principles. This work will be leveraged in other regions as well. To drive this effort, we formed a plain language advisory team as well as a plain language review panel.

Industry leading life insurance coverage

introduced by Sun Life for people living with HIV

Problem resolution



Wherever we operate, there are formal processes in place to handle concerns and complaints. For example, in Canada we have a four-step process that includes escalating a complaint to our internal Ombudsman's Office. Our social media team also tracks each comment or complaint across various channels, and engages the appropriate Customer Services team to assist with a direct follow-up within 24 business hours.

In response to Client feedback, we are taking steps to improve problem resolution. In 2016, we brought together problem resolution teams to share best practices and we created reporting tools to better track and measure key performance indicators (KPIs). Our newly established Client Advocacy team works with all the problem resolution teams and is focused on enhancing the problem resolution experience for our Clients. Leveraging our internal continuous improvement tools and processes, this team is working to build a framework that sets Sun Life apart in the way we resolve Clients' problems, using every problem as an opportunity to learn and improve.

Measuring the Client experience

We continue to measure our progress in delivering a great Client experience using a combination of metrics. One such metric is the Net Promoter Score[®], a globally recognized methodology that provides a regular gauge of the level of loyalty our Clients have with Sun Life. In addition to the Net Promoter Score, we have developed a comprehensive indicator of our service delivery performance, which we call our **Client Index**. This proprietary measurement is developed using Client ratings from across several service dimensions. Both the Net Promoter Score and Client Index metrics are used as performance factors in our annual incentive compensation plan for all employees.

¹ Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

DIGITAL INNOVATION



Why it matters

In a digitally-driven world, innovation closely connects to Client satisfaction. Digital touchpoints are changing the way people research, buy and manage their insurance and wealth solutions. Our digital capabilities are therefore critical, both to support our Clients' needs and evolving preferences and to increase our business efficiency and effectiveness.

Our approach

We're investing significantly in the digital side of our business model, to enhance our leadership position and support our mission to help our Clients achieve lifetime financial security and well-being. Our strategies in this area include:

- Developing new products, services and innovations that are relevant and personal to our Clients, conveniently available and serve unmet needs.
- Building digital skills and confidence among our employees that will enable us to be more agile, bolder and faster.
- Digitizing current business processes and enhancing our technology infrastructure, to create a more resilient, up-to-date technology platform.
- Harnessing Sun Life's internal innovation hubs and leveraging external arrangements to tap into other expertise and the start-up community in order to accelerate and expand our digital innovation agenda.

The digital innovation agenda at Sun Life is advanced by several teams, involving collaboration between areas including IT, Global Brand and Digital Marketing and each business unit. Each business unit drives its own digital strategy, with the goal of better meeting the needs of their Clients and operations.



Progress in 2016

Digital apps and tools

- **my Sun Life Mobile app:** We enhanced our my Sun Life Mobile app, a highly-rated mobile app in the Canadian insurance industry. Clients can now use their my Sun Life Mobile app and smartphone camera to capture and submit health claims; view their mutual fund and segregated fund account balances; and find contact information and Sun Life Client ratings for 80,000 healthcare providers.
- **MAX my money@work:** Our new digital tool revolutionizes how Canadian plan sponsors engage their plan members by enabling them to enroll (or re-enroll) in their workplace retirement and savings plan with one click on their mobile device.



- **Digital Benefits Assistant program:** We continued to roll out timely, personalized Client experiences to our group and Choices plan members with this program. Marking the first real-time decision management technology in the insurance industry, Sun Life's Digital Benefits Assistant program leverages big data and advanced analytics in a relevant and personalized way to help Clients gain the most value from their benefits and investment plans.
- **U.S. app:** Our U.S. Clients can now use our my Sun Life Mobile app to locate and choose dentists in the Sun Life dental network.
- **Digital enhancements in Asia:** In the Philippines we launched the country's first life insurance mobile app, which was downloaded more than 60,000 times in the first four months. In Malaysia, we introduced the country's first end-to-end online solution that brings the Client from the price quoting stage right through to payment.
- **Digital Health Solutions:** This new business area will bring Sun Life's digital and health capabilities together with those of leading players from across the healthcare spectrum to help Canadians:
 - find new and better ways of accessing healthcare products and services;
 - act by making healthy choices to support wellness goals; and
 - better manage chronic conditions with technologies and insights.



SPOTLIGHT

Proactive, personalized nudges help Clients take action

Canada's Digital Benefits Assistant program allows Sun Life to more proactively engage with Clients, raise awareness to create interest and nudge Canadians to act for their well-being. The Digital Benefits Assistant program uses data, analytics and decision technologies to help Clients solve problems and better appreciate their benefits through Bright Idea nudges.

Bright Idea nudges are opportunities presented to the Client, including a relevant action they can take. For instance, alerts driven by the Digital Benefits Assistant program prompt new Group Retirement Services plan members to fully enroll in their plans, easily guiding them through sign-up and helping them understand the features. Since launch, Bright Idea nudges have reached 1.4 million Clients, and our Client Call Centre reports that the nudges have been transformational, significantly improving the quality of conversations and our ability to help Clients take the necessary actions to achieve lifetime financial security.

In November 2016, Sun Life received the highest overall score in Forrester Research's **Canadian Life Insurance Digital Sales Functionality Benchmark**. Forrester Research evaluated how well leading Canadian life insurance companies are using digital touchpoints (desktop, tablet and mobile) to win new business. Sun Life's top score of 75 out of 100 exceeds the average score of 47.

Sun Life received the **highest overall score** in Forrester Research's Canadian Life Insurance Digital Sales Functionality Benchmark



Collaborating to boost digital capabilities

To help position Sun Life at the helm of insurance industry innovation and speed up the delivery of digital solutions for Clients, we teamed up with several partners in 2016:

- Sun Life announced an arrangement with North America’s largest innovation hub, **MaRS Discovery District** in Toronto. This arrangement provides unique opportunities to share ideas and collaborate with financial and health technology start-ups on cutting-edge solutions designed to help our Clients with their finances, health and well-being.
- Sun Life became the first Canadian insurance company to team up with **Plug and Play Tech Center**, a U.S.-based global technology accelerator that connects start-ups from around the world to corporations and investors.
- In the Philippines, we joined together with **Voyager Innovations**, the digital innovations arm of leading Philippine telco PLDT and its mobile provider Smart Communications, Inc., to develop fintech services for emerging markets, starting with the Philippines.

SPOTLIGHT

Digital labs spark brighter ideas

Technology labs

Behind the scenes of our digital transformation, Sun Life has four digital technology labs – in India, Waterloo, Montreal, and Toronto – which bring together our IT teams and business leaders to collaborate on and test ways to enhance the Client experience.

Design Thinking Lab

Complementing the technology labs is Sun Life’s new Client-focused Design Thinking Lab, which uses an industry-proven methodology to inform digital experiences and project direction. Design Thinking integrates Client needs, business goals and technology capabilities in short project “sprints” where new digital ideas are tested early with Clients and refined into remarkable experiences.

“More and more of our Clients are using mobile to connect with us, and they have told us that they want better tools to manage their health and well-being. Our digital transformation is all about meeting these needs and adapting to how Clients want to engage with us.”

Alice Thomas, Chief Digital Technology Officer



DATA SECURITY AND PRIVACY



Why it matters

Our business is dependent on maintaining a secure environment for our Clients, employees and other parties' information.

Our approach

We maintain and continually invest in practices, processes and tools to safeguard the confidentiality of Client information and our networks.

Security at Sun Life is the result of a combination of people, processes and technology - designed to work together to protect Client information. Employees undergo annual training to educate them on their role in using technology responsibly.

Our **Global Privacy Commitment** outlines a set of principles followed by all of our operations worldwide to help ensure that our Clients' personal information remains private and confidential. In certain countries in which we do business, the Global Privacy Commitment is supplemented by more detailed privacy policies or codes that reflect the particular legislative requirements of those countries. Employees receive company-wide training about relevant privacy laws and being vigilant about protecting Client confidentiality.

The Operational Risk & Compliance Committee provides senior management oversight and direction on operational risk exposures, including organizational data security and privacy. Our Chief Information Security Officer, who reports to the Chief Technology Officer, manages our data security program. Our Chief Privacy Officer for the enterprise, who reports to the Senior Vice-President & General Counsel, Sun Life Financial Canada, is responsible for global privacy, and we have privacy officers in each region where we do business.



Progress in 2016

- We continued to make investments in technology and cyber security professionals to better prepare us for new and emerging information security and privacy risks.
- Our Information Security team implemented additional measures to help Sun Life create a more secure, breach-resilient data infrastructure. The team also continued to build security awareness and educate our employees through various communications, including articles, presentations and emails.
- There were no substantiated privacy complaints from regulatory bodies regarding breaches of Client privacy or loss of Client data in any of our global operations.
- For the seventh year in a row, Canadians voted Sun Life Financial the **Most Trusted Brand™ of Life Insurance Companies** according to the 2016 Reader's Digest Trusted Brand™ Survey.

TALENT MANAGEMENT



Why it matters

With a global workforce of 132,765 people – comprising 32,900 employees and 99,865 advisors – strategically managing and motivating our employees is central to our success. We believe that the more engaged our employees are, the more productive and passionate they will be in delivering better outcomes for our Clients and other stakeholders.

Our approach

Attracting, developing and retaining talent that understands and is committed to enhancing the long-term sustainable business platform for the Company is a strategic imperative. Our objective is to build and attract a disproportionate share of top talent across our businesses, wrapped in a winning culture that emphasizes collaboration, integrity and treating Clients and colleagues with dignity and respect.

As our complex business environment is ever-changing, we equip our workforce to meet this challenge through development opportunities at every level of the organization. From tuition assistance to an e-learning portal containing more than 10,000 learning opportunities, we are committed to building the best team possible for today and tomorrow. Recognizing the important role that leaders play in engaging talent, we place a strong emphasis on leadership development, from junior managers to senior executives.

We encourage open, two-way dialogue with our employees and seek their input through various channels (see page 11). Every two years we work with a third-party professional services firm to conduct our Global Employee Engagement Survey, which measures the degree to which employees are invested in Sun Life and motivated to contribute their best.

GLOBAL WORKFORCE OF

132,765

PEOPLE

10,000+

LEARNING OPPORTUNITIES
ON OUR E-LEARNING PORTAL

\$40M

INVESTED IN LEARNING
AND DEVELOPMENT



Progress in 2016

Employee engagement

In 2016, more than 86 per cent of our employees completed our **Global Employee Engagement Survey**. We used a new survey methodology to gather a broader view on engagement as well as deeper insights to help us keep raising the bar on our high-performance culture, and enabling focused action planning.

85%

Employee engagement score¹

88%

Employees who are proud to work at Sun Life

- Areas of opportunity include continuing to improve productivity management through Sun Life's **Brighter Way Management System**, enhancing learning and development through formal and experiential programs, and adding variety to employee recognition programs.

As with previous surveys, management and employees worked together to respond to the survey insights, creating targeted action plans that address feedback specific to their area. Our employees have told us they value the opportunity to provide feedback and appreciate getting directly involved with action planning, enabling them to make a direct impact on the business and on their personal growth.

We view strong employee engagement as a path to lower turnover, which is why we're pleased that our global turnover rate, at 10.4 per cent in 2016, continues to drop; the average tenure at Sun Life has increased to 8.5 years.

