

2025 OSFI B-15 Climate Risk Management Report

Our approach to managing climate risks and resilience



Cautionary statement regarding forward-looking statements and other matters

Forward-looking statements

Certain statements made in this Report are forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements contained in this Report include statements relating to our sustainability and environmental (including climate), social and governance (ESG)-related strategies, plans, activities, risks, opportunities, goals (including our interim and long-term net zero greenhouse gas (GHG) emissions reduction goals and sustainable investment goals), metrics and targets, commitments and priorities that are predictive in nature or that depend upon or refer to future events or conditions (collectively, our “Sustainability Objectives”); and that include words such as “achieve”, “aim”, “ambition”, “anticipate”, “aspiration”, “assumption”, “believe”, “could”, “estimate”, “expect”, “goal”, “initiatives”, “intend”, “may”, “objective”, “outlook”, “plan”, “project”, “seek”, “should”, “strategy”, “strive”, “target”, “will” and similar expressions.

The forward-looking statements in this Report represent our current expectations, estimates and projections regarding future events and are not historical facts, and remain subject to change. 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. In particular, because of the limitations and uncertainties inherent in climate science, risk analysis and sustainability and climate reporting, we have relied upon various market practices, taxonomies, methodologies, criteria and standards, and made reasonable approximations and assumptions, in establishing our Sustainability Objectives. However, there are many factors that we may not foresee or be able to accurately predict which may impact our ability to maintain or achieve our Sustainability Objectives or otherwise achieve the results anticipated by such forward-looking statements. The factors and assumptions which may impact the forward-looking statements in this Report include the following: the

absence of a standardized taxonomy regarding sustainability-related terms (including in meaning and scope), the availability of comprehensive, comparable and high-quality GHG emissions data, the need for active and continued participation of stakeholders (including enterprises, financial institutions and governmental and non-governmental organizations), the establishment and fulfilment of climate adaptation and mitigation activities and goals (including net zero and interim goals) by governments and companies, the assumptions underlying third-party decarbonization scenarios, the development and deployment of new technologies and industry-specific solutions (including in hard-to-abate sectors), evolving social views and stakeholder expectations on sustainability-related topics, international cooperation and standard-setting, changes in government, political or regulatory approach or treatment in relation to sustainability disclosures, reporting and other requirements, and our ability to gather and verify data and successfully implement various initiatives (including decarbonization initiatives) under expected time frames, among other unforeseen events or conditions.

The terms “sustainability”, “net zero”, “sustainable investing”, “ESG”, “climate-related”, “decarbonization”, “transition” and similar terms, taxonomies, methodologies, criteria and standards are evolving in terms of both meaning and scope. As a result, our use of such terms may vary over time to reflect such evolution. Any references to such terms in this Report are intended as references to internally defined criteria and not to any jurisdiction-specific regulatory definition or voluntary standard that may exist.

► [Cautionary statement](#) ► [About Sun Life](#)

Our Sustainability Objectives described in this Report rely on currently available science, and on assumptions and estimations based on internal and third-party data. Although we believe these sources are reliable, we have not independently verified or assessed all the assumptions or estimations or the underlying data, and we cannot guarantee the accuracy of such third-party assumptions, estimations or data. Moreover, the quality, consistency and reliability of data used in connection with our Sustainability Objectives may vary across the sectors that we focus on, and in some cases may not exist. We caution that there are inherent limitations and uncertainties with available data and methodologies that may impact our underlying assumptions and estimations. Our ability to maintain or progress towards our Sustainability Objectives may be impacted if their underlying assumptions or estimations prove to be incorrect or if regulatory, economic, technological and other external factors necessary to enable their achievement fail to evolve. These factors and related uncertainties could have a material effect on our Sustainability Objectives and our ability to meet them.

We anticipate that our Sustainability Objectives and the methodologies and scenarios we use in connection with those objectives (including to measure our operational and financed GHG emissions) may need to be revised to reflect improvements in data quality and methodologies, the evolution of best practices, regulations, standards and science and changes in our business practices or strategies. In addition, our reporting on progress towards achieving our Sustainability Objectives relies on market practices and various external frameworks, methodologies, taxonomies, criteria and other standards, which may change over time (or in some cases may not yet exist), resulting in changes to, or restatements of, our reporting processes and results.

Within the Sun Life general account, we consider financial and other material risks, including climate-related risks, with the goal of improving our risk-adjusted returns. We instruct our asset managers to integrate sustainability factors into our investment process where relevant and material, and as practical and feasible within varied asset classes and investment

strategies. Our investment policies, guidelines and strategies are subject to change and addressing climate-related risks is one of many factors that may be taken into consideration in making and managing an investment. Sun Life's goal to achieve net zero GHG emissions by 2050 for our investments does not include investments of our third-party clients, which are managed by our asset management businesses.

We may need to or elect to purchase carbon and clean energy instruments, including carbon offset and removal credits and renewable energy certificates to meet sustainability-related goals. The market for these instruments is still developing and their availability may be limited. Some of these instruments are also subject to the risk of invalidation or reversal, and there can be no assurance of the treatment of any such instruments in the future. There may also be changes to applicable regulations and standards that impact the market for carbon and clean energy instruments. The maturity, liquidity and economics of this market may make it more difficult for us to achieve our Sustainability Objectives.

Other factors that may cause actual results to differ materially from those expressed in or implied by the forward-looking statements in this Report include the matters set out in the [2025 Annual Information Form](#) of Sun Life Financial Inc. for the year ended December 31, 2025 under the heading "Risk Factors" and other factors detailed in Sun Life Financial Inc.'s annual and interim financial statements and management's discussion and analysis and any other filings with Canadian and U.S. securities regulators made available on www.sedarplus.ca and www.sec.gov, respectively.

The forward-looking statements in this Report are presented for the purpose of assisting our stakeholders in understanding the ways we intend to address our Sustainability Objectives and may not be appropriate for other purposes. Sun Life 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.


Additional disclaimers

This Report is not required to be prepared or filed by Sun Life under Canadian or U.S. securities laws and is intended to provide information from a different perspective and in more detail than is required to be included in mandatory securities filings. The information contained herein should not be read as necessarily rising to the level of materiality of disclosure required in our securities law filings and should not be considered to be incorporated by reference into any such filings. This Report is being provided solely for informational purposes and not for the purposes of promoting, either directly or indirectly, any business or business interest.

The information contained in this Report is not intended to provide specific financial, tax, investment, insurance, legal or accounting advice and should not be relied upon and does not constitute a specific offer to buy and/or sell securities, insurance or investment services. This Report may contain examples of our internal ESG research processes and is not intended to represent any particular product's or strategy's performance or how any particular product or strategy will be invested at any particular time.

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respective directors, officers, employees or agents shall be held responsible for any direct or indirect damages arising from the use of this Report by the recipient. The addresses or hyperlinks to third-party websites in this Report are provided for the recipient's convenience and the content of such websites are not in any way included or incorporated by reference into this report. Sun Life takes no responsibility for such websites or their contents, or for any loss or damage that may arise from their use. If you decide to access any of the third-party websites linked to this document, you do so at your own risk and subject to the terms and conditions of such websites.

KPMG LLP (KPMG) has performed a limited assurance engagement of scope 1, 2, and select scope 3 metrics for our greenhouse gas (GHG) emissions in this report, as set out in the [Appendix > Assurance](#) section. Other information contained in this Report not identified by this symbol  was not subject to any independent limited assurance engagement.

About Sun Life

Sun Life is a leading international financial services company providing a diverse range of asset management, wealth, insurance and health solutions to individual and institutional Clients. Our countries of operation include Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda.

Our long-term business strategy is centred on managing risk and building resilience to ensure we continue to deliver on our Purpose of helping Clients achieve lifetime financial security and live healthier lives.

Climate-related risks - such as the financial impact of market shifts, regulatory changes, and the increasing health risks associated with extreme weather events and environmental factors - are integrated into our risk management approach. To safeguard our business and Clients, we integrate material risks associated with climate into our investment decision-making as appropriate, assess long-term health and demographic trends, and embed climate resilience in our operations. These efforts build on our foundation as a trusted, well-governed business, ensuring we remain resilient, forward-thinking, and positioned to serve our Clients.

