

Sustainability

Acting today for a sustainable future. At Sun Life Financial, a commitment to sustainability has always been a major pillar of our corporate policies and procedures. In 2008, that commitment was expanded and escalated. The Company formed an International Sustainability Council made up of senior representatives from across the organization. Their task is to review current practices, establish benchmarks, identify opportunities, develop longer-term strategies, and implement new policies and initiatives.

This broad management focus, together with increasing support and engagement on the part of our employees and advisors, moves us steadily toward more and better ways to take sustainability, in all its definitions, to a new level. We will report on outcomes of the International Sustainability Council’s work in future Public Accountability Statements.

As these initiatives gain momentum, we continue to be a leader in the Canadian financial services industry in providing financing to companies engaged in renewable energy and cogeneration projects. As you will see described in the Investment Profile section of this report, beginning on page 28, these investments totalled more than \$1.2 billion at the end of 2008. Following are some examples of the actions and initiatives undertaken to advance our sustainability programs during 2008.



Videoconferencing reduces the need to travel



Recycling efforts save thousands of trees

In our premises



Sun Life Financial owns approximately 35 million square feet of real estate. This real estate is located in major markets across North America, and is held for investment purposes.

Sun Life occupies 2.8 million square feet of office space in Canada related to management and operation of its businesses, and we are focused on operating within this space in a sustainable manner. We make a sizable investment every year to ensure that our buildings are managed and maintained to continuously evolving environmental standards.

REDUCTION OF SOLID WASTE

At Sun Life, we are stepping up our efforts in conservation and pollution reduction. This governs the way we buy, use and recycle materials and supplies. Over the past year, the systems in place in all of our offices across Canada have resulted in sizeable savings in money and resources. Here are a few examples:

- **Recycling of printer cartridges**

Our Canadian headquarters sends used printer cartridges to a recycler who plants trees in proportion to the number of cartridges received. In 2008, we recycled 3,235 cartridges. **As a result, 40 trees were planted.**

- **“E-waste” recycling**

In 2008, we recycled 8,998 kg of electronic waste, consisting of video monitors, computers, televisions, calculators and cell phones that could not be reused, repaired, or returned. These items were collected by the Company and through employee collection drives.

- **Recycling of paper, cardboard, glass and plastic**

Almost 317 tonnes of paper, 38 tonnes of cardboard and 37 tonnes of glass and plastic were recycled from our Canadian offices in 2008. **As a result of this recycling effort, we were able to save 8,463 trees and divert 454 cubic metres of waste from landfills.**

- **Recycling of lamps**

In 2008, we recycled 3,318 fluorescent lamps and 1,089 miscellaneous lamps, an increase of 21 per cent over 2007. **This effort resulted in close to 1,100 kg of glass, harmful metals, phosphor and mercury being kept out of landfills.**

- **Recycling of construction materials**

During 2008, we were able to recycle three metric tonnes of materials from our various construction and clean-up projects. We also recycled 41,277 kg of metal condenser piping and 11,340 kg of dampers.

- **Recycling of furniture and office materials**

In 2008, we made a concerted effort to reuse or reassign office desks, chairs, bookcases, cabinets and other furnishings within our own buildings. Those items we could not use were donated to charities or institutions. **In 2008, 250 pieces of desk furniture and 18,200 kg of carpet were donated for reuse.**

In our businesses

REDUCING THE NEED TO TRAVEL

Sun Life has major offices in Canada, the United States and several countries in Asia. We continually try to reduce travel – and our carbon footprint – by using the various technologies of teleconferencing, video conferencing and increasingly, web conferencing. The intent is to virtually link people, departments and projects throughout our enterprise with the least impact on the environment.

FSC-CERTIFIED PAPER

In 2008, we continued to source all paper used in the printing of reports such as this Public Accountability Statement, our Annual Report, Quarterly Reports and other industry publications, from Forest Stewardship Council (FSC) certified vendors. **Please see the environmental impact statement on the inside back cover of this report.**

DOUBLE-SIDED PRINTING

In an effort to save trees and reduce energy consumption, in 2008, Sun Life implemented a policy of double-sided printing. All networked and most personal desktop printers were defaulted to double-sided output, resulting in an estimated 35 per cent reduction in the amount of paper used throughout the organization.