- For the fourth consecutive survey, our employee engagement scores have increased, exceeding the external benchmarks for global financial institutions and on par with top-performing global companies. This suggests that our intensified efforts to create a positive and rewarding employee experience are working.
- Employees told us that our areas of strength include career opportunities, confidence in our future, ongoing sustainability efforts, clarity around their accountabilities, and the connection of these with our corporate priorities.

KEY PERFORMANCE INDICATORS	2014	2015	2016
Employee turnover rate ²	10.6%	10.6%	10.4%
Average employee tenure	8.2 years	8.2 years	8.5 years

¹ Our Global Engagement Survey is conducted every two years. It was not conducted in 2015.

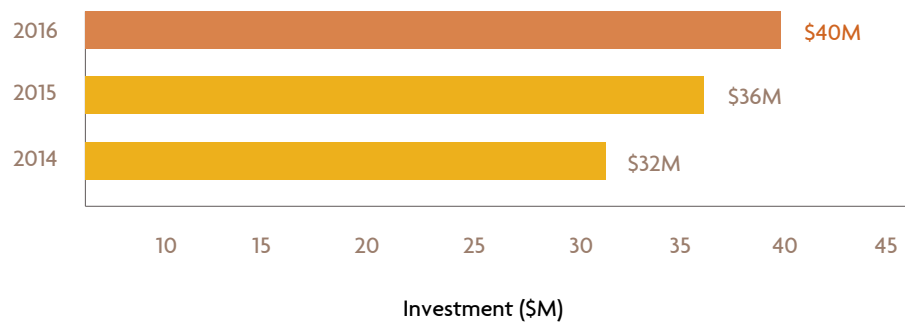
² Turnover rate refers to voluntary turnover. The turnover rate reported in the Sun Life Financial Inc. 2014 Sustainability Report reflected total turnover. The 2014 turnover rate reported in the table above reflects voluntary turnover.



Learning and development

During 2016, we invested more than \$40 million in training and developing Sun Life employees globally, as we maintained a focus on building the best teams while ensuring a continuous pipeline of top talent in a competitive labour market. An external research firm was commissioned last year to review and benchmark our learning and development practices and rated them as best in class.

TOTAL INVESTED IN LEARNING AND DEVELOPMENT



- **Coaching for Great Work:** We rolled out this initiative in Canada, first piloted in 2015, in response to an expressed need for an internally-delivered coaching program. Over 110 participants completed the program in 2016.
- **360 Assessment:** The 360 Assessment provides mid to senior managers across Sun Life with multi-level feedback – from their staff, colleagues and managers – that builds self-awareness, sharpens leadership skills and feeds into development plans. Since inception, 414 participants have completed the program, including 135 in 2016.

Last year we introduced a standardized evaluation methodology so that we can better measure effectiveness across all our leadership programs. Ninety-six per cent of participants reported satisfaction with their completed program.

Leadership development

In recent years we have ‘doubled down’ on leadership development, creating a blend of customized development programs to foster strong, effective leaders. In 2016, we continued to drive growing participation in these initiatives, including:

- **Advancing High Performance (AHP):** AHP is an immersive, experiential program for people leaders that sharpens fundamental leadership capabilities and enhances mindsets and behaviours to advance our high-performance culture. Since inception, 35 per cent of our people leaders have completed the program; our goal is to reach 65 per cent by 2018. The program was recognized in 2016 with the **Excellence in Practice Award** by the Association for Talent Development.





Employee development

Every year all employees must complete mandatory training on a range of topics. In addition, business groups across Sun Life hold “lunch ‘n learns”, workshops and webinars to keep employees abreast of key developments and ways we’re changing to enhance the Client experience.

Approximately 19,000 employees in 10 countries across Sun Life have accessed our **Global Learning Centre (GLC)**, a comprehensive e-learning portal that includes non-mandatory courses and simulations, skills briefs, guides, test prep exams, mentoring, job aids, videos and more. In 2016:

- 26 per cent of eligible employees completed non-mandatory GLC learning activities; and
- every dollar Sun Life spent on online training (mandatory) provided through the GLC translated to \$8 in value via increased productivity or cost savings, up from \$3 in 2015.

Every **\$1** spent on mandatory online training

translated to **\$8** in value

In light of its demonstrated value, we know we have more work to do to engage our employees in taking advantage of the GLC. In 2017, we plan to increase awareness among managers and employees, enhance the online experience for ease of use, and curate content to more closely align with employee development interests.

Internal promotion

In 2016, we filled seven out of 10 Director level and above roles through lateral moves and promotions. By focusing on internal recruitment, employees have more opportunities to grow their careers and Sun Life retains more employees with valuable talent and organizational know-how.

Investing in young people

In 2016, Sun Life was once again named one of **Canada’s Top Employers for Young People**. Our innovative student and new graduate programs are a key differentiator for us. To attract and nurture young talent, Sun Life:



- participates in a range of student initiatives, including on-campus recruitment, co-op and work-study opportunities, and paid internships.
- manages a **Rotational Leadership Development Program**, introduced six years ago, to provide recent grads with an opportunity to work in three different roles over three years. In 2016, we refined the program by creating three streams of focus: general business; investment/asset management; and information technology.
- facilitates its own **Millennial Think Tank**, which helps shape products, technology and campaigns targeted to current and future millennial Clients. Participants, 20-36 years of age, are identified by their leadership teams. Membership in the Think Tank provides a unique development and networking experience.

WORKFORCE WELLNESS



Why it matters

Employee wellness underpins our ability to deliver exceptional service to Clients, attract and retain top talent and limit absenteeism. Research shows that a healthy employee is a more engaged employee and a more engaged employee is critical to the success of our high-performance culture.

Our approach

We take a holistic view of workforce wellness by focusing on physical, mental and financial wellness. This three-pillar approach helps frame our benefits programs, set priorities and embed wellness into Sun Life's culture.

We invest in a wide variety of programs, incentives and services to promote wellness across the three wellness pillars and help our employees identify health risks, prevent serious diseases and lead healthier lifestyles. We offer competitive benefits packages, retirement and savings plans, access to third-party confidential professional advice and support, as well as support flexible work options to help employees balance the demands of their work and personal lives.

Although accountability for workforce wellness lies with each business unit, we leverage local initiatives across the organization. In Canada and the U.S., a network of more than 225 Wellness Ambassadors - employee volunteers - works to promote local programs and initiatives in support of Sun Life's wellness pillars. The Wellness Ambassadors work together with our Benefits and Wellness team, to make wellness an ongoing topic of discussion and encourage participation.



Progress in 2016



Physical wellness

Ensuring the physical safety of our workforce is a continuous effort, and we have many programs in place to achieve that. Examples include:

- **Health Coaching:** In 2016, we introduced Health Coaching sessions in Canada, a collaborative and personalized program to help employees improve their physical health. Employees can participate in up to four, 30-minute coaching sessions by phone with a Registered Nurse.
- **Healthy Workplace Month:** As a proud sponsor of *Canada's Healthy Workplace Month*® in 2016, we promoted fun, engaging activities for Canadian employees – from yoga, walking groups and recipe contests to healthy snack breaks and massages.
- **BrightWork initiative:** We continue to transform our work spaces through our BrightWork initiative, which gives employees greater opportunity for collaboration and workstyle flexibility.

Mental wellness

Initiatives in 2016 to support and promote mental health include:

- **Psychology benefit:** Under our Canadian employee benefits plan, we significantly increased the psychology benefit (from \$1,500 to \$12,500 under our enriched option).
- **Mental Health Assessment:** Using the Canadian National Standard for Psychological Health and Safety in the Workplace as a guide, together with experts in the field, we completed an evaluation of our workplace mental health, using tools such as employee surveys and focus groups. In 2017, we intend to take action tailored to the results.

SPOTLIGHT

Wellness Challenge

We took our Wellness Challenge global in 2016. This popular annual event is a friendly competition that inspires our leaders and employees to adopt or improve their nutrition habits, increase their physical activity and participate in financial wellness and stress-relieving activities.

3,700+
employees
across three continents
were physically active for
more than 28,700 hours

293,000+
servings
of fruit and vegetables
consumed by employees

2,240+
hours
of financial planning
engaged in by employees

2,670
acts of kindness
by employees for their
colleagues

91%
of participants achieved
the healthy living
goals they set for the
challenge

90%
of participants took part in stress-
relieving activities at least four
days per week post-challenge



Financial wellness



In 2016, Sun Life spent \$3.4 billion on compensation and benefits programs globally, up from \$2.8 billion the previous year. Collectively, these programs help our employees achieve lifetime financial security. In addition, Sun Life has established a Benevolent Fund to assist employees and their families facing difficult financial circumstances due to illness, death or other unforeseen events. We also have a global academic scholarship program for employees' children.

Benefit programs in each country are designed to be locally relevant. For example, financial wellness programs for eligible Canadian employees include:

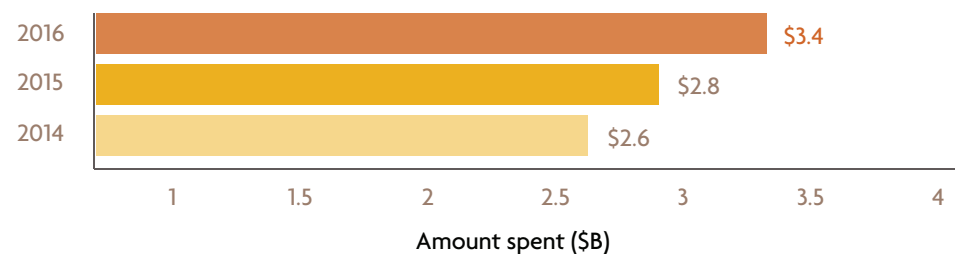
- **Pension, stock and savings programs** – which help employees build savings and enhance their financial security in retirement
- **Subsidized insurance** – including life, disability, home and auto
- **Individual financial advice sessions** and group education sessions
- **Flexible Benefits plan** – eligible employees can allocate their benefits according to their specific needs

During **Financial Literacy Month** in Canada, we offered drop-in booths, seminars and access to financial advisors to help employees expand their knowledge of financial products and services and to assist with financial planning and management. More than 2,500 employees participated in 2016, and those who did were eligible for related prizes, such as a \$500 contribution to a tax-free savings account or Company savings plan.

Wellness rewards

Our employees in Canada and the U.S. can earn financial incentives by participating in various wellness activities. In Canada, the money can be used to pay for eligible wellness products and activities - such as fitness memberships, health-related services, and child and elder care expenses - for any family member. In the U.S., employees can receive a medical premium reduction by taking a health assessment and achieving biometric screening results in healthy ranges in three out of five categories.

TOTAL SPENT ON COMPENSATION AND BENEFITS GLOBALLY



KEY PERFORMANCE INDICATORS	2014	2015	2016
Percentage of eligible employees in Canada participating in Sun Life's defined contribution plan	80%	80%	82%
Percentage of eligible employees in Canada participating in Sun Life's share purchase plan	55%	56%	57%

DIVERSITY AND INCLUSION



Why it matters

We believe that building a workforce that more closely reflects our Clients and communities will better position us to serve their unique needs. By strengthening our inclusive environment and fostering our high-performance culture, we believe our employees will feel respected, connected and inspired to be their very best.

Our approach

Diversity and inclusion have always been at the core of Sun Life's values. Our business practices and commitment to diversity of all kinds – gender, race, religion, age, country of origin, sexual orientation – is reflected throughout the enterprise.

As part of our refreshed commitment to diversity and inclusion, we created an enterprise strategy, designed to build on existing activities across our geographies and bring additional focus and coordination to accelerate change in our workplace and our workforce composition.