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Introduction

About this report

This Report provides climate-related disclosures in line with those expected by Canada's Office of the Superintendent of Financial Institutions (OSFI) in Guideline B-15 - Climate Risk Management (B-15), which sets out OSFI's expectations for federally regulated financial institutions' management of climate-related risks. It includes detailed information regarding our climate governance, strategy, risk management and metrics. We provide a reconciliation to the climate-related financial disclosure expectations set out in Annex 2-2 of B-15 and applicable to Sun Life for fiscal year-end 2025 in the appendix of this Report.

We obtained external and independent limited assurance of our scope 1, 2 and select scope 3 greenhouse gas (GHG) emissions. Refer to the [Appendix > Assurance](#) section and [2025 GHG Emissions Reporting Methodology](#) for more information. We did not seek an independent review of our full report. For further important information regarding climate-related data, metrics and forward-looking statements, refer to the [Cautionary Statement Regarding Forward-Looking Statements and Other Matters](#).

"Emissions" refers to GHG emissions in this report unless otherwise indicated.

Scope and reporting period

This Report includes information about Sun Life Financial Inc. and certain of its subsidiaries, as applicable and as stated herein.¹ It covers the fiscal year January 1 to December 31, 2025. Unless otherwise noted, we presented all information in this Report as at and for the year ended December 31, 2025. All dollar amounts are in Canadian currency, unless otherwise stated. References to "we", "our", "us", "the Company" and "Sun Life" mean Sun Life Financial Inc. and, where applicable, its subsidiaries as asset owner and joint ventures. This Report does not include the investing approaches of our asset managers, who are bound by their primary accountability of fiduciary duty to their Clients. Asset managers invest in line with Client goals and objectives. For more information on the investment approaches of our asset managers, please refer to their respective websites.

¹ The boundary for greenhouse gas emissions reporting purposes includes Sun Life Financial Inc., its subsidiaries, joint ventures and associates. Refer to the [2025 GHG Emissions Reporting Methodology](#) and [Metrics and Targets](#) for additional information.

B-15 Responsive disclosures

Governance

Board of Directors

The Board and select Board Committees provide ultimate oversight of Sun Life's enterprise approach to climate-related matters. The Board uses reports from the Board Committee Chairs and presentations by management and external experts to decide on the nature and extent of its input and to provide challenge, advice and guidance to senior management on the enterprise approach to managing climate-related risks and opportunities.

The Board or one of its committees reviews climate-related topics at quarterly meetings, including at the annual Board strategy meeting. In 2025, Board Committees received updates on the topics outlined in the table to the right and the full Board received education on the physical risks posed by a changing climate and extreme weather.

In addition, the Board reviewed and approved Sun Life's Strategic Plan which includes Sun Life's sustainability strategy. At the time that operational and general account GHG emission reduction goals were set, they were presented to the Board for review and discussion.

Board oversight of climate-related matters

Board committee	Climate-related oversight	2025 Discussion topics
Governance Committee	<ul style="list-style-type: none"> Assists the Board with oversight of sustainability matters, including those related to climate. Responsible for reviewing and approving Sun Life's Sustainability Policy, overseeing progress against Sun Life's sustainability strategy and goals, reviewing and approving the annual Sustainability Report, annual Office of the Superintendent of Financial Institutions Guideline B-15 - Climate Risk Management (OSFI B-15) Climate Risk Management Report and the annual Chief Sustainability Officer (CSO) plan, and overseeing the development and implementation of Sun Life's Climate Transition Plan. Reviews any material issues related to sustainability raised by management throughout the year, including climate-related matters. 	<ul style="list-style-type: none"> Quarterly updates on progress against the expectations of OSFI Guideline B-15. Updates on internal progress and external factors related to climate, as needed.
Risk Committee	<ul style="list-style-type: none"> Assists the Board with enterprise-wide oversight of the management of current and emerging risks, which may include climate-related risks and, broadly, environmental risks. Refer to Sun Life's 2025 Annual Report for more details on our risk management approach. 	<ul style="list-style-type: none"> Quarterly updates on progress against the expectations of OSFI B-15. Approach to climate risk assessment and scenario analysis. Results of OSFI's Standardized Climate Scenario Exercise (SCSE).
Audit Committee	<ul style="list-style-type: none"> Reviews non-financial disclosures required to be included in Sun Life's financial disclosure documents. Requires management to implement and maintain appropriate systems, processes and controls with respect to sustainability reporting; evaluates the effectiveness of such systems, processes and controls; and ensures that appropriate action is being taken to address any material control deficiencies. Reviews any assurance provided in respect of Sun Life's sustainability reporting. 	<ul style="list-style-type: none"> Education on sustainability reporting and controls, including carbon accounting.

[► Board of Directors](#) ► [Management](#)

Annually, the Governance Committee and the Board determine the key competencies and experience that they believe are necessary for the Board as a whole to possess in order to be an asset to the company and fulfil its responsibilities. One key competency includes experience in sustainability matters, such as climate or environmental issues, social issues and/or corporate governance principles and practices in an organization of significant size and complexity. Three Board directors have indicated they have experience in this area.

The Board is responsible for approving significant mergers and acquisitions (M&A) transactions, in accordance with Sun Life's M&A Policy. Our due diligence process for these major M&A transactions ensures the Board has oversight of associated climate-

related risks and opportunities, where relevant.

Sustainability-related matters, including climate risks, are assessed through the due diligence process that informs the development of a business case. The CSO is consulted (and ultimately signs off) on sustainability and climate matters within the business case prior to presenting the pertinent risks and mitigants associated with the transaction to the Board. The CSO may also attend Board meetings during which the transaction is reviewed and approval is sought, to speak to climate- and other sustainability-related matters.

Climate-related considerations are not currently specifically factored into Board member remuneration.

Management

The Executive Sustainability Council (ESC), Global Sustainability Leadership Team (GSLT), and OSFI B-15 Steering Committee are the three key management councils that oversee and advise on climate-related matters across the enterprise. The CSO, Chief Risk Officer (CRO), Chief Investment Officer (CIO) and Chief Financial Officer (CFO) play key roles in assessing and managing climate-related risks and opportunities across the enterprise. The chart to the right summarizes management oversight of climate-related matters.

Other management committees such as the Enterprise Risk Committee and Operational Risk and Compliance Committee also have oversight of relevant climate-related topics at the enterprise level.

Management council oversight of climate-related matters	
Executive Sustainability Council	<ul style="list-style-type: none"> Decision-making body for the approval of sustainability goals and progress oversight, and approval of cross-enterprise sustainability programs and issues management. These activities integrate climate-related risks and opportunities, where appropriate. Reviews annual sustainability reports (including the OSFI B-15 Climate Risk Management Report) and other sustainability disclosures, as deemed appropriate by the CSO, and recommends to the Governance Committee for approval. Comprises senior executives from Sun Life’s Global Leadership Team. Members include the: CSO (Chair), Chief Client and Innovation Officer, Chief Executive Officer, CFO, Chief Legal and Public Policy Officer, Chief People and Culture Officer, CRO, Chief Strategy and Enablement Officer and CIO.
Global Sustainability Leadership Team	<ul style="list-style-type: none"> Advises and drives execution towards our sustainability objectives and ensures strategic alignment where appropriate. Comprises executives from each of our business groups and key functions who have sustainability mandates.
OSFI B-15 Steering Committee	<ul style="list-style-type: none"> Ensures the foundational components of OSFI B-15 expectations are developed at pace and in alignment with the enterprise strategy and goals. Comprises executives from each of our business groups and key functions who are responsible for implementing the expectations of OSFI B-15.