Investment in clean and renewable energy

Sun Life Financial has been investing in clean and renewable energy for more than 25 years. In 2008, in keeping with our continuing involvement in this sector, we invested \$175 million in green and renewable energy projects. In addition, more than \$85 million was invested in natural gas/cogeneration projects, which are considered environmentally preferable as they use otherwise waste heat in neighbouring industry to produce electricity.

Two examples of our investments in clean and renewable energy follow:

GASPÉ PENINSULA WIND FARM



One of the renewable energy projects being funded is the construction of a 127.5-megawatt (85 turbine) wind project on the Gaspé Peninsula in the province of Quebec. The project uses a free and abundant wind resource to produce safe, clean and increasingly economical electricity, while producing no emissions or waste. Wind farms have a small environmental footprint, use relatively little land and generally leave current land use unaltered while creating economic benefits for local landowners and communities.

Special note:

Because our investments are linked to all aspects of sustainability, some initiatives previously reported only in the Investment Profile section of this report are now outlined in this Sustainability section. Please see pages 28 and 29 for further examples of our investments in renewable energy projects.

ONTARIO COGENERATION FACILITY



This cogeneration plant, which is currently under construction in Ontario, will be a highly efficient 265 megawatt gas-turbine-based, combined-cycle cogeneration facility. It is located adjacent to a recycled newsprint mill, which will serve as the plant's steam host, or power source. The plant will produce enough electricity to power the equivalent of 100,000 homes, and during cogeneration mode (when the plant is producing both electricity and steam), nitric oxide (NO) emissions are expected to drop between 37 and 91 per cent compared to the existing steam plant that is being shut down.

Recognition for our efforts

During 2008, Sun Life Financial was recognized at the provincial, national and global levels for our ongoing efforts to promote sustainability and good governance. Following are two examples:

FTSE4GOOD INDEX



The FTSE4Good Index, launched by the *Financial Times* and the London Stock Exchange, identifies companies that meet globally recognized standards for environmental sustainability, social betterment, stakeholder relations and human rights protection. In 2008, Sun Life Financial was proud to be included in the Index for the fifth consecutive year.

DOW JONES SUSTAINABILITY INDEX



In recognition of our economic, environmental and social performance, Sun Life Financial was selected as a member of the Dow Jones Sustainability Index for North America (DJSI North America) for 2008-2009. The Dow Jones Sustainability Indexes follow a best-in-class approach to identifying sustainability leaders from several industry sectors, at both global and regional levels. Sun Life was one of only three life insurance companies included in the Index for North America.

Increasing our LEED certifications

LEED stands for Leadership in Energy and Environmental Design. The LEED Green Building Rating System* encourages and accelerates global adoption of sustainable building and development practices. LEED certification provides independent third-party verification that a building project is environmentally responsible, profitable, and a healthy place to live or work. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of environmental health: sustainable site development, energy efficiency, water conservation, use of non-toxic materials and indoor environmental quality.

We aspire to make LEED compliance part of our real estate development criteria. At Sun Life Financial, we have incorporated LEED principles into the design of eight new office and light industrial developments located in Vancouver, British Columbia; Edmonton, Alberta; Mississauga and Burlington, Ontario; Montreal, Quebec; and Houston, Texas, with a goal of achieving LEED certifications for the completed projects.

In addition to the environmental benefits of incorporating LEED principles into our office buildings, we believe the improved efficiency, tenant comfort and reduced environmental footprint will make them a more attractive choice for environmentally aware and socially conscious tenants, and will support their value well into the future.

*The LEED Green Building Rating System™ is a registered trademark of the U.S. Green Building Council.

OUR NEWEST LEED STANDARD BUILDING



The year 2008 saw the completion of Sun Life Financial's newest building in Burlington, Ontario. The four-storey, 78,500 square foot building was designed to meet the most demanding LEED standards, and LEED certification has been initiated with the Canada Green Building Council. The building offers a wide range of tenant-desirable and environmentally conscious features including:

- Construction that features a combination of new and recycled materials and FSC-certified wood products
- Proximity to public transportation to reduce vehicle traffic
- A white, topographical roof, which minimizes the heat island effect
- Rainwater collection in cisterns for reuse in waste removal and irrigation
- Drought-resistant landscaping
- Interiors finished with low off-gassing paints, coatings, adhesives, sealants and carpets
- A high-quality glass curtain wall system to minimize heat gains and losses, and provide maximum daylighting
- A sophisticated HVAC system which uses CO₂ sensors located throughout the building to regulate fresh air intake. The system also recovers and reuses heat from exhaust air