Our executive team is committed to strengthening diversity and inclusion across our global footprint. Diversity and inclusion practices are incorporated in recruiting, talent development, benefit programs and other key talent management initiatives. Our Senior Vice-President, Global Organization Development, is responsible for overseeing diversity and inclusion. Across the Company, senior leaders focus on specific actions to enhance diversity and inclusion in their business areas. Sun Life's senior management team and Board of Directors receive regular updates on our activities and progress, including gender diversity, particularly women in senior management.

The strategy has the following areas of focus and goals:



Clients

Reflect the diversity of our Client base and meet their differing needs and priorities in all our markets and businesses

Colleagues

Help all employees contribute to their full potential

Communities

Support diversity in the communities where we operate, through key partnerships and by encouraging the inclusion of diverse suppliers as part of our competitive bidding process



Progress in 2016

In 2016, we made meaningful progress in embedding best practices for diversity and inclusion:

- Delivered workshops to help our most senior leaders understand how biases influence key decisions in the workplace and often have unintended consequences
- Introduced new diversity requirements for our suppliers and vendors
- Developed a scorecard and key measures to track our progress over time
- Continued to grow employee-led inclusion groups

- In 2016, our Executive Sponsor of Sustainability, Melissa Kennedy, Executive Vice-President, Chief Legal Officer & Public Affairs, was a recipient of **Canada's Most Powerful Women: Top 100** by The Women's Executive Network (WXN), in part for her commitment to diversity at Sun Life and throughout the legal community.

Gender equality

- As a public commitment to support closing the gender wage gap, in the U.S. we signed on to the **100% Talent: The Boston Women's Compact**, pledging commitment to leveling the playing field for working women.
- Membership in our **Women's Leadership Network** grew by over 50 per cent to 605 Sun Life employees in 2016, up from 395 the previous year. This group is dedicated to helping women achieve their full potential, through mentoring opportunities, development programs and other supports.

47%

Middle management and above are women

33%

Senior management are women

62%

Staff level are women





Supporting the LGBTQ community

- **Pride at Work:** Sun Life joined Pride at Work Canada to learn and explore further ways of creating a safer, more inclusive culture for LGBTQ employees.
- **Egale Centre:** To strengthen mental health resiliency for Toronto's LGBTQ youth, Sun Life donated \$100,000 to Egale Centre, Canada's first and Toronto's only facility that will combine counselling with transitional and emergency housing exclusively for homeless LGBTQ youth.
- **Inclusion Network:** Members of GLOBE, our U.S. Gays, Lesbians & Others Building Equality Inclusion Network, and other colleagues marched in the Boston and Portland Pride Parades.

Supporting Indigenous Peoples in Canada

- **University of Winnipeg Sun Life Financial Diabetes Awareness and Education Program:** Sun Life has been teaming up with The University of Winnipeg since 2012 to create and sustain this program that helps prevent diabetes among local Indigenous inner-city youth and at-risk populations between the ages of 10 and 15.
- **Canadian Aboriginal & Minority Supplier Council (CAMSC):** Sun Life is a proud member of CAMSC, an organization focused on deepening business relationships and driving economic growth of the Canadian supply chain through the inclusion of Aboriginals and Minority suppliers.
- **Indspire's Building Brighter Futures Program:** Sun Life is a sponsor of Indspire's bursary and scholarships program. Indspire is an Indigenous-led charity that invests in the education of Indigenous peoples.

Perfect scores for workplace equality

For the 9th consecutive year, Sun Life earned a perfect score on the Human Rights Campaign Foundation's **2017 Corporate Equality Index (CEI)**, a U.S. benchmarking tool on corporate policies and practices related to LGBTQ workplace equality.

In Canada, Sun Life was one of two companies to receive a perfect score in the inaugural **LGBT Corporate Canadian Index** for taking quantifiable actions to create an inclusive environment for LGBTQ employees.



“The bursary has alleviated the financial burden of pursuing a post-secondary education. Besides lessening my tuition, the bursary specifically helped me obtain a MacBook Pro laptop, something that is required for the mobile courses in the Bachelor of Computer Science program. Without the bursary, I know I would have been struggling to obtain the funds to purchase it.”

Ashlee Foureyes, Indspire bursary recipient



ENVIRONMENTAL RESPONSIBILITY

At Sun Life, we recognize the links between a healthy environment and a healthy economy, on which our business depends.

We focus on investing responsibly and managing environmental risks. We take responsibility for our business activities that impact the environment, holding ourselves accountable for managing our operating footprint. We also engage our employees and suppliers in environmental stewardship.

IN THIS SECTION

- 1 Operational Footprint
- 2 Responsible Investing

OPERATIONAL FOOTPRINT



Why it matters

Sun Life's operations span across various facilities in 26 countries. At Sun Life, measuring, managing and reporting on the impacts of our business operations, particularly our greenhouse gas (GHG) emissions, is an important part of our environmental commitment. Reducing inputs such as energy, corporate travel, paper, water and waste will not only decrease GHG emissions but also help reduce operating costs.

Our approach

We are committed to integrating environmental sustainability in our day-to-day operations and taking actions to reduce our environmental footprint. Our environmental framework provides the foundation for managing the impacts our building operations and employee-based travel and paper consumption have on the communities in which we operate. We also work closely with our employees and suppliers to promote environmental stewardship and bring awareness to these impacts.

Our Environmental Sustainability Committee (ESC) helps to ensure further integration of sustainability within the Company's governance structure. The ESC is responsible for identifying reduction opportunities and developing plans for implementation.

This year, we began reporting GHG emissions for our global operations, spanning North America, Asia, the UK and the Caribbean. Going forward, we are committed to continue managing our carbon footprint by setting reduction targets and measuring our progress against them.

To continue advancing our understanding of environmental solutions and best practices, we participate in various external initiatives, including:

- **United Nations Environment Programme Finance Initiative**
- **CDP Climate Change Program**
- **The Council for Clean Capitalism**

9.1%↓
reduction

In global GHG emissions from 2014 to 2016

7.5%↓
decrease

In global energy consumption from 2014 to 2016

77%→
average waste diversion

In major sites in Canada

Progress in 2016

Reducing our GHG emissions

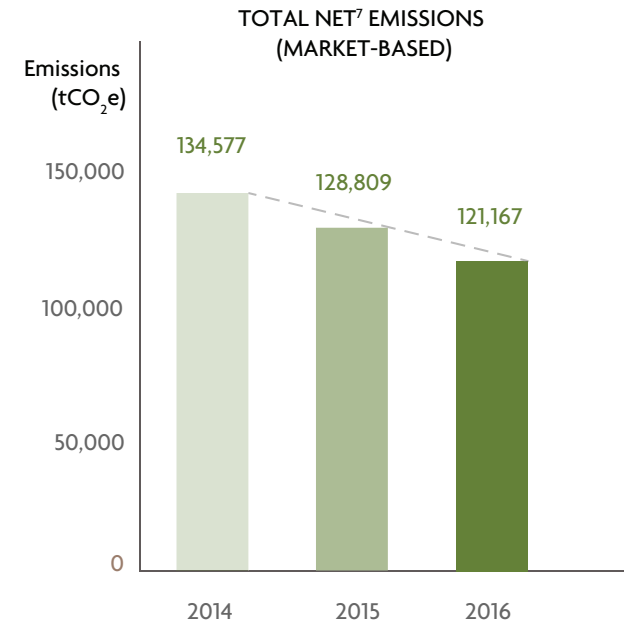
Global, enterprise-wide GHG reporting

At Sun Life, we recognize we have an important role to play in addressing climate change, and more specifically reducing GHG emissions from our own operations. Throughout 2016, we expanded the scope of our environmental reporting through our GHG Framework, which resulted in more comprehensive reporting of our global footprint than we have been able to accomplish previously.



Our total global GHG emissions decreased by 9.1 per cent from 2014 to 2016. By continuing to compile more accurate data on the Company's GHG emissions, we are in a better position to develop tailored business strategies and targets, using our reporting metrics as a benchmark for our performance. In our investment properties in North America, which comprise more than 75 per cent of the Company's global GHG emissions, we achieved a decrease of approximately 10 per cent in GHG emissions intensity (kgCO₂e/ft²) from 2014 to 2016 (normalized for weather and occupancy).

GLOBAL GHG EMISSIONS ASSOCIATED WITH REAL ESTATE (TONNES OF CARBON DIOXIDE EQUIVALENT (tCO ₂ e))	2014	2015	2016
CORPORATE (Sun Life occupied space)¹			
Scope 1 (Sun Life paid natural gas)	2,814	2,418	2,150
Scope 2 (Sun Life paid ⁵ electricity, steam, chilled water)	8,557	8,656	8,570
Scope 3 (Landlord paid utilities, water, waste ⁴)	8,968	8,555	8,633
Total location-based ²	20,339	19,628	19,352
Total market-based ³	20,339	19,628	19,352
Market-based emissions intensity (kgCO ₂ e/ft ²)	5.4	5.2	5.2
INVESTMENT PORTFOLIO (Sun Life owned buildings)			
Scope 1 (Sun Life paid natural gas)	28,567	25,417	25,078
Scope 2 (Sun Life paid electricity, chilled water)	77,024	75,764	73,234
Scope 3 (Tenant paid ⁶ natural gas, electricity, steam, chilled water, water)	8,646	8,001	7,227
Total location-based ²	114,238	109,181	105,540
Total market-based ³	114,238	109,181	103,230
Market-based emissions intensity (kgCO ₂ e/ft ²)	4.1	3.9	3.6
Total net⁷ emissions (market-based)	134,577	128,809	121,167



- GHG values are calculated based on the Greenhouse Gas Protocol and Scope 2 Guidance of the World Resources Institute and the World Business Council for Sustainable Development (www.ghgprotocol.org).
- Sun Life has chosen the Financial Control approach for determining the scope of its GHG and energy use reporting. This includes all locations for which Sun Life (or its third-party property managers) is directly metered and billed for energy used and where Sun Life has the ability to implement energy reduction initiatives. Joint venture properties are accounted for based on Sun Life's equity share in the properties.
- All GHG values are listed in tonnes of carbon dioxide equivalents; all energy use values are in gigajoules; both are reported for the calendar year (January 1 to December 31).
- Emission factors are taken from publicly available sources.

1. Some Corporate offices are located in Sun Life Investment properties. To avoid double-counting, these emissions are counted under the Investment portfolio.
2. Location-based electricity emissions reflect the grid-average emission intensity (gCO₂e/kWh) for the region where a property is located.
3. Market-based electricity emissions reflect contractual instruments implemented with respect to electricity purchases, i.e. Renewable Energy Credits (RECs). The only eligible REC purchases (meeting the quality criteria of the WRI Scope 2 Emission Reporting Guidance) reported are for Investment Properties in 2016 (equivalent to 2,310 tCO₂e). RECs purchased before this time do not adhere to the new quality criteria and are therefore not reported.
4. Emissions resulting from waste are reported for Investment properties, where available. Emissions from waste used to produce energy at Waste to Energy facilities are not considered to be in scope.
5. Includes utilities billed directly to Sun Life by the utility vendor, or submetered by the landlord and recovered from Sun Life based on actual consumption.
6. Includes submetered utility use for which costs are recovered from tenants based on actual consumption.
7. In 2016, net emissions account for carbon offsets of 1,415 tCO₂e purchased to offset property emissions.