Executive leadership oversight of climate-related matters

Chief Sustainability Officer	<ul style="list-style-type: none"> • Has overall accountability for sustainability (including climate resilience across the enterprise). • Sets the strategy and governance framework for the organization with respect to sustainability matters. • Responsible for the development and implementation of processes and controls with respect to climate-related data, including overseeing third-party assurance of climate-related metrics, namely greenhouse gas (GHG) emissions. • Monitors external developments in sustainability and assesses implications for the organization. • Chairs the ESC and GSLT.
Chief Risk Officer	<ul style="list-style-type: none"> • Responsible for leading the Risk Management function. • Oversees the monitoring of all risks including climate-related risks. • Monitors and reports key and emerging risks to the Risk Committee of the Board.
Chief Investment Officer	<ul style="list-style-type: none"> • Responsible for overseeing the direction, priorities and implementation of sustainable investing initiatives for Sun Life's general account.
Chief Financial Officer	<ul style="list-style-type: none"> • Partners with the Sustainability function to ensure a robust internal control framework for sustainability-related reporting, including disclosures integrated into financial reporting. • Leads the business planning process, including the integration of material climate-related risks and opportunities, where relevant.

Sun Life's Vice-President, Sustainability & Climate Change, Strategy & Performance and Vice-President, Sustainability Reporting & Disclosures report directly to the CSO and oversee the development and implementation of enterprise-wide climate resilience, strategy, performance and climate-related reporting and disclosure functions.

Strategy

Sun Life’s enterprise climate resilience approach addresses climate-related risks and opportunities across our life and health insurance businesses, investments in our general account (which hold funds from Sun Life’s insurance policy premiums), and our operations.

Building long-term organizational resilience to climate impacts will enable us to deliver on our Purpose to help Clients achieve lifetime financial security and live healthier lives.

Sun Life’s business model and value chain is well diversified across geographies and business types. We are committed to ensuring our climate resilience strategies effectively address the anticipated climate-related impacts across our diversified range of protection and wealth solutions.

The sections on the following pages describe climate-related risks and opportunities in our business model and value chain.

To date, climate-related risks and opportunities have not had a material impact to our financial position, performance, or cash flows. As we continue to mature our practices, including advancements in climate-related scenario analysis, risk modelling and financial condition testing, we expect to gain a more detailed understanding of both the potential and actual impacts of climate-related risks on Sun Life’s financial outcomes.

Refer to [Risk Management](#) for more details on climate risks and opportunities.

Climate resilience objective	Climate resilience priorities
<p>Our life and health insurance business Identifying opportunities to reduce climate-related risks and build business resilience in order to foster the health and financial security of our Clients.</p>	<ul style="list-style-type: none"> • Advancing data and understanding of climate impacts, including from severe weather events, on human health. • Integrating climate risk considerations into our health and wealth solutions, furthering our ability to help Clients achieve long-term financial security and well-being.
<p>Our general account investments Strengthening our investment portfolio through effective risk management and pursuit of strategic opportunities.</p>	<ul style="list-style-type: none"> • Safeguarding our assets and meeting the obligations to our policyholders by managing material risks associated with climate in our portfolio. • Leveraging climate data and insights to ensure the long-term stability and risk-adjusted returns of our investments. • Pursuing attractive investment opportunities in key transition areas such as energy and infrastructure.
<p>Our operations Managing climate-related risks in our operations to achieve business resilience and support our Clients’ supply chain goals.</p>	<ul style="list-style-type: none"> • Identifying and managing the impacts of climate-related hazards across our global operations to maintain business continuity. • Reducing operational GHG emissions in support of our Clients’ supply chain sustainability objectives and driving long-term operational efficiencies, including responsible engagement in carbon markets.

► [Life and health insurance businesses](#) ► [General account investments](#) ► [Operations](#)

Challenges, uncertainties and dependencies

Sun Life faces several challenges and uncertainties in identifying and managing climate-related risks and opportunities. One challenge is keeping pace with the evolving landscape of climate-related risk modelling and tools while also addressing the distinct modelling needs of our diverse businesses and regions. Modelling long-term scenarios presents inherent uncertainties, including the potential consequences of crossing global temperature tipping points, the complex interplay of climate impacts, and the unpredictability of societal responses and actions. In addition, ongoing improvements in data availability and quality, particularly related to the effects of climate events on mortality and morbidity, are critical to our ability to identify and manage climate-related risks over time.

There are also a number of external dependencies that impact our ability to achieve our climate resilience objectives set out on the previous page.

These dependencies include regulatory actions and policy support from governments, technological advancements and availability, global supply chains, changes in consumer preferences, as well as broader global factors such as economic, geopolitical and market conditions. In addition, these dependencies can directly influence the potential pace and scale of GHG emissions reduction efforts. This includes the availability of low-carbon fuels, tax incentives for investments that lower companies' greenhouse gas (GHG) emissions, and the advancement of carbon removal technologies. International agreements on climate action can also impact global progress toward GHG emissions reduction goals, influencing priorities across both the public and private sectors. As we work toward achieving our climate resilience goals, we will continue to assess the impacts external factors can have on our progress, iterating on our path forward.

For further information, refer to [Cautionary statement regarding forward-looking statements and other matters](#).

Life and health insurance businesses

In support of our Purpose of helping Clients achieve lifetime financial security and live healthier lives, Sun Life has established a multi-year, global program to understand how climate-related extreme weather events affect our Clients' health, and our life and health insurance businesses. We expect the insights from this program will strengthen our existing climate risk management practices and may identify opportunities related to climate and health.

The increased frequency and severity of extreme weather events poses health risks to many of our Clients and their communities. Research states that heat-related deaths and hospitalizations have increased over the past decade and are expected to rise further if temperatures continue to increase. Poor air quality driven by pollutants, temperature shifts, and wildfires can have lasting effects on respiratory health. Additionally, this research states the emotional distress, anxiety, and trauma caused by extreme weather events can negatively impact mental health.

Extreme temperature, floods, droughts and wildfires directly impact food crops and can lead to food insecurity and malnutrition. These environmental changes can also increase the proliferation of pests, causing direct damage to food crops while also increasing the transmission of vector-borne diseases like dengue fever.¹

The full extent of how climate-related factors will impact health outcomes and the resulting implications for our products and services is not yet known. Quantifying climate-related risk exposures for life and health insurers is challenging and complex. The magnitude and time horizons of climate-related health impacts are difficult to predict due to data availability, data quality and the challenge of identifying causality. That is why we are investing in research to gain a deeper understanding of the impact of climate on health, as these insights could enhance our life and health insurance business in the future.

Our climate resilience program for our life and health insurance businesses is focused on three initial areas:

- **Enhancing data availability and quality:** We are improving how we collect and organize internal data to ensure valid analysis of the effects of extreme weather on our Client base. We are building capabilities to assess mortality and morbidity risks under different climate-related scenarios.
- **Advancing research collaborations:** We are investing in external and internal research to deepen our understanding of historical and emerging climate-related health risks.
- **Communicating insights:** We are developing insights from our own data analysis and research collaborations, and will share these with our Clients and relevant stakeholders as appropriate.

In 2025, we published [research](#) on the impact of climate and extreme weather on health and work from the perspective of Canadian employees and employers. Through our research, we found that existing health conditions, including mental health and chronic diseases, are being exacerbated by shifts in climate and extreme weather. Survey results showed that over three quarters (77%) of Canadian employees have experienced an extreme weather event in the past three years, and almost two thirds (59%) said it had impacted their physical health.²

We also initiated a collaborative research program with a leading Canadian university to identify the impacts of extreme temperatures and wildfires on the health of our Clients. The outcomes and methodologies developed through this research may identify opportunities to support our Clients' health and help strengthen Sun Life's internal risk management capabilities.

¹ Romanello, Marina et al., "The 2025 Report of the Lancet Countdown on Health and Climate Change." The Lancet, 2025. [https://doi.org/10.1016/S0140-6736\(25\)01919-1](https://doi.org/10.1016/S0140-6736(25)01919-1)

² Sun Life. "Climate-related health impacts and their effect on the workplace." 2024.

General account investments

As a global life and health insurer, we pool premiums collected from policyholders into the Sun Life general account. We invest these funds into different companies and assets in accordance with our internal policies and parameters to meet our policyholder obligations.

From an investment perspective, impacts associated with climate present both risks and opportunities to the general account. Sun Life manages material climate-related risks that may impact the value of general account assets we own over time. To better manage portfolio resilience, Sun Life seeks to capitalize on climate-related opportunities, including increased demand for renewable energy generation.

Physical climate impacts have the potential to affect investments in real assets such as real estate, commercial mortgages and infrastructure.