Energy

Between 2014 and 2016, we achieved a 7.5 per cent reduction in energy use across our combined investment and corporate portfolio. Throughout 2016, we realized continued energy savings across our global operations through various initiatives. For example:

- We made improvements and retrofits to enhance eco-efficiency in several of our data centres that consume large amounts of energy and will review other existing data centres for potential retrofit opportunities and energy savings.
- Sun Life in Ireland signed a two-year contract for its Waterford site to be supplied by 100 per cent renewable energy, which will save an estimated 3,355 tCO₂e through the term of the contract.
- We installed a new energy management system and are increasing use of LED lighting to reduce energy use in our major U.S. site in Wellesey.

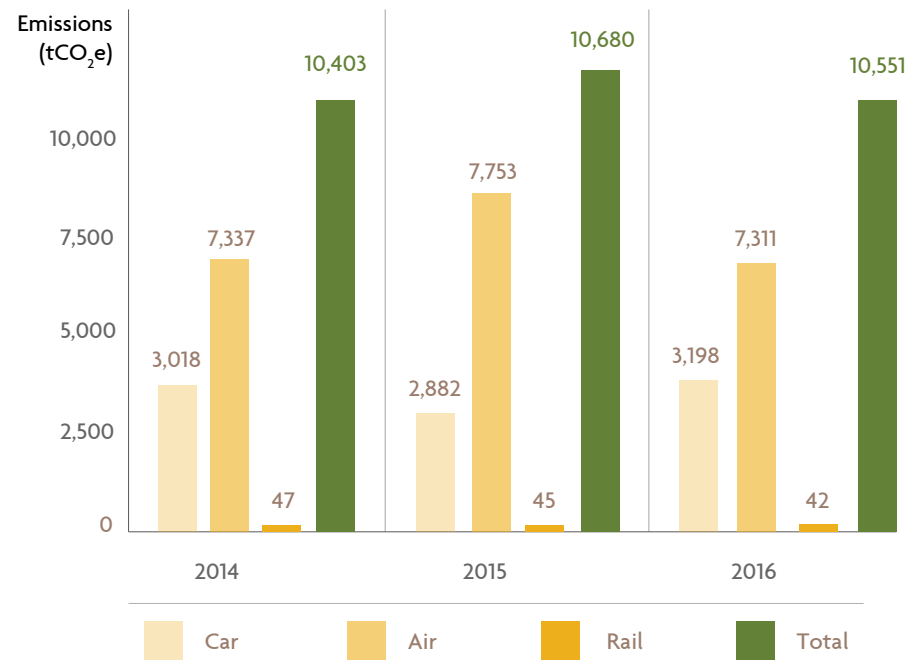
GLOBAL ENERGY CONSUMPTION ASSOCIATED WITH REAL ESTATE			
	2014	2015	2016
CORPORATE (Sun Life occupied space)			
Energy consumption (eMWh)	98,134	94,606	93,474
Energy intensity (kWh/ft ²)	26.2	25.2	24.9
INVESTMENT PORTFOLIO (Sun Life owned buildings)			
Energy consumption (eMWh)	400,234	377,215	370,543
Renewable energy (eMWh)	23,423	15,313	13,064
Energy intensity (kWh/ft ²)	14.5	13.5	12.8
Total Energy (eMWh)	498,369	471,822	464,017

- Energy consumption includes electricity, heating fuel, chilled water and steam.
- Renewable energy purchases are included in the reported energy consumption.

Corporate travel

From 2014 to 2016, total emissions resulting from corporate travel increased marginally (<1.5 per cent). We define corporate travel as travel by air, rail, car rental for business purposes and employee-claimed mileage (employee-owned car travel). As Sun Life continues to invest in technologies such as video-conferencing capabilities, we aim to reduce the amount of short, medium and long-haul employee-based travel.

GHG EMISSIONS ASSOCIATED WITH CORPORATE TRAVEL



- Travel emissions data accounts for materially all travel for Sun Life's North American operations, and the majority of travel for international operations.



Green buildings

In Canada, Sun Life owns and leases over 2 million square feet of green-certified space. All of our major corporate sites in Canada, in addition to many properties in our investment portfolio, are Leadership in Energy and Environmental Design (LEED®)¹ or BOMA BEST®² certified.

In the Philippines, Sun Life Centre, Sun Life's first wholly-owned building in the country was honored by the Property & Real Estate Awards as the Most Outstanding Project in the Sustainable Development category. Completed in 2011, Sun Life Centre set the standard for premium office buildings in the Bonifacio Global City area in Taguig, Philippines, being the first building certified LEED® Core and Shell at Gold Level and LEED® Commercial Interiors at Platinum level.

In the U.S., we installed four electric vehicle charging stations in our Wellesley site for employee use, which resulted in GHG savings of 5.1 tonnes of CO₂e.

SPOTLIGHT

Showcasing sustainability in our new global headquarters

In 2017, Sun Life will relocate its Corporate Headquarters in Toronto to One York, a new office tower targeting LEED® Platinum certification. We are also targeting LEED® Gold Commercial Interior certification.

Many of the building materials were locally sourced or include recycled materials. Inside, LED (light-emitting diode) lighting is used for greater efficiency and a light harvesting system monitors daylight and adjusts the electric lighting automatically, to reduce energy consumption. The building also accesses innovative deep lake water cooling, which draws cold water from Lake Ontario to operate the building's air conditioning system. A 66 per cent reduction in water usage is expected as a result of low-flow fixtures and two rain water harvesting cisterns.

Sun Life will occupy approximately 55 per cent of the 800,000 square-foot office complex. As we continue efforts to reduce paper use with the move, the number of office printers is expected to be reduced by about 40 per cent.

Of note, 88 per cent of the project's construction waste was diverted from landfill.



¹ LEED®—an acronym for Leadership in Energy and Environmental Design™—is a registered trademark of the U.S. Green Building Council®. The Canada Green Building Council is the sole license holder for the LEED® trademark in Canada.

² BOMA BEST Sustainable Buildings certification recognizes excellence in energy and environmental management and performance in commercial real estate. The Program is managed by the Building Owners and Managers Association of Canada (BOMA Canada) and delivered by the eleven Local BOMA Associations throughout Canada.

Resource efficiency

Paper

Paper reduction is a key area of focus in helping to minimize our operational footprint. Process improvements achieved significant reductions in 2016:

- Sun Life Financial Canada decreased paper consumption within its document services operations by 10 per cent from 2015. This was achieved by changing the way some paper is purchased and printed (resulting in zero waste), and by reducing the frequency of printing dental provider cheques, introducing new web registration processes, and through efforts to increase the number of plan members providing email addresses for correspondence and claims purposes, resulting in increased online adoption.
 - The goal is to reduce paper consumption by a further 10 per cent in 2017.
- We consolidated our corporate expense reimbursement system in North America, resulting in an estimated 88,000 sheets of paper saved.
- Our Ireland offices installed a print and release program on all printing devices, which achieved a 50 per cent reduction in total paper purchased.

Prior reporting has focused on the amount of paper purchased within our corporate operations. Beginning with 2016, we will focus on providing more accurate totals of the amount (tonnes) of paper printed within our day-to-day business (internal) and through marketing, statements and direct mail (external). In 2017, we will continue to aggregate reporting from our international operations for inclusion in future reports.



2016 PAPER CONSUMPTION (TONNES) NORTH AMERICA¹

OFFICE PAPER (internal) ²	242
BUSINESS FORMS (external) ³	836
TOTAL	1078

¹ Operations in Canada and the U.S.

² Copy paper printed from networked printing devices

³ Marketing, direct-mail, statements



Water

Between 2014 and 2016, we reduced water intensity in our corporate operations by 7.3 per cent. Looking forward, we will continue to identify water saving measures within our real estate portfolios and undergo retrofits where feasible.

GLOBAL WATER CONSUMPTION ASSOCIATED WITH REAL ESTATE			
	2014	2015	2016
CORPORATE (Sun Life occupied space)			
Water consumption (m ³)	272,645	260,531	253,049
Water intensity (L/ft ²)	72.5	69.3	67.2
INVESTMENT PORTFOLIO (Sun Life owned buildings)			
Water consumption (m ³)	1,955,549	1,968,273	2,033,833
Water intensity (L/ft ²)	71.0	70.6	70.4

Waste

The average waste diversion rate at our major office sites in Canada is 77 per cent, and we are working to gather data for our international sites. We are steadily reducing waste through a combination of resource efficiency, reuse and recycling programs. For example:

- Our 313,506 square-foot site in Montreal, housing more than 1,400 employees, has undergone significant improvements in waste diversion since 2014. This is due to a training program for housekeeping staff, information sessions with tenants, new waste stations in kitchen areas and the removal of superfluous waste bins.
- At Corporate and Canadian Headquarters, we introduced new recycling facilities to handle items that typically can't be recycled; for example, stations that accept coffee cups, lids and liquids.



Sustainability within our supply chain

Our supply chain predominately includes those services and products that are required to run a financial services business. We expect our suppliers to conduct their business ethically and responsibly and in full compliance with all applicable laws and regulatory requirements.

We require that all suppliers acknowledge our **Supplier Code of Conduct**. We have incorporated environmental and social questions in all requests for proposals (RFPs) for new suppliers. As part of the RFP process, we require that all respondents reply to questions related to their sustainability practices. The grading of these answers is used in the overall evaluation of the responses considered when making a final selection.

In 2016, our Supplier Risk and Performance Management team issued a **Supplier Questionnaire** that included a series of sustainability-related questions to 835 suppliers. The purpose of the Supplier Questionnaire was to:

- engage, validate and update supplier profiles;
- gain a better understanding of suppliers' programs and policies on sustainability and diversity; and
- re-assess potential risks to help ensure that our suppliers are aligned with Sun Life's expectations.





Why it matters

With \$142.4 billion in invested funds in our General Account, Sun Life is a large investment manager. We believe responsible investing can improve the long-term return on our assets, which better positions Sun Life to help our Clients and shareholders achieve lifetime financial security and well-being. Incorporating an ESG lens in investment decision-making helps us to identify and mitigate risks in our investment portfolios that could negatively impact our stakeholders.

Our approach

A focus on long-term investing

In August 2013, Sun Life created Sun Life Investment Management¹, which includes the established investment operations of Sun Life Assurance Company of Canada, and Sun Life Institutional Investments in Canada and the United States. This signalled our commitment to designing and delivering investment solutions for liability-based institutional investors based on our long-standing expertise in fixed income, liability-driven investing and alternative, yield-oriented asset classes.

Sun Life Investment Management's mission builds upon Sun Life's investment history, inherent skill sets and the core strategies that Sun Life has used for over 150 years to manage its own General Account. The General Account is the foundation of Sun Life's insurance business, and is managed by over 200 investment professionals.

Today, the value of this depth and experience is recognized by our third-party institutional Clients who have trusted us with their long-term investment mandates.

Our investment approach

The longer the term of an investment, the more critical it is to engage in ongoing prudent risk analysis. Sun Life Investment Management is a large investor in public fixed income and private asset classes such as private fixed income, commercial mortgages and real estate – asset classes that have limited market liquidity. As such, we undertake an investment process² that contemplates potential risks and opportunities over the long term, including the impact of ESG issues on potential investments:

- 1** We operate under a **highly developed infrastructure** of investment processes and controls, rigorous in-house credit analysis and robust operational due diligence.
- 2** We adhere to systematic processes to identify potential macro changes through **top-down and bottom-up analysis** of the current market and economic environment, market forecasts, and other industry specific topics.
- 3** We look at potential risks that could impact the **current or future credit quality of investments** over the determined investment horizon, such as reputational risks of borrowers/counterparties, and risks related to corruption, bribery and money laundering.
- 4** We evaluate **companies' changing strategies** to consider whether they have adequately identified disruptions and opportunities.

¹ Sun Life Investment Management is comprised of Sun Life Institutional Investments (Canada) Inc. and Bentall Kennedy (Canada) Limited Partnership in Canada, and Sun Life Institutional Investments (U.S.) LLC, Prime Advisors Inc., Ryan Labs Asset Management and Bentall Kennedy (U.S.) Limited Partnership in the United States. Sun Life Investment Management is supported by the investment division of Sun Life Assurance Company of Canada that manages assets under management for the Sun Life Financial group of companies.

² The investment process described refers to those processes undertaken by the investment teams of Sun Life Assurance Company of Canada who invest on behalf of the Sun Life General Account and Sun Life Institutional Investments' third party clients.



Robust risk management framework

The foundation of responsible investing is risk management. Sun Life Investment Management has a risk management framework that seeks to safeguard and preserve investor capital.

Portfolio Managers have full accountability for how investment mandates are performing and as such monitor market conditions, asset performance and outlook to assess trends and opportunities and to revise portfolio holdings as appropriate. Portfolio Managers also have investment teams with deep experience structuring investments within their asset class.

We conduct detailed analysis of every investment opportunity, both prior to making an investment and on an ongoing basis. A disciplined approval framework is applied to all of our investments within the General Account, pooled funds and our separately managed accounts.

One of our core strengths is in assessing credit risk. We perform our own credit analysis in-house with oversight on ratings provided by an independent Credit Risk Management Group that approves credit risk rating scorecard results for each asset. The credit risk rating serves as a benchmark for the credit quality as well as an input into pricing determinations for each asset.

More than just doing the right thing

For Sun Life Investment Management, responsible investing is more than just “doing the right thing” - it’s about aiming to do the right thing for our General Account and our institutional Clients by investing and taking action through the long-term lens of sustainability.

Sun Life was the first major Canadian life insurer to become a signatory to the United Nations-supported **Principles for Responsible Investment (PRI)** in 2014. Our adoption of PRI applies to Sun Life Institutional Investments.

Bentall Kennedy, a Sun Life Investment Management company, was an early adopter of PRI, in 2009.

MFS Investment Management, a Sun Life subsidiary serving individual and institutional investors, was among the first U.S.-based global asset managers of its size to become a signatory to PRI in 2010.

The depth of our investment resources and diversity of our asset base, coupled with the long-standing governance and risk management culture of a capital based publicly owned insurance company, provide the foundation for the long-term investment perspective that we take.

Our overall governance framework includes four management committees that oversee our third-party asset management business.

- The **Investment Committee** reviews investment decisions taken by Portfolio Managers and monitors overall investment performance and risk management to help ensure investment controls and strategies are appropriate.
- The **Risk and Compliance Committee** oversees operations from a compliance and risk management perspective to help ensure investor limits and controls are maintained, and that we operate in accordance with regulatory requirements.
- The **Valuation Committee** approves the overall valuation framework and the underlying assumptions that contribute to the valuation process.
- The **Allocation Committee** reviews all allocations and in particular approves inputs including the target, minimum and maximum allocations by account. Sun Life Institutional Investments aims to promote fairness and mitigate potential conflicts that may relate to trade allocation should more than one Client wish to purchase the same security.

Sun Life was the
**first major
 Canadian life
 insurer**
 to become a signatory
 to the Principles for
 Responsible Investment



Progress in 2016

Environmental sustainability in our real estate portfolio

In our real estate portfolio, we actively seek to attain LEED® or BOMA BEST® certifications on properties, including upgrading existing structures where it makes financial sense. All developments are targeted to achieve green certification, which drives building operation efficiency and cost savings. As one example of our ongoing commitment to sustainability, we hold a 30 per cent interest in our new global headquarters, One York, in Toronto, which is targeting LEED® Platinum certification.

In 2016, Sun Life built on its history of reporting GHG emissions from its corporate and investment real estate in North America. Please see page 32 for Sun Life’s complete GHG emissions reporting.

An apartment property with sustainability and health-conscious tenants in mind

In 2016, Sun Life earned external recognition for its Alto rental apartment development, a 95-suite rental apartment property in Toronto designed with sustainability and health-conscious tenants in mind. Alto garnered **Canada’s 2017 Clean50 Top Project Award** (www.clean50.com), in recognition of its innovation, overall impact and inspirational example it may set for others. Throughout the building, Alto has a non-smoking policy and is green power sourced through an arrangement with Bullfrog Power – both of these features are firsts for an apartment building in Toronto. Alto was recognized by the Federation of Rental-housing Providers of Ontario, with its **2016 MAC Award for Rental Development of the Year**.

SPOTLIGHT

Leading the way in sustainable real estate

We aim to further strengthen the ESG performance of our real estate and mortgage investment capabilities as a result of our 2015 acquisition of Bentall Kennedy Group, a real estate investment company that is a recognized leader in responsible property investing.

Bentall Kennedy is currently ranked as the top private firm in Canada and second in North America and globally in its category in the Global Real Estate Sustainability Benchmark (GRESB). This high ranking is consistent with the sustainability initiatives and programs undertaken across Bentall Kennedy, including the following:

- Increased coverage of green building certifications across our portfolio – over 70 per cent of Bentall Kennedy’s portfolio is certified to green building standards as of December 31, 2016
- Commissioned a ground-breaking study published in the *Journal of Portfolio Management*, providing compelling evidence that office buildings with sustainable certification outperform similar non-green buildings
- Continued to offer an enhanced tenant experience in sustainability through the ForeverGreen Tenant Engagement Program

For more information, please visit <http://cr.bentallkennedy.com/>





Climate change and investments

In 2016, Sun Life established a team of investment professionals to assess the potential impact of climate change on our investment strategies. Due to the rapid change in external factors, we recognize the need for a strategy to address climate change risk in our investment portfolios. External factors include recent legislative movements by governments to price carbon and impose costs on heavy emitters, activity by rating agencies to include carbon risk assessment in their rating analytics, and calls by NGOs and others for climate-related financial disclosures.

The strategy will have to integrate climate change risk analysis with the practical realities of managing a complex, multi-asset class global investment portfolio, and our fiduciary responsibility to our stakeholders. This initiative complements Sun Life's commitment to reporting our global GHG footprint from real estate and employee travel, beginning in 2016 (See pages 32 and 33).

\$4B+

invested in renewable and environmentally-preferable energy-related projects over 32 years

\$487M

in financing for eight renewable energy projects in 2016

SPOTLIGHT

A leader in clean and renewable energy financing

Sun Life has been investing in clean and renewable energy for more than 32 years by providing long-term financing solutions to developers. We have invested more than \$4 billion in renewable and environmentally-preferable energy-related projects, including \$487 million in financing in 2016 to eight green and renewable energy projects in the U.S. and Canada.

For example, Sun Life is among the principle lenders and facilitators of a new 75MW wind power farm constructed in eastern Quebec, developed by North America's largest independent, privately held renewable energy provider. The Roncevaux wind farm, located near L'Ascension-de-Patapédia, will generate electricity that will be sold to Hydro-Québec to help maintain the province's ranking as the second largest wind power producer among Canadian provinces.



Our commitment to the PRI

In 2016, we continued to meet our PRI commitments:



PRINCIPLE

1

We will incorporate ESG issues into investment analysis and decision-making processes.

SUPPORTING ACTIVITY IN SUN LIFE INVESTMENT MANAGEMENT

As we continue to gain knowledge in the field of responsible investing, we plan to continually update our underwriting practices in each asset class. We have implemented analysis of ESG risk factors across asset classes. Our General Operating Guidelines for North American Investment Operations have been updated to reflect this.

2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

In 2015, investment guidelines of each of our major asset classes were updated to incorporate ESG factors. Where appropriate, we encourage our investment professionals to document ESG disclosure in initial and ongoing monitoring activities.

3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Through contact with management, we encourage disclosure of ESG issues by the entities in which we invest.

4

We will promote acceptance and implementation of the Principles within the investment industry.

We participate in industry forums to encourage other investors to integrate ESG factors into their decision making processes. We have collaborated with other signatories about methodologies and to establish best practices.

5

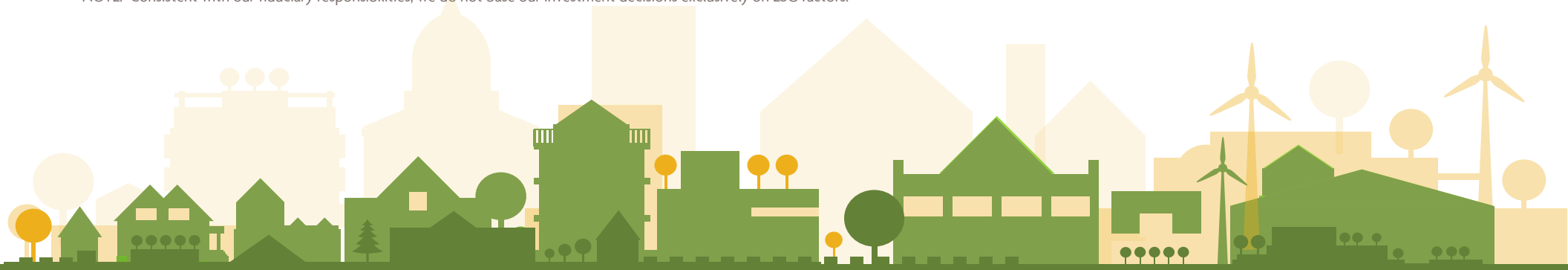
We will work together to enhance our effectiveness in implementing the Principles.

6

We will each report on our activities and progress towards implementing the Principles.

In 2016, we developed our reporting in preparation for required PRI reporting in 2017.

NOTE: Consistent with our fiduciary responsibilities, we do not base our investment decisions exclusively on ESG factors.





COMMUNITY WELLNESS

We believe that by actively supporting the communities in which we live and work, we can build a healthier, brighter future for our Clients, employees, advisors and shareholders. This means:

- Activating high-impact philanthropy programs around the world, with a focus on diabetes prevention.
- Supporting our employees in their hands-on volunteer work.
- Strategically investing in infrastructure projects that foster healthy, sustainable communities.
- Advocating for public policies that strengthen healthcare, pension systems, insurance and infrastructure capacity in our society.

IN THIS SECTION

- 1 Strategic Philanthropy
- 2 Infrastructure Investments
- 3 Public Policy

STRATEGIC PHILANTHROPY



Why it matters

Our success depends on the well-being of the communities we serve, and we believe we play a role in their development and sustainability.

Our approach

At Sun Life, we are committed to building sustainable, healthier communities for life.

Our strategy is to invest through corporate and employee giving, drawing on our resources, talent, networks and strategic partnerships with community organizations. As an **Imagine Caring Company**, a program that promotes corporate and public giving, we commit a minimum of one per cent of our pre-tax profit in Canada to community organizations annually.

Philanthropy plays an important role in fulfilling Sun Life's social responsibility and commitment to the markets we serve. The health and well-being of communities around the globe is one of our top priorities, which is why our philanthropic support focuses on health, with an emphasis on diabetes awareness, prevention, care and research initiatives through our **Team Up Against Diabetes** platform.

We feel that a large part of responsible giving is empowering our employees and advisors to help bring our community wellness programs to life through their enthusiastic volunteerism. We offer programs to support them in becoming engaged with their communities and in contributing to the causes they are most passionate about.