Risks may arise from both increased severity and frequency of extreme weather events and from longer-term shifts in climate patterns, potentially leading to declining asset values, higher insurance costs or reduced insurability.

These dynamics may reduce overall profitability and in some cases, may result in stranded assets (assets for which the investment costs cannot be recovered as intended). Investments may also be affected by transition risks associated with climate-related impacts. These risks can arise from policy, legal, technological or market shifts as the global economy evolves. Governments may introduce climate-related regulations that require action from Sun Life and our stakeholders. Our investment portfolios could face increased risk if regions, industries or counterparties fail to adapt their business models.

Our climate resilience approach for general account investments is built on four key principles:

- We set enterprise risk policies impacting the management of the general account portfolio designed to assess and factor in the exposure to material physical risks for relevant assets, where possible and appropriate.
- Our general account managers seek to invest our general account funds in sectors that they believe will benefit from climate-related opportunities, as well as climate adaptation³ efforts.
- When investing in buildings and real estate, our general account managers seek to understand where climate resilient design and decarbonization investment opportunities throughout the asset life cycle could support enhanced asset value and GHG emissions reduction goals.

- We will adjust our strategy and approach as market practices and government policies evolve, and as new data, tools and methodologies are developed. We are committed to continuous learning informed by science and industry best practice.

Refer to [Risk Management](#) for information on climate risk assessment and scenario analysis conducted for the general account. Refer to [Metrics and Targets](#) for more information on general account transition metrics.

³ Climate adaptation refers to actions that reduce the negative impacts of climate change or take advantage of potential new opportunities, thereby increasing resilience to a changing climate. "Climate change adaptation in Canada." Natural Resources Canada, March 6, 2025. <https://natural-resources.canada.ca/climate-change/climate-change-adaptation#a1>.

Operations

The physical impacts from climate and extreme weather events could affect our own operations and supply chain. Risks may result from increased severity and frequency of extreme weather affecting business continuity and employees, as well as longer-term shifts in climate patterns, leading to declining asset values, increasing insurance costs or changes in insurability.

As we continue to drive towards our goal of achieving net zero GHG emissions in our operations by 2050, we are also supporting many of our Clients who have GHG emissions reduction commitments and goals in their own supply chains. Additionally, we are investing in more advanced tools and technologies that support GHG emissions management and expanding our measurement of emissions sources and categories.

Refer to [Metrics and Targets](#) for more information on operational metrics.

Global offices

We are taking a disciplined and collaborative approach to create a more efficient and resilient office portfolio that aligns with our focus on building long-term organizational resilience and supporting the objectives of our Clients.

Sun Life operates in 28 markets in various geographies, each with its own set of unique climate-related opportunities and challenges. Many of these locations are in leased buildings, where Sun Life is a tenant. Effectively assessing and managing climate-related risks across our global office portfolio and achieving GHG emissions reductions requires strong partnerships. We work closely with building owners, landlords and property managers to pursue these measures and continue to participate in industry collaborations that help us share best practices, access innovative technologies, and advocate for approaches that support renewable energy integration and continuous improvements in energy efficiency.

Sun Life has set an interim goal of reducing GHG emissions in our global offices by 50% by 2030 relative to a 2019 base year. Since 2019, we have achieved a 34% reduction in GHG emissions associated with our

global office portfolio.⁴ This progress reflects energy efficiency improvements and the benefits of occupying sustainability-certified buildings with features such as LED lighting, HVAC upgrades and system optimizations.

In support of climate resilience across our global office portfolio, Sun Life's operations have been undergoing a climate resilience assessment leveraging a roadmap exercise. This roadmap exercise charts the GHG emissions reduction pathway of our leased offices in line with our interim global offices goal and help us to further understand the physical climate-related risks that have the potential to impact our existing office spaces. In addition, reducing operational GHG emissions supports our Clients' supply chain sustainability objectives and drives long-term operational efficiencies.

The climate resilience assessment focused initially on our North American office portfolio and expanded to select markets in Asia throughout 2025.⁵ The roadmap includes a detailed evaluation of historical data on operational GHG emissions sources, current and future space-related strategies, feasibility analysis and an

assessment of external factors that could impact our GHG emissions trajectory. We leveraged the insights from this exercise to prioritize the most effective and business-relevant levers, such as energy efficiency improvements, real-time energy monitoring and occupancy sensors. We also used the insights to prioritize recommendations, including internal process improvements, future lease decisions, and enhancing data quality and availability across select markets. These recommendations are being considered for integration into future business planning initiatives.

The physical climate risk analysis of locations within our global office portfolio leveraged the Jupiter Intelligence: ClimateScore Global tool to quantify Sun Life's resilience and ability to mitigate loss and downtime. Hazards analyzed include flooding, wildfire, extreme temperatures, drought, heavy precipitation, wind and hail. A critical outcome from this assessment is the measurement of the relative risks each property faces from major climate-related hazards across varying time horizons.

Looking ahead, Sun Life will continue to expand the geographic scope of its climate resilience assessment and improve data measurement and reporting.

⁴ Market-based GHG emissions resulting from global offices. Refer to Sun Life's [2025 GHG Emissions Reporting Methodology](#) for more information.

⁵ As of December 31, 2025, the climate resilience assessment covered 70% of our global office portfolio.

Participation in the voluntary carbon market

While our primary focus in ensuring climate resilience in our operations is on climate risk management and supporting our Clients' goals, we also participate in the voluntary carbon market (VCM) as a practical and interim measure to help manage the impact of our operations. We do this by purchasing and retiring offsets, renewable energy certificates (RECs) and other energy attribute certificates issued by well-regarded voluntary standards and registries, to address select GHG emissions in addition to supporting credible projects and technologies deployed in regions where Sun Life operates.⁶

Since 2021, we have followed internal criteria to assess the quality and alignment of our carbon credit projects connected to our broader sustainability priorities.

These criteria include factors such as purchasing credits issued by recognized standards and registries, among others. Our continued involvement in the VCM reinforces our internal efforts to responsibly manage our operational GHG emissions and address climate-related risks in our global operations.

Sun Life also leverages its REC purchases in support of our progress towards our operational GHG emissions reduction goal and broader global energy transition efforts. Refer to the [Metrics and Targets](#) section for additional information.

⁶ For additional information on renewable energy certificates and relevance to GHG emissions accounting, refer to Sun Life's [2025 GHG Emissions Reporting Methodology](#). Note that carbon offsets do not contribute to our global offices GHG emissions goal progress.

Risk Management

Effective climate risk management starts with identifying and assessing the climate-related risks that are most relevant to Sun Life’s business. To strengthen this approach, we have been implementing enterprise-wide processes to perform climate risk assessments. These assessments evaluate Sun Life’s exposure to both physical and transition risks across short-, medium-, and long-term time horizons, as defined in the table to the right.

We integrate climate risks into our risk management programs, supporting processes, and relevant governance forums. As part of the updated climate risk assessment process, we specifically address climate-related factors in our enterprise [Risk Management Framework](#), Risk Appetite Policy, and annual strategic and business planning processes. This integrated approach has enhanced how Sun Life identifies, assesses, prioritizes, monitors and reports climate-related risks. We continue to mature our practices and policies related to climate risk management year-over-year.

We consider climate-related risks and opportunities within our business and strategic planning processes across each of the time horizons set out in the table to the right.

Time horizon definitions at Sun Life

Time horizon	Definition
Short-Term (Business plan)	12-18 months.
Medium-Term (Strategic Plan)	3-5 years.
Long-Term	Beyond 5 years, up to and beyond the year 2050. Sun Life adopted this definition of the long-term time horizon in 2024 as a result of the deeper integration of climate-related risks into our enterprise Risk Management Framework.

Risk definitions

Climate-related risk includes both physical and transition impacts associated with extreme weather, gradual climate shifts and the transition to a lower-carbon economy.

Sun Life defines physical and transition risks from climate change as set out in the table to the right. These definitions are informed by those set in the Office of the Superintendent of Financial Institutions (OSFI)'s Guideline B-15.¹ These definitions informed our 2025 climate risk assessments and have been integrated into our business and strategic planning processes.