A Donations Committee composed of Sun Life senior leaders is responsible for reviewing requests from registered charities and qualified donees. From time to time the Committee solicits outside input on trends relating to health and arts and culture matters.

If donation requests are of a significant value, a report is prepared for approval by the Governance, Nomination & Investment Committee (GNIC) of the Board of Directors. The Donations Committee also submits a report on annual donations, assessing performance against strategic objectives, for review by the GNIC. The Donations Committee oversees the development of the Company's regulatory filings on social responsibility, including our annual Public Accountability Statement in Canada.

A FOCUS ON
DIABETES
SINCE 2012

**1% OF ANNUAL
PRE-TAX PROFITS**
IN CANADA TO COMMUNITY
ORGANIZATIONS

**REGIONAL
MANAGEMENT**
OF LOCAL DONATIONS
AND VOLUNTEERING



Progress in 2016

In 2016, Sun Life committed more than \$11.4 million in charitable donations (up from \$10.9 million the previous year) to community organizations across Canada, the U.S., Asia and the UK. Approximately 40 per cent of this was directed towards fighting diabetes, our key business and community giving priority. We showcase a few examples of our support in this section, with more examples by region provided on sunlife.com.



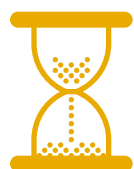
1000+

Charitable organizations impacted in North America through Sun Life donations and employee volunteerism



\$11.4M

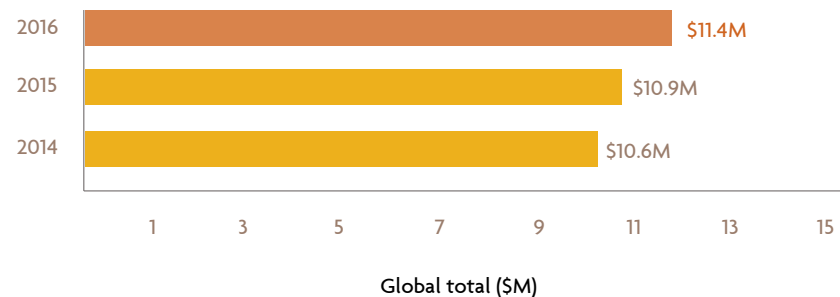
Donated globally



27,000+

Hours volunteered by Sun Life employees across our North American footprint

CORPORATE GIVING PERFORMANCE TREND





A global focus on diabetes

More than 422 million people around the world have diabetes, with rapidly rising diagnosis rates in middle- and low-income countries, prompting the World Health Organization to project it to be the 7th leading cause of death by 2030.¹

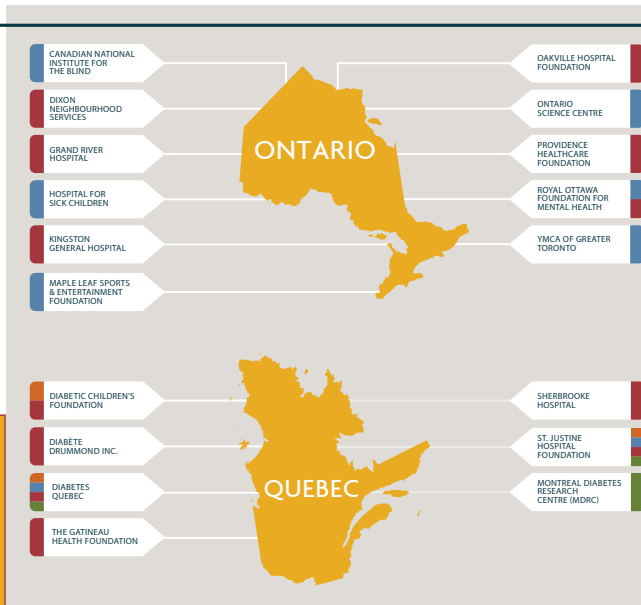
Over **\$17M** committed to **diabetes** since 2012

As a leading provider of life and health insurance, we see first-hand the physical, emotional and financial impact diabetes can have on individuals and their loved ones. With a commitment to the health and wellness of our Clients, employees and communities, we are focused on the prevention of diabetes and its related complications.

Since announcing diabetes as our global business and community giving priority in 2012, Sun Life has committed over \$17 million to diabetes awareness, prevention, care and research initiatives. We engage our employees worldwide in the cause and collaborate with leading health, academic and charitable organizations to extend our reach.



CANADA



GLOBAL



¹ World Health Organization, *Diabetes fact sheet*, 2016



Promoting world-wide testing on World Diabetes Day

Almost 50 per cent of adults living with diabetes are unaware of their condition.¹ That's why understanding the importance of early testing and screening can prevent serious health consequences. With that in mind, Sun Life committed \$100,000 to the International Diabetes Federation, to help fund its diabetes screening campaign in 170 countries and territories on World Diabetes Day. Through the #Test2Prevent campaign, 230 national diabetes associations hosted in-person and online screening events in November 2016, attracting over 700,000 participants. Around the world, people continue to take the online type 2 diabetes screening test at SunLifeAgainstDiabetes.com and in Canada at SunlifeAgainstDiabetes.ca.

- In Surabaya, Indonesia, 1,200 Sun Life advisors and community members joined the Sun Life Walk for a Better Indonesia.
- In Cubao, Quezon City, Philippines, 3,000 employees and community members participated in the annual SunPiology "Sugar Wars" run.
- In cities across Canada, over 2,000 Sun Life employees, advisors and community members participated in the JDRF walk, raising \$155,000. Sun Life has been a national sponsor of JDRF in Canada since 2014.

Million-dollar pledge to create global diabetes resource

We committed \$1 million to establish the online Sun Life Financial Diabetes College (SLFDC). Developed in collaboration with the Toronto Rehabilitation Institute Foundation, the SLFDC is an online educational resource for anyone living with diabetes or prediabetes and can be accessed at DiabetesCollege.ca.

Employees walk the world for awareness

Every year, Sun Life employees participate in various campaigns in support of finding a cure for diabetes. In 2016, Sun Life participants across the globe joined forces to raise funds and walked in numerous diabetes fundraising events. Some highlights include:

- In Jakarta, Indonesia, approximately 5,000 employees and community members took part in the 2016 Jakarta Diabetes Walk, aimed at raising awareness of the dangers of diabetes and to educate the public about the importance of living a healthy lifestyle to prevent the disease.

Team Up Against Diabetes grant program

Sun Life introduced the Team Up Against Diabetes regional grant program, which offers grants up to \$50,000 to registered charities across North America focusing on diabetes prevention and management, as well as programs targeting wellness, nutrition and obesity prevention.



¹ International Diabetes Federation, *IDF Diabetes Atlas – 7th Edition*, 2015



Engaging youth in diabetes prevention

Sun Life teamed up with international pop star Nick Jonas (himself diagnosed with type 1 diabetes) and his charity BEYOND TYPE 1 to promote diabetes prevention during six Canadian stops on his 2016 world tour. In the U.S., Sun Life teamed up with the Boston Celtics in their second annual Fit to Win program, an incentive-based community program that promotes the physical fitness and wellness of local youth in Greater New England over a four-week period.

American Diabetes Association

We teamed up with the American Diabetes Association (ADA) as the exclusive national sponsor of their Wellness Lives HereSM initiative, which urges corporations and their employees to adopt healthier habits and prevent diabetes. In addition, Sun Life Financial U.S. received a **Health Champions Designation** from the ADA in 2016. This award recognizes companies with an organizational culture of wellness, encompassing healthy eating and physical activity.



Raising awareness across Asia

Sun Life supported regional awareness campaigns as well as various national initiatives. For example, we teamed up with the Division of Metabolic Endocrinology Faculty of Medicine at the University of Indonesia to establish an integrated diabetes mellitus education polyclinic at Cipto Mangunkusumo Hospital (RSCM) Jakarta, to educate diabetes patients and their families on the disease and to help them cope with the illness and prevent complications. In 2016, more than 3,000 patients were served by the clinic.

In Malaysia, Sun Life committed \$98,900 to Diabetes Malaysia and HOPE Worldwide Malaysia (HOPE) to assist low-income patients living with diabetes in managing the disease as well as to create various health programs aimed at diabetes prevention. With the funding from Sun Life Malaysia, Diabetes Malaysia provided monitoring supplies and healthy breakfasts to 240 patients nationwide and held a workshop to empower and train 25 youth living with diabetes to be a voice of prevention and to advocate for people affected by this disease.

Through HOPE, Sun Life Malaysia sponsored diabetes medications for 80 patients via HOPE Free Clinic, as well as health awareness activities such as basketball clinics, kids' fitness classes and educational field trips aimed at highlighting the importance of a healthy lifestyle to keep diabetes at bay.

SPOTLIGHT

The gift of flight for rural Canadians living with diabetes



For diabetes patients who live in smaller communities without treatment facilities, their health risk, emotional stress and financial burden are multiplied by the need to travel to distant hospitals for regular care. To overcome this barrier to treatment, Sun Life sponsors a unique program through Hope Air, a charity that offers free flights to low-income Canadians who live in rural or remote communities to receive specialized care in larger cities.

In 2016, we renewed our support of Hope Air and committed another three-year, \$300,000 pledge to Hope Air's 'Diabetes Flight' program, so that people living with diabetes can access ongoing treatment. Our current, multi-year donation will fund 585 flights per year for diabetes patients across Canada, up 14 per cent from 2015, and will also enable Hope Air to perform outreach in small communities to raise awareness of their free life-saving services.

Employee giving



Across the globe, Sun Life employees and advisors give back to their community for both our corporate diabetes giving initiatives and for local causes that matter to them, their friends and their families. In 2016, our employees and advisors volunteered over 27,000 hours, and made personal donations exceeding \$1.74 million to their favourite charities that were registered and corporately matched through our various employee and advisor donations programs.

We empower our employees to get engaged in their community and support them in several ways:



Matching Gifts program

We match eligible donations to registered charities dollar-for-dollar up to \$500 for every employee and advisor.



Teams for Health

This program encourages employees and advisors who participate in walks, runs, rides or sports activities to raise money for health-related charities in Canada and the U.S. Sun Life pays the registration fee or minimum donation required to participate in the event. In 2016, over 4,100 employees and advisors participated.



United Way

In 2016, our employees and advisors raised over \$1.4 million in support of United Way agencies across Canada and the U.S. An additional \$696,000 was matched by Sun Life, for a total combined donation of \$2.09 million.

For the 13th consecutive year, Sun Life in Canada received United Way's *Thanks a Million* award for generating \$1million-plus in donations during the year.



Volunteer grant program

In Canada, we recognize the efforts of employees who volunteer at least 50 hours each year for a registered Canadian charity. Those who qualify receive a \$500 cheque for their charity.

SPOTLIGHT

Employee volunteering in 2016

Individual strength to reach new heights

Every day, many Sun Life employees demonstrate their individual strength and passion to improve the world around them. Among them, Nicola Foley, Senior Manager, Data Solutions Development of Sun Life in Waterford, Ireland, was inspired by family and friends with diabetes and decided to enlist in a 2016 fundraising climb of Mount Kilimanjaro. An avid hill walker, Nicola quickly raised more than \$13,000 for the Diabetes Federation of Ireland.

Teaming up to shelter India's homeless children

As part of the community outreach of Sun Life's Asia Service Centre (ASC) in New Delhi, India, our employees work closely with Serving People In Need (SPIN), a non-profit organization providing shelter and education for underprivileged youth. Sun Life recently helped SPIN open a shelter for homeless girls, where our staff spent time playing with and mentoring the children.