Climate risk	Description
Physical risk	
Acute	Extreme weather events (e.g., hurricane, flood, wildfire or heat wave) occur resulting in temporary disruptions in geographic areas where Sun Life has existing or planned operations, exposures, assets, and/or supply chain dependencies.
Chronic	Long-term gradual shifts in the climate result in rising sea levels and sustained increases in high and low temperatures. These changes could result in inundated land and harsher conditions in geographic areas where Sun Life has existing or planned operations, exposures, assets and/or supply chain dependencies.
Indirect impacts	Indirect impacts are difficult to predict but could include the increased prevalence of vector-borne diseases due to changes in climate conditions. These changes could result in pandemics and epidemics.
Transition risk	
Policy	Governments introduce climate-related policies and regulations resulting in actions that need to be implemented by Sun Life and/or its stakeholders.
Legal	Litigation, regulatory or political actions due to alleged or actual climate action and/or inaction resulting in financial, operational and reputational impacts.
Technology	Technological improvements or innovations that support the transition to a lower-carbon and energy-efficient economy. These improvements can affect organizational competitiveness, including costs and demand for products and services.
Market	Significant shifts in consumer sentiment and in demand for clean and green securities, assets and products in response to climate risk awareness and emerging regulatory impacts.

¹ "Climate Risk Management." Office of the Superintendent of Financial Institutions, March 7, 2025. <https://www.osfi-bsif.gc.ca/en/guidance/guidance-library/climate-risk-management>

Identification and assessment

We integrate climate risk management into Sun Life's strategic planning process through the identification of risks that could impact the medium- and long-term time horizons. We also identify associated risk mitigation actions. As part of our business planning process, we expand the climate risk assessment from the strategic plan to gain a deeper understanding of associated climate-related risks across the short-, medium- and long-term time horizons. We develop qualitative risk ratings for each risk type across all time horizons based on evaluation of both likelihood and potential impact across the business. These risk ratings then inform subsequent strategic and business planning processes.

To complement our broader risk management processes, we also conduct a quantitative climate risk assessment and scenario analysis. We do this to build awareness, understanding, capacity and capability across Sun Life on climate-related risks and to inform decision making. Our approach is summarized in the table to the right.

Approach type	Priorities
<p>Qualitative analysis Using narratives, judgment and stakeholder input to evaluate potential climate impacts with limited reliance on detailed modelling. Used alongside or as a precursor to quantitative analysis.</p>	<ul style="list-style-type: none"> • Business & strategic risk: As part of annual strategy and business planning, we identify material climate risks across Sun Life's risk universe. • Business & strategic risk: Tabletop exercises to increase awareness of transition and physical risks and inform future priorities.
<p>Top-down quantitative analysis Quantification of the impacts of climate at the sector, region or asset class level to provide an aggregated view of risks. Requires high-quality data and involves significant uncertainty, especially for long-term projections.</p>	<ul style="list-style-type: none"> • Insurance risk: Established program of work to improve understanding of climate impacts on Client health. • Credit & market risk: Sector, region or asset class level analysis to determine aggregate exposure and concentration risk.
<p>Bottom-up quantitative analysis Quantification of the impacts of climate at the individual asset/Client level, using high-quality data. Longer term projections involve significant uncertainty.</p>	<ul style="list-style-type: none"> • Solvency & liquidity risk: Integration of climate scenarios in Financial Conditioning Testing (FCT) and Own Risk Solvency Assessment (ORSA). • Credit & market risk: Climate risk assessment and scenario analysis on individual general account assets. • Operational risk: Assessment of physical risks to Sun Life's global operations.

► [Identification and assessment](#) ► [Prioritization](#) ► [Monitoring](#)

In 2024, we participated in the Office of the Superintendent of Financial Institutions (OSFI) Standardized Climate Scenario Exercise (SCSE), building on our earlier involvement in the 2021 Bank of Canada-OSFI joint pilot project focused on transition risk scenarios. Additionally, as part of our 2024 annual FCT and ORSA, we developed and tested an internally designed adverse climate risk scenario. This scenario focused on the short- and medium-term impacts of widespread wildfires across North America. It was designed to be severe, yet plausible, and was informed by reputable sources, including the Network for Greening the Financial System (NGFS) on short-term climate scenarios.² Both FCT and ORSA are annual OSFI requirements that are presented to the Risk Committee of the Board.

In 2025, we conducted a tabletop exercise to assess the impacts to Sun Life of a Property and Casualty (P&C) insurance market breakdown. P&C insurance was identified as a key mitigant to physical risk for our physical asset investments. Through the exercise, we examined a hypothetical scenario of a severe breakdown of the P&C market and how it might impact our business. Specifically, we evaluated the impact of severe climate events, such as hurricanes, floods, and wildfires on insurance premiums, coverage availability and insurer solvency. To encourage diverse perspectives and identify nodes of interconnectedness, we included a broad group of Sun Life business representatives in the exercise. We assessed several dimensions of climate-related financial risk, including investment and systemic risk. Looking ahead, Sun Life will continue to leverage qualitative climate-related scenario analysis such as tabletop exercises to support climate risk management for our insurance and investment portfolios.

We also initiated research to improve our understanding of impacts of extreme weather on the health of our Clients. Refer to [Strategy > Life and health insurance businesses](#) section for additional detail. For operations, we expanded our physical risk assessment of our global offices to our Asia businesses. Refer to [Strategy > Operations](#) section for additional details.

The results from qualitative and quantitative climate risk assessment and scenario analysis exercises provide valuable insights into our exposure to physical risks, such as wildfires and flooding, as well as transition risks and the broader macroeconomic challenges that could follow a series of severe climate events. These insights are now informing how we refine and leverage scenario testing across the organization.

We will continue to mature our approach to quantitative and qualitative climate risk assessment and scenario analysis over time as scenarios, assumptions, methodologies, tools and internal capabilities improve. We are closely monitoring developments in the space, including updated scenarios from recognized sources. We will incorporate these into our approach as appropriate.

Beyond identifying and assessing risks, our annual strategic planning process also considers climate-related opportunities for the organization. While scenario analysis does not currently inform our opportunity identification, we intend to integrate it into this process over time to support a more holistic view of impacts associated with climate on our business.

² Network for Greening the Financial System Technical document. "Conceptual note on short-term climate scenarios". October 2023.

Prioritization

Following the climate risk assessment and identification process, business groups categorize risks and prioritize them based on their likelihood and estimated financial and non-financial impact. Each business group prioritizes those that most closely align with their specific operations and strategic objectives. Climate-related opportunities are identified in the strategic planning process and prioritized based on their expected impact and time horizon. Sun Life undertakes both the climate risk and opportunity identification and prioritization processes annually.

Using the risk assessment, identification and prioritization processes detailed in [Risk Management > Identification and assessment](#), we prioritized four climate-related risks to manage and mitigate across the enterprise in the medium-term (strategic plan time horizon) and long-term time horizons.

We prioritized six climate-related opportunities that could be explored. The identified risks and opportunities (in the table on the right and on the next page) are those that could reasonably be expected to affect cash flows, access to finance or cost of capital.

According to the risk assessment, the expected timeframe for the effects of each risk in the table to the right varied depending on the specific risk factor and the timeframe assessed.

Prioritized medium- and long-term climate risks

Climate risk grouping	Physical & transition risks
Credit and market risk	<p>Physical risk</p> <ul style="list-style-type: none"> Physical risks from increasingly severe weather events and changes to environmental conditions over time can lead to real estate deterioration and credit stress in geographies where we hold significant investment exposure. <p>Transition risk</p> <ul style="list-style-type: none"> Transition risks such as changes in policy, technology or investor/consumer sentiment can alter asset valuations. Counterparties, such as reinsurers or investments within the general account, can fail to meet their financial obligations due to inadequately diversified portfolio of obligations.
Business and strategic risk	<p>Physical risk</p> <ul style="list-style-type: none"> Severe climate events may increase costs in exposed geographies. For example, repair for damage to facilities or pass-through costs from third parties. <p>Transition risk</p> <ul style="list-style-type: none"> Transition risks may require us to pivot our strategy in response to evolving climate policies, regulatory changes or shifting Client and investor preferences. A lack of alignment among climate risk management and disclosure requirements in our markets increases exposure to litigation and regulatory scrutiny.
Operational risk	<p>Physical risk</p> <ul style="list-style-type: none"> Disruption of critical services, infrastructure, or third-party providers due to extreme weather events could lead to operational challenges.
Insurance risk	<p>Physical risk</p> <ul style="list-style-type: none"> Severity of climate events and shifts in disease patterns may increase mortality and morbidity rates, potentially diverging from our pricing and valuation assumptions. <p>Transition risk</p> <ul style="list-style-type: none"> Climate-related considerations may drive a shift in policyholder behaviours, such as unexpected policy cancellations, or increased claims, potentially diverging from our pricing and valuation assumptions.

Prioritized climate opportunities

Climate opportunity grouping (resilience objectives)	Time horizon	Climate-related opportunities
Life and health insurance	Medium-term	<ul style="list-style-type: none"> Advancing data and linkages between climate impacts and human health to ensure organizational resilience and capture opportunities.
	Long-term	<ul style="list-style-type: none"> Exploring Client offerings for health-related insurance and protection solutions that address climate impacts.
General account investments	Short-term	<ul style="list-style-type: none"> Investing owned assets in climate-related investment opportunities.
	Medium-term	<ul style="list-style-type: none"> Potential demand for investment strategies that manage climate-related risks and/or capture climate-related opportunities.
Operations	Short-term	<ul style="list-style-type: none"> Cost savings from energy efficiency initiatives or renewable energy use in global offices.
	Medium-term	<ul style="list-style-type: none"> Enhancing operational resilience through internal process improvements such as real estate strategy and business continuity planning.

Monitoring

We update our assessment of climate-related risks and opportunities annually and regularly monitor them through our existing risk management and sustainability processes. To support the integration of Sun Life's climate risk appetite statement into the Company's Risk Appetite Policy, we've established Key Risk Indicators (KRIs) which include metrics to help us identify key climate-related risks.

The KRIs that we track include metrics related to acute physical risks, transition-policy risks and transition-market risks.

We monitor progress against our goals and metrics quarterly.

In addition, the Governance Committee and Risk Committee of the Board receive focused updates on relevant metrics and performance.

Metrics and Targets

Approach to climate-related metrics

Metrics enable ongoing monitoring, assessment and management of climate-related risks and opportunities in line with our enterprise climate resilience strategy. These metrics include those pertaining to GHG emissions, the general account and operations.

Sun Life reports on climate-related metrics across key categories of:

- **Enterprise GHG emissions** across scope 1, 2 and select categories of scope 3 GHG emissions.
- **Investment portfolio metrics** including general account financed emissions intensity.
- **Operational metrics** including tracking of GHG emissions from global offices over time along with energy, water, and waste (where applicable) across owned and leased properties.

Sun Life’s approach to goal-setting involves identifying the purpose and objective of a goal, selecting a suitable framework for goal definition, and tracking delivery toward the goal over time.

Throughout this process, relevant governing bodies as described in [Governance](#) oversee the process of approval, monitoring, and delivery of each goal. Our approach for investments relies on internal methodologies developed in line with broadly-accepted industry frameworks, such as the Net Zero Investment Framework (NZIF).¹ For goals relating to our operations, we rely on assessments based on external frameworks and guidance along with internal assessments of the relative materiality of GHG emissions sources. We assess goals on an ongoing basis in alignment with Sun Life’s strategic priorities and the applicable frameworks, as well as the external environment.

In 2021, Sun Life set the goal of achieving net zero GHG emissions by 2050 for our investments and operations globally. Our ability to maintain and achieve progress towards this goal is dependent on a range of emerging risks and external factors beyond our control that continue to evolve in the jurisdictions in which we operate. These include public policy changes, consumer trends, stakeholder behaviours, market conditions, technology and supply chain advancements, among others.²

As we advance towards our 2050 net zero goal for our investments and operations, we continue to evaluate our approach to both the goals themselves and measurement of progress on an ongoing basis to recognize and adjust for emerging risks to the transition in the markets in which we operate, along with other external dependencies.

With respect to our goal for investments, we are focusing specifically on our role as an asset owner and are tracking our progress toward net zero by 2050 in our general account.

¹ The Net Zero Investment Framework provides guidance for investors on setting net zero targets and strategies for their portfolios. For further information, refer to the [Net Zero Investment Framework](#).

² For further information, refer to the [Cautionary Statement Regarding Forward-Looking Statements and Other Matters](#).

Enterprise greenhouse gas emissions

Sun Life follows standard carbon accounting practices to measure and report scope 1, 2 and applicable scope 3 GHG emissions in line with the Greenhouse Gas Protocol Corporate Standard as well as the Partnership for Carbon Accounting Financials Standard Part A: Financed Emissions.

More detail on Sun Life's carbon accounting practices, measurement approach, inputs, exclusions and assumptions can be found in Sun Life's [2025 GHG Emissions Reporting Methodology](#). A number of GHG emissions sources across scope 1, 2 and 3 GHG emissions are applicable to Sun Life's business, as shown (to the right) and corresponding data tables³ (on the following pages).



Scope 1

Refers to GHG emissions associated with heating fuel consumption at owned properties (including leased offices within owned properties) in addition to GHG emissions from fuel consumption of company-owned vehicles.



Scope 2

Refers to GHG emissions associated with purchased electricity, heat, steam and cooling at owned properties (including leased offices within owned properties).



Scope 3

Refers to the GHG emissions that occur upstream and downstream across Sun Life's value chain as a result of business activities, defined under the following categories.

Category⁴

- 1 Purchased goods and services**
Upstream GHG emissions from purchased goods and services
- 3 Fuel and energy-related activities**
Upstream GHG emissions from energy & fuel and transmission losses
- 4 Upstream transportation and distribution**
Water used at owned properties
- 5 Waste generated in operations**
Waste generated at owned properties
- 6 Business travel**
Air, car, rail travel for business purposes
- 7 Employee commuting**
Employee commuting to and from workplaces, in addition to remote working
- 8 Upstream leased assets**
Energy and water use at unowned leased global offices and data centres
- 15 Investments**
Financed emissions from investments

³ All GHG emissions reporting is aligned to the GHG Protocol Corporate Accounting and Reporting Standard using the financial control approach.

⁴ Categories applicable to Sun Life based on current business operations. Refer to Inventory Exclusions in Sun Life's [2025 GHG Emissions Reporting Methodology](#) for more detail on currently reported and unreported categories of GHG emissions.

[► Enterprise greenhouse gas emissions](#) ► [General account metrics](#) ► [Operational metrics](#) ► [Cross-industry metrics](#)