In 2016, we also launched the SLF ASCI scholarship to help deserving children of SPIN to pursue professional and degree courses for building a brighter future.



INFRASTRUCTURE INVESTMENTS



Why it matters

Sun Life believes that it is important to promote livable communities by investing in community infrastructure, such as healthcare and supportive services, public transport and schools. In addition to generating employment, these projects can contribute to economic prosperity, social stability and the well-being of communities.

Our approach

Sun Life strategically invests in a range of infrastructure projects, through financing programs that include the provision of long-term capital to support the construction, operation and maintenance of capital-intensive projects that positively contribute to the health of the economy. For more details on our investment approach please see page 37.

\$1.5 B Invested in infrastructure assets in 2016 that boost economic health and capacity



Progress in 2016

Sun Life holds global infrastructure investments of more than \$12 billion, including \$9 billion within our project finance portfolio. In 2016, we invested more than \$1.5 billion in infrastructure assets, including eight renewable energy projects, a hospital and a light rail transit system. Highlights include:

City of Saint John Safe Clean Drinking Water Project

Sun Life provided 100 per cent of the long-term financing for a public-private partnership initiative issued by the City of Saint John, New Brunswick. The project involves the rehabilitation of certain aspects of the City's water supply system and the construction and operation of a new 75 million litre-per-day water treatment plant for the City.

University of California Merced Campus Project

Sun Life was part of a small club of international institutional investors that provided debt financing for a public-private partnership to carry out an expansion that will double the capacity of the University of California Merced campus (pictured above) by fall 2020.

Mackenzie Vaughan Hospital

Sun Life was one of three investors that provided long-term financing for the Mackenzie Vaughan Hospital project, which entails the design, build, finance and maintenance of an approximately 1.2 million square foot, 367-bed LEED® Silver® medical facility in Vaughan, Ontario. A portion will be built as shelled space to accommodate future demand for healthcare services in the region.



Why it matters

In an industry that is subject to significant regulation, we believe it is important to bring our views and experience forward to ensure that policy-makers receive a balanced perspective on important issues that directly impact our business, Clients, employees and communities where we operate.

Our approach

Much of our contribution to sound public policy involves responsibly and proactively engaging with others. Through dialogue and cooperation with our industry association, the Canadian Life and Health Insurance Association, and with our other stakeholders, we engage in issues that we consider important and relevant. These issues range from retirement security and quality healthcare in Canada to supporting the development of retirement savings insurance protection.

In all jurisdictions where we operate, we are committed to being open and transparent about our public policy positions and activities and engaging responsibly with government officials. Our **Compliance Risk Management Policy** and **Prevention of Bribery and Corruption Policy**, supported by our **Code of Business Conduct**, set out clear parameters and restrictions for dealing with government officials.

Sun Life is politically non-partisan. We therefore do not make political contributions, nor do we allow our employees to make such contributions on the Company's behalf. However, our employees are free to engage in the political process as private citizens.

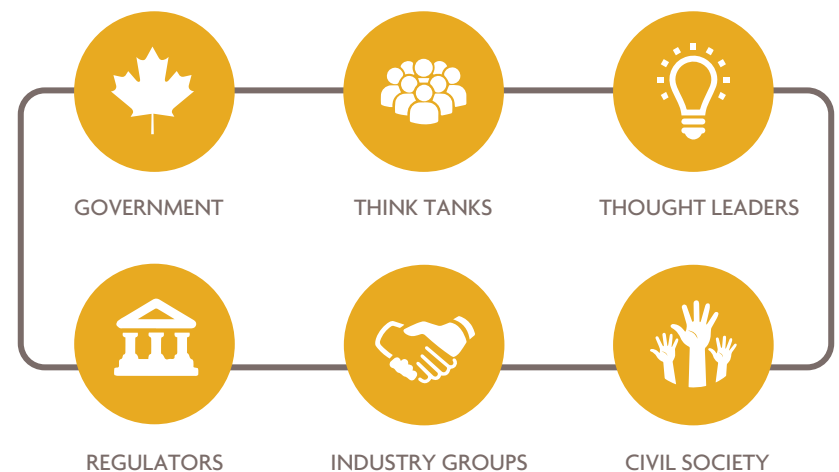
Sun Life's Public and Corporate Affairs team coordinates and actively leads discussions with government officials, regulators, think tanks, industry groups, thought leaders, civil society and other stakeholders in the jurisdictions in which we operate. The team, led by the Vice-President of Public and Corporate Affairs reports into the Executive Vice-President, Chief Legal Officer & Public Affairs.

Progress in 2016

We continued to participate in public policy conversations relating to the insurance industry and contributed to the development of public policy that supports economic growth, financial security and healthy lifestyles. For example by:

- Contributing thought leadership on issues of under-saving that exist in Canada, and potential improvements to the pension system that ensure all Canadians are empowered to achieve a secure retirement.
- Continuing to advocate measures to make the healthcare system in Canada, notably access to the pharmaceuticals people rely on, more sustainable in light of current pressures from an ageing population.

Actively leading discussions with:





GOVERNANCE AND RISK MANAGEMENT

Our success as a Company is founded on our values, our rigorous governance practices and transparency in all our business dealings.

We are committed to maintaining strong corporate governance practices and ethical behaviour throughout the organization, focusing on disciplined risk management, and following disclosure practices that are both responsive and responsible.

IN THIS SECTION

- 1 Ethics, Integrity and Corporate Governance
- 2 Risk Management
- 3 Transparency and Disclosure

ETHICS, INTEGRITY AND CORPORATE GOVERNANCE



Why it matters

We believe that our ability to build and preserve trust with our stakeholders is based on consistently applying strong corporate governance and the highest ethical practices in all of our activities and interactions.

Our approach

We are committed to maintaining high standards of professionalism, ethics, honesty and integrity, in addition to best-in-class corporate governance processes and practices that balance the interests of Company management, the Board of Directors, shareholders, Clients and other stakeholders.

Our approach starts at the top with our Board of Directors: 11 of our 12 Board members, including the Chairman of the Board, are independent to help ensure that the long-term interests of our stakeholders are addressed and protected. The Board regularly reviews its corporate governance policies and practices to ensure compliance with applicable regulatory requirements and alignment with evolving best practices.

Across the organization our people are guided by our strong, clear corporate values and undergo annual mandatory training on key Sun Life policies and guidelines. This includes training on Sun Life's [Code of Business Conduct](#); Business Continuity; Emergency Preparedness; Financial Crimes Awareness (which focuses on deterring fraud, combatting money laundering and terrorist financing, and rejecting corruption and bribery); Maintaining the Privacy and Security of Personal Information; Records Management; and Security Awareness.



33%

Women on our Board of Directors



99%

Of our employees worldwide completed Sun Life's annual Code of Business Conduct training, consistent with our historical completion rate



Top 10

in The Globe and Mail Report on Business' Board Games review of corporate governance practices

Sun Life's focus on advancing sustainability is a key strategy for the Company, with accountability embedded in our governance structure:

- Our Executive Sponsor of Sustainability, Melissa Kennedy, Executive Vice-President, Chief Legal Officer & Public Affairs, champions initiatives across the Company that help foster a sustainable business model.
- The Governance, Nomination & Investment Committee (GNIC) of the Board of Directors provides oversight of our sustainability program, while our International Sustainability Council (ISC) is responsible for advocating for sustainability across the Company and reporting on progress.
- Our sustainability team acts as a centre of knowledge and manages strategy development with the ISC, reporting, and communications, working closely with senior leaders from relevant business units.

Progress in 2016



Corporate governance practices

Throughout 2016, we continued to uphold stringent corporate governance practices. We focused on the healthy renewal of our Board, with three new members joining in early 2017. Our Board maintained its constructive engagement with shareholders to allow them to express their views on governance matters.

Reflecting a strong commitment to gender diversity on the Board, 33 per cent of our Board members were female as of December 31, 2016. This is above our internal target of 30 per cent and is well above the 25 per cent representation advocated by Catalyst¹, a non-profit organization working to create opportunities for women in business.

Again in 2016, Sun Life ranked in the top 10 in The Globe and Mail Report on Business' Board Games review of corporate governance practices of Canada's largest companies. Sun Life was also named one of 12 Canadian companies, and the only North American life insurer, in the Standard & Poor's Long-Term Value Creation Global Index, based on sustainability criteria and financial quality.

More highlights are available in our [2016 Annual Report](#) and [2017 Management Information Circular](#).

Sustainability-related governance and accountability

During 2016, the ISC met six times, with one full-day meeting that included discussions with our President and CEO and presentations by external experts to learn about practices at other leading organizations. Key ISC initiatives in 2016 included:

- approval of a **Sustainability Policy** that integrates sustainability more deeply into Sun Life's governance framework and business strategy. The new policy formalizes oversight of our global sustainability strategy, including practices to encourage business units to participate and report on their activities. In 2017, ISC members/subcommittees expect to begin work to develop a framework to operationalize the policy, measure sustainability oversight and set governance controls.
- approving the development of a global GHG emissions framework.

¹ Catalyst, [Catalyst proposes 25% women on FP500 Boards by 2017](#), 2016

Responsible conduct

Our [Code of Business Conduct](#) (the Code) promotes Sun Life's strong ethical culture by reinforcing the Company's commitments to acting with integrity and professionalism, and setting out high standards of honesty and the mechanisms to do what is right.

All employees and directors of Sun Life Financial Inc. and its subsidiaries must comply with the Code. In 2016, over 99 per cent of our workforce affirmed their annual compliance with the Code by completing mandatory training and attesting to an Annual Code Acknowledgement.

The Code requires all employees and directors to report all breaches and other misconduct. Any form of retaliation against reporting concerns in good faith is prohibited, a principle which is reinforced within the Code and the annual Code training.

Sun Life operates an **Employee Ethics Hotline** that empowers our employees to play an active role in protecting the organization by identifying issues and ethical misconduct and enabling anonymity if requested. Accessible via a toll-free telephone number or a secure website, the Hotline is available seven days a week, 24 hours a day in multiple languages. Reports to the Hotline service are monitored by our global Compliance team.

Topics covered by the Code include:

- Complying with the law
- Promoting fairness and safety in the workplace
- Deterring fraud, money laundering and terrorist financing
- Avoiding conflicts of interest
- Rejecting corruption and bribery
- Respecting privacy and confidentiality
- Reporting Code breaches

RISK MANAGEMENT



Why it matters

As a large financial services organization operating in a complex industry, effective risk management is critical to the overall profitability, competitive market positioning and long-term financial viability of the Company.

Our approach

We have a **Risk Management Framework**, approved by the Board of Directors that prescribes a comprehensive set of protocols and programs for conducting our business activities. This framework seeks to ensure that risks to a business undertaking are appropriately managed to achieve the Company's business objectives over time. The Risk Management Framework, corporate strategy and business objectives are all aligned and risk management protocols and programs are embedded in every business segment.

Our **Risk Appetite Policy**, also approved by the Board of Directors, sets out specific constraints that define the aggregate level of risk that the Company is willing to accept. The Company's risk appetite seeks to balance the various needs, expectations, risk and reward perspectives and investment horizons of key stakeholders. In particular, our risk appetite supports the pursuit of shareholder value while ensuring that the Company's ability to pay claims and fulfill policyholder commitments is not compromised.

Our risk management program is embedded in the Company's culture, which encourages ownership and responsibility for risk management at all levels. A key premise is that all employees have an important role to play in managing the Company's risks.