Relevant standards/indicators	Enterprise greenhouse gas emissions (tCO ₂ e)	Absolute GHG emissions (tCO ₂ e)			GHG emissions intensity (tCO ₂ e/unit)			Unit
		2025	2024	2023	2025	2024	2023	
GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5 SDG 3, 13	Scope 1	47,057	45,567	43,555	1.8	1.7	1.7	thousand sq ft ¹⁸
	Natural gas	46,386	44,870	43,543	-	-	-	-
	Other stationary fuels	50	72	12	-	-	-	-
	Fleet fuel ¹	621	625	-	-	-	-	-
	Scope 2 Location-based²	36,823	35,870	35,612	1.4	1.4	1.4	thousand sq ft
	Purchased electricity	35,300	34,698	34,472	-	-	-	-
	District heat and steam	1,485	1,134	1,097	-	-	-	-
	Chilled water	38	38	43	-	-	-	-
	Scope 2 Market-based³	37,166	36,764	31,641	1.4	1.4	1.2	thousand sq ft
	Impacts of contractual instruments	343	894	-3,971	-	-	-	-
	Scope 3 Location-based	17,565,265	15,972,459	8,972,429	-	-	-	-
	<i>Scope 3 Upstream emissions</i>	206,470	100,047	66,749	-	-	-	-
	Category 1: Purchased goods and services ⁴	107,113	-	-	94.5	-	-	dollar spend
	Category 3: Fuel and energy related activities ⁵	18,609	18,085	18,108	0.7	0.7	0.7	thousand sq ft
	Category 4: Upstream transportation and distribution ⁶	1,222	1,263	1,297	<0.1	<0.1	0.1	thousand sq ft
	Category 5: Waste generated in operations ⁷	7,244	6,515	5,745	0.3	0.3	0.2	thousand sq ft
	Category 6: Business travel ⁸	18,624	22,465	18,040	0.5	0.7	0.6	employee
	Air	14,940	19,091	14,538	-	-	-	-
	Car ⁹	1,654	1,972	2,656	-	-	-	-
	Rail	40	272	16	-	-	-	-
	Other ¹⁰	1,990	1,130	830	-	-	-	-
	Category 7: Employee commuting ¹¹	30,428	29,450	-	0.9	0.9	-	employee
	Category 8: Upstream leased assets ¹²	23,230	22,269	23,559	5.1	4.8	4.9	thousand sq ft
	Natural gas	5,602	4,022	4,163	-	-	-	-
	Other stationary fuels	12	19	10	-	-	-	-
	Purchased electricity	16,045	16,723	18,134	-	-	-	-
	Chilled water	1,054	1,016	578	-	-	-	-
	District heat and steam	285	270	458	-	-	-	-
	Water	232	219	216	-	-	-	-
	<i>Scope 3 Downstream emissions</i>	17,358,795	15,872,412	8,905,680	-	-	-	-
	Category 15: Investments (Sun Life general account) ¹³	17,358,795	15,872,412	8,905,680	-	-	-	-
	Listed equities	52,944	60,697	27,373	Refer to the General account financed emissions data table for GHG emissions intensity figures.			
	Listed corporate bonds	15,021,941	13,495,255	8,878,307				
	Sovereign debt	2,280,785	2,315,819	-				
	Commercial real estate	672	641	-				
	Unlisted equity ¹⁴	2,453	-	-				
	Scope 3 Market-based¹⁵	17,559,936	15,968,137	8,972,820	-	-	-	-
	Impacts of contractual instruments	-5,329	-4,322	391	-	-	-	-
	Total Emissions Location-based¹⁶	17,649,145	16,053,896	9,051,596	-	-	-	-
	Total Emissions Market-based¹⁷	17,644,159	16,050,468	9,048,016	-	-	-	-

► [Enterprise greenhouse gas emissions](#) ► [General account metrics](#) ► [Operational metrics](#) ► [Cross-industry metrics](#)

⚠ KPMG LLP (KPMG) has provided limited assurance of figures identified with this symbol for the year ended December 31, 2025. KPMG's Independent Practitioner's Limited Assurance Report can be found within the [Appendix > Assurance](#) section.

Sun Life uses a financial control approach to account for GHG emissions from operations and investments. Refer to Sun Life's [2025 GHG Emissions Reporting Methodology](#) for more information.

All values are reported for the calendar year (January 1 to December 31). Amounts are impacted by rounding.

Historical results have been restated to reflect changes in methodology, acquisitions and divestments, updated emission factors, and corrections to raw data where applicable.

¹ GHG emissions associated with fleet fuel consumption are included in 2024 and 2025, but excluded from 2023 due to unavailable data.

² Scope 2 location-based electricity GHG emissions reflect the grid-average emission intensity (gCO₂e/kWh) for the region in which a property is located.

³ Scope 2 market-based electricity GHG emissions reflect contractual instruments implemented with respect to electricity purchases at Sun Life owned properties, i.e., renewable energy certificates (RECs). Refer to Sun Life's [2025 GHG Emissions Reporting Methodology](#) for more information on RECs and residual mix GHG emissions factors.

⁴ GHG emissions associated with purchased goods and services (PG&S) from Sun Life's North America procurement function.

⁵ GHG emissions from fuel- and energy-related activities (FERA) not already included in Scope 1 or Scope 2 at Sun Life owned properties.

⁶ GHG emissions associated with water transmission and distribution (not including wastewater treatment) at Sun Life owned properties.

⁷ GHG emissions associated with waste by disposal type (landfill, recycling, incineration, compost) at 89% of Sun Life owned properties.

⁸ Sun Life expands coverage of GHG emissions associated with business travel year over year as new datasets become available.

⁹ GHG emissions associated with car rentals for business purposes and employee-claimed mileage.

¹⁰ GHG emissions associated with taxi, ride-share and bus.

¹¹ GHG emissions associated with the transportation of employees between their homes and Sun Life offices, and emissions from teleworking (i.e., employees working remotely).

¹² Sun Life does not have ownership or financial control over its global offices (unless they are located in Sun Life owned properties), thus, all energy and water emissions from leased offices are allocated to Scope 3, Category 8: Upstream Leased Assets, except for offices spaces located in Sun Life owned properties.

¹³ Sun Life calculates and reports financed emissions associated with listed equities and corporate bonds, sovereign debt, and non-majority owned real estate for its General Account (GA) in alignment with The Partnership for Carbon Accounting Financials (PCAF) Standard Part A: Financed Emissions. Majority-owned real estate is reported in Sun Life's Scope 1, 2 and applicable Scope 3 Categories (other than Category 15) under the financial control boundary. Refer to Sun Life's [2025 GHG Emissions Reporting Methodology](#) for more information.

¹⁴ Includes financed emissions from joint ventures where Sun Life does not have financial control.

¹⁵ Scope 3 market-based electricity GHG emissions reflect contractual instruments implemented with respect to renewable electricity purchases at global leased offices, i.e., RECs.

¹⁶ Total of all reported location-based GHG emissions across Scope 1, 2, 3. Note that the significant increase in GHG emissions total year-over-year can be partially attributed to the introduction of newly reported emissions categories each year.

¹⁷ Total of all reported market-based GHG emissions across Scope 1, 2, 3. For Scope 3, Category 8: Upstream Leased Assets, total market-based GHG emissions are 17,901 tCO₂e⚠. Note that the significant increase in GHG emissions totals year-over-year can be partly attributed to the introduction of newly reported GHG emissions categories each year.

¹⁸ Intensity metric includes Scope 1 natural gas and other stationary fuel, but excludes fleet GHG emissions.

General account metrics

We continue to advance the measurement of our investment-related GHG emissions for our general account. These GHG emissions, also referred to as financed emissions, are the GHG emissions associated with investment and lending activities. Measurement of financed emissions is an evolving practice across the financial sector and involves inherent challenges. Challenges include data accuracy and availability, variability in GHG emissions disclosures by investees, timing lags between financial and GHG emissions data, and the availability of methodologies. Sun Life plans to refine its methodology and approach to financed emissions as data, industry standards and market practices evolve.

Sun Life reports GHG emissions from select asset classes within its general account, covering approximately 30% of invested assets.⁵ This figure reflects GHG emissions from investments categorized as scope 3 category 15 (see General account financed emissions data table on the following page) in addition to real estate investments under Sun Life's financial control and therefore categorized as scope 1, 2, and applicable categories of scope 3. Our current financed emissions measurement coverage reflects the availability and quality of underlying data along with best practice methodologies. Looking ahead, as new data, tools and methodologies are developed across asset classes, we look to continuously advance our measurement practices over time. For additional information on measurement coverage of general account invested assets, including measurement approach, inputs and assumptions, refer to the Sun Life's [2025 GHG Emissions Reporting Methodology](#).

⁵ General account assets accounted for in Scope 3, Category 15, as shown in the table on the following page, represent 25% of Sun Life's general account.

General account financed emissions

Relevant standards/indicators	Enterprise greenhouse gas emissions (tCO ₂ e) ¹	Absolute GHG emissions (tCO ₂ e)			GHG emissions intensity (tCO ₂ e per million CAD invested)			2025 Average Data Quality Score ²
		2025	2024	2023	2025	2024	2023	
GRI 305-3 SDG 3, 13	Listed equities							
	Scope 1	10,902	9,891	10,805	44.2	18.2	22.2	2.0
	Scope 2	4,950	8,227	6,259	20.1	15.2	12.9	2.1
	Scope 3	37,092	42,579	10,309	198.4	90.1	38.0	2.8
	Listed corporate bonds							
	Scope 1	1,803,974	1,943,886	2,028,300	46.9	51.7	55.1	2.1
	Scope 2	264,948	301,740	283,626	6.9	8.0	7.7	2.1
	Scope 3	12,953,019	11,249,629	6,566,381	351.8	330.3	525.7	2.6
	Sovereign debt³							
	Scope 1 (Including LULUCF)	2,360,628	2,294,072	-	215.4	213.5	-	4.0
	Scope 1 (Excluding LULUCF)	2,280,785	2,315,819	-	208.1	215.5	-	4.0
	Commercial real estate⁴							
	Scope 1	251	234	-	1.2	1.1	-	2.6
	Scope 2	421	407	-	1.9	1.9	-	2.6
	Unlisted equities⁵							
	Scope 1	26	-	-	0.1	-	-	2.0
Scope 2	946	-	-	2.1	-	-	2.0	
Scope 3	1,481	-	-	3.3	-	-	2.0	

All values are reported for the calendar year (January 1 to December 31). Amounts are impacted by rounding.

¹ Sun Life calculates and reports financed emissions in alignment with the Partnership for Carbon Accounting Financials (PCAF) Standard Part A: Financed Emissions. Refer to Sun Life's [2025 GHG Emissions Reporting Methodology](#) for more information.

² Sun Life calculates average data quality score in alignment with the data quality scoring guidance in the PCAF Standard Part A: Financed Emissions. Each underlying GHG emissions data point is assigned a data quality score, according to the scoring criteria for the respective asset class, ranging from 1 (highest data quality) to 5 (lowest data quality). The average data quality score for each asset class and scope is calculated by weighting each score by the respective asset's outstanding amount in Canadian dollars.

³ Sovereign scope 1 GHG emissions are reported including and excluding LULUCF (GHG emissions attributed to land use, land-use change, and forestry activities) as outlined by data requirements for sovereign debt in the PCAF Standard Part A: Financed Emissions.

⁴ Commercial real estate figures in this table include non-majority owned commercial real estate invested assets in the general account (GA). Majority-owned commercial real estate invested assets are reported in Sun Life's Scope 1 and 2 GHG emissions under the financial control boundary.

⁵ Includes financed emissions from joint ventures where Sun Life does not have financial control. GHG emissions from unlisted equities have been introduced to the financed emissions inventory in 2025; historical GHG emissions for this asset class are not currently reported.

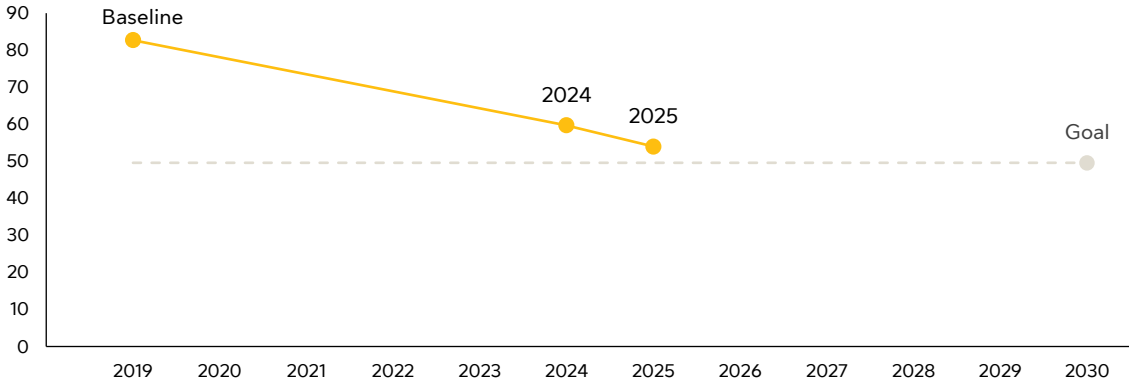
General account goals

We have set GHG emissions reduction goals for 2030 for select asset classes in Sun Life’s general account. As we continue our net zero journey, we are focusing on managing transition risks to ensure our resilience in the evolving external environment. We will evaluate and adjust our GHG emissions reduction goals as necessary, considering our evolving sustainability and business goals and the regulatory risks, requirements, expectations and incentives of the various jurisdictions in which we operate.

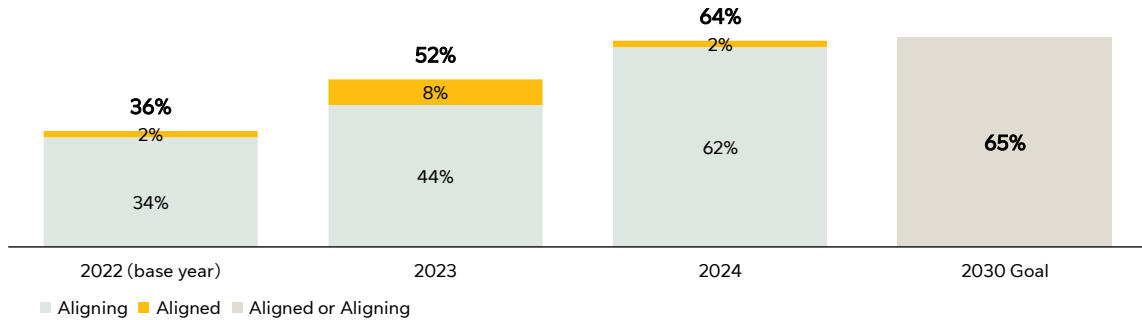
The following goals for 2030, relative to a 2019 base year (unless otherwise stated), cover approximately 25% of Sun Life’s general account invested AUM.⁶ This coverage figure represents the percentage of general account AUM included in the scope of the goals relative to the total general account invested AUM in 2025.

Listed corporate bonds goals

- 40% reduction in carbon intensity by 2030 relative to a 2019 base year (as carbon emissions to value invested (CEVI)).⁷
 - **Baseline:** 82.7 tCO₂e per million dollars invested (absolute financed emissions baseline of 2,996,212 tCO₂e).⁸
 - **Performance:** 35% reduction in GHG emissions intensity as of 2025 relative to the 2019 baseline. Drivers of progress against this goal include portfolio repositioning and higher portfolio valuation, partially offset by the financed emissions from new investments.



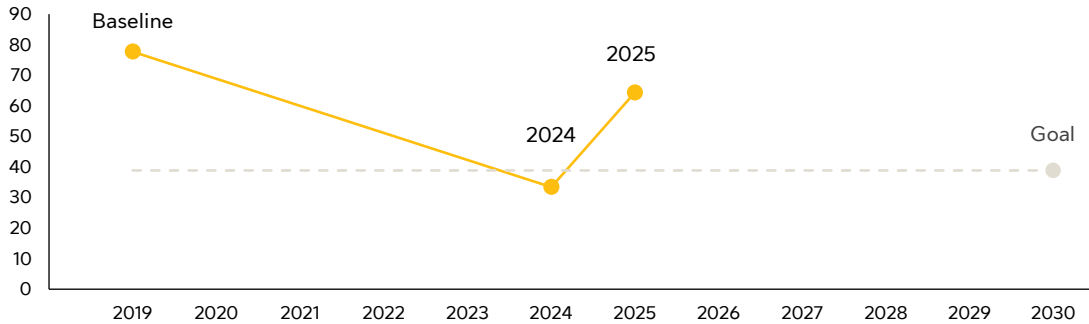
- 65% of the top 50 financed emitters in material sectors⁹ achieving net zero ‘aligned’ or ‘aligning’ by 2030.¹⁰
 - **Baseline:** An initial baseline of 2022 holdings found 2% of top emitters were aligned and 34% were aligning to net zero.
 - **Performance:** 64% of the top 50 financed emitters aligned or aligning compared to the goal of 65% by 2030.¹¹ Drivers of progress within the top 50 in 2024 include improved GHG emissions performance and more detailed decarbonization strategies.



⁶ Refer to Listed Corporate Bonds and Directly Managed Listed Equities on the next page for additional information on financed emissions baseline figures
⁷ Goal coverage includes scope 1 and 2 GHG emissions of investees. Goal does not permit the use of carbon offsets to account for GHG emissions reductions.
⁸ Financed emissions are calculated in alignment with the PCAF Standard Part A: Financed Emissions 2nd Edition (2022). Note this figure is not externally assured and may be adjusted in future publications due to changes in the organizational portfolio in addition to improvements in availability, controls and quality of data. Values are impacted by rounding. The unit tCO₂e refers to metric tonnes