Our Risk Management Framework sets out lines of responsibility and authority for risk-taking, governance and control. The Board of Directors is ultimately responsible for ensuring the oversight of all risks across the enterprise and has primary responsibility for taking action to ensure risk management policies, programs and practices are in place.

The Board delegates certain responsibilities to standing Board Committees, which oversee and monitor these risks:

- Risk Review Committee
- Audit & Conduct Review Committee
- Governance, Nomination & Investment Committee
- Management Resources Committee

Further information on our Risk Management approach is available on page 53 of our [2016 Annual Report](#).

Progress in 2016



Risk culture statement

In 2016, we updated our Risk Management Framework to explicitly include a risk culture statement and risk culture elements. Risk culture relates to how we behave and respond, in addition to the requirements we set. It enables and rewards taking the right risks in an informed manner, including an understanding of Client needs and preferences.

We continue to reinforce and embed a risk culture through employee communication, training and performance reviews and by clearly defining roles, responsibilities and expectations in our risk management policies.

“In 2016, we updated our Risk Management Framework to explicitly include a risk culture statement and risk culture elements”

Managing environmental risks

Effectively managing environmental risks, including those related to climate change, is important for the long-term sustainability of the Company, and we consider these as part of our risk management practices. Potential sources of environmental risk for Sun Life include:

- Impacts from emerging environmental laws and regulations in jurisdictions where we do business
- An environmental issue on a property owned by or affiliated with the Company which could have financial or reputational impacts
- Resource constraints
- Impacts of climate change on our business operations and investments, and the costs associated with adaptation
- Impacts of climate change on our Clients and suppliers

We maintain an environmental risk management program to help protect investment assets (primarily real estate, mortgage and certain private fixed income assets) from losses due to environmental issues and to help ensure compliance with applicable laws. An important aspect of the program is an assessment of new investment assets for existing and potential environmental risks. Additionally, all employees who are involved in underwriting and asset management investments in real estate and private debt secured by real estate complete environmental training and provide annual sign-off on compliance with the Company’s environmental guidelines.

Environmental factors are incorporated into initial and ongoing reviews and assessments of public fixed income, private fixed income, real estate and commercial mortgage investments. Our cross-functional North American Investments Environmental Committee works to identify and assess environmental risks across our investment assets.



Why it matters

Our stakeholders expect us to be transparent about how we manage our business, our profitability and the impacts of our operations. The successful delivery of financial services also depends on open, trusted relationships with Clients and policyholders, business partners, shareholders and regulators.

Our approach

We are committed to providing clear, timely and factual disclosure. We have mechanisms in place to help ensure we are responsive to the disclosure needs of the investment community, regulators and our other stakeholders. Our disclosure controls and procedures are designed to provide our senior management, including the CEO, with information that allows those leaders to make appropriate and timely decisions with respect to our public disclosures.

The Board reviews and approves the content of all major disclosure documents and the GNIC conducts an annual review of our policy on public disclosure and approves changes where appropriate. Our Disclosure Committee ensures that material public disclosures are accurate, complete and prepared in accordance with the Company's disclosure policies.

Progress in 2016

A key focus for enhanced transparency and disclosure in 2016 has been on improving the content and quality of our sustainability reporting. This is in response to evolving reporting frameworks, changing stakeholder expectations, including increased investor and political interest in our corporate sustainability information, and the results of an external evaluation that assessed Sun Life's sustainability reporting against best practices.

As a result, we have set the following five improvement goals for our sustainability reporting:

REPORTING IMPROVEMENT GOALS

- 1 Increase transparency for improved credibility
- 2 Strengthen connection to core business
- 3 Present more global content
- 4 Strengthen alignment with needs of ESG analysts
- 5 Enable stronger analytics

ACTIONS TAKEN IN THIS REPORT

- Enhanced disclosures on our management approach for each priority topic
 - More details around Sun Life's sustainability strategy and stakeholder engagement
 - Enhanced performance reporting
-
- More explanation of how sustainability links to Sun Life's business strategy and long-term success
 - Priority topics upfront in the report for higher visibility and connection to Sun Life's business strategy
-
- Provided more global stories and performance data
-
- Improved focus through clearer link between stakeholder groups, priority topics and location of responses in report
 - More KPIs tied to priority topics
 - Year-over-year data to facilitate trend analysis
-
- More KPIs tied to priority topics
 - Year-over-year data to facilitate trend analysis

GLOBAL REPORTING INITIATIVE

TOPICS AND BOUNDARIES

Guided by the disclosure expectations of the GRI, we have prepared the following table to identify and define our priority topics for 2016, and which stakeholder group(s) identify the topic as a priority.

ORGANIZATIONAL RESILIENCE	
Priority Topics	Boundary (whether the impact of the issues is internal or external)
Client Focus	External (Clients) Internal (Employees)
Digital Innovation	External (Clients)
Data Security and Privacy	External (Clients, suppliers, regulators) Internal (Employees)
Talent Management	Internal (Employees) External (Clients)
Workforce Wellness	Internal (Employees) External (Clients)
Diversity and Inclusion	Internal (Employees) External (Clients, communities, suppliers)

ENVIRONMENTAL RESPONSIBILITY	
Priority Topics	Boundary
Operational Footprint	External (Clients, suppliers, communities) Internal (Employees)
Responsible Investing	External (Clients, shareholders, investors, regulators)

COMMUNITY WELLNESS	
Priority Topics	Boundary
Strategic Philanthropy	External (Clients, communities)
Infrastructure Investments	External (Clients, communities)
Public Policy	External (Clients, governments, communities)

GOVERNANCE AND RISK MANAGEMENT	
Priority Topics	Boundary
Ethics, Integrity and Corporate Governance	External (Clients, shareholders, investors, communities, regulators)
Risk Management	External (Clients, shareholders, investors, communities, regulators)
Transparency and Disclosure	External (Clients, shareholders, investors, communities, regulators)

GRI INDEX

This report contains Standardized Disclosures from the GRI Sustainability Reporting Guidelines. In addition, some disclosures can be found in our [Annual Information Form \(AIF\)](#), [Management Information Circular \(MIC\)](#) and [Public Accountability Statement \(PAS\)](#).

GRI INDICATOR ¹	INDICATOR DESCRIPTION	CROSS-REFERENCE	DIRECT ANSWER
GENERAL STANDARD DISCLOSURES			
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the organization	Page 5	
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization	Page 7	
G4-4	Primary brands, products, and/or services	Page 7	
G4-5	Location of headquarters	Back cover	
G4-6	Number of countries of operation and names of countries with significant operations or that are specifically relevant to the sustainability topics covered in the report	Page 7	
G4-7	Nature of ownership and legal form	AIF page 3	
G4-8	Markets served	Page 7	
G4-9	Scale of the organization	Page 7	
G4-10	Total workforce by employment type, employment contract and region	Pages 7 and 28, PAS	
G4-11	Percentage of employees covered by collective agreement		Not applicable. Sun Life employees are not represented by an independent union or covered by collective bargaining agreements.
G4-13	Significant changes during the reporting period regarding size, structure or ownership	AIF page 3	
G4-14	Precautionary approach	Pages 41 and 54	
G4-15	Externally developed principles and initiatives	Pages 12, 29, 31, 41 and 43	
G4-16	Association memberships	Pages 12 and 50	

¹ As per Global Reporting Initiative G4 Sustainability Reporting Guidelines

GRI INDEX

GRI INDICATOR	INDICATOR DESCRIPTION	CROSS-REFERENCE	DIRECT ANSWER
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in consolidated financial statements and those not covered	PAS, AIF page 3	
G4-18	Process for defining report content and Aspect Boundaries	Pages 4, 12 and 57	
G4-19	Material aspects	Pages 12 and 57	
G4-20	Aspect Boundaries within the organization	Page 57	
G4-21	Aspect Boundaries outside the organization	Page 57	
G4-22	Effect of any restatements of information provided in previous reports and the reasons for such restatements		No data restated
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Page 32	
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups	Page 11	
G4-25	Basis for identification and selection of stakeholders with whom to engage	Page 11	
G4-26	Organizational approach to stakeholder engagement	Pages 11 and 12	
G4-27	Key topics and concerns raised through stakeholder engagement and how the organization has responded to those concerns	Pages 11 and 12, Throughout Report	
REPORT PROFILE			
G4-28	Reporting period	Page 4	
G4-29	Date of most recent previous report		May 2016
G4-30	Reporting cycle		Annual
G4-31	Contact point for questions regarding the report or its contents	Back cover	
G4-32	Chosen 'in accordance' option, GRI Content Index, use of external assurance	Page 4	
G4-33	Policy and practice for seeking external assurance	Page 4	

GRI INDEX

GRI INDICATOR	INDICATOR DESCRIPTION	CROSS-REFERENCE	DIRECT ANSWER
GOVERNANCE			
G4-34	Governance structure	Pages 52 and 53 AIF pages 12-15 MIC pages 30-38	
G4-39	Report whether the chair of the highest governance body is also an executive officer	AIF page 12	
ETHICS AND INTEGRITY			
G4-56	Values, principles, standards and norms of behaviour	Pages 52 and 53	Code of Business Conduct
SPECIFIC STANDARD DISCLOSURES			
ASPECT: INDIRECT ECONOMIC IMPACTS			
G4-EC7	Development and impact of infrastructure investments and services supported	Pages 39, 40 and 49	
G4-EC8	Significant indirect economic impacts	Pages 15-18, 36 and 43-49	
ASPECT: ENERGY			
G4-DMA	General disclosures on management approach	Page 31	
G4-EN3	Energy consumption within the organization	Page 33	
G4-EN4	Energy consumption outside of the organization	Page 33	
G4-EN5	Energy intensity	Page 33	
G4-EN6	Reduction of energy consumption	Page 33	

GRI INDEX

GRI INDICATOR	INDICATOR DESCRIPTION	CROSS-REFERENCE	DIRECT ANSWER
ASPECT: EMISSIONS			
G4-DMA	General disclosures on management approach	Page 31	
G4-EN15	Direct GHG emissions (Scope 1)	Page 32	
G4-EN16	Indirect GHG emissions (Scope 2)	Page 32	
G4-EN17	Other indirect GHG emissions (Scope 3)	Page 32	
G4-EN18	GHG emissions intensity	Page 32	
G4-EN19	Reduction of GHG emissions	Page 32	
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	General disclosures on management approach	Pages 31 and 36	
ASPECT: EMPLOYMENT			
G4-DMA	General disclosures on management approach	Pages 20, 24 and 27	
G4-LA1	Number and rates of new employee hires and employee turnover	Page 21	
G4-LA2	Benefits provided to full-time employees	Pages 25 and 26	
ASPECT: TRAINING AND EDUCATION			
G4-DMA	General disclosures on management approach	Pages 20, 24 and 27	
G4-LA10	Programs for skills management and lifelong learning	Pages 22 and 23	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and employee category		91.8%
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	General disclosures on management approach	Page 27	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category	Page 28	
ASPECT: PUBLIC POLICY			
G4-DMA	General disclosures on management approach	Page 50	
G4-SO6	Political contributions by country and recipient	Page 50	
ASPECT: CUSTOMER PRIVACY			
G4-DMA	General disclosures on management approach	Page 19	
G4-PR8	Total number of substantiated complaints	Page 19	



2016 Sustainability Report

Building sustainable, healthier communities for life

Do you have a question about sustainability at Sun Life?
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Life's brighter under the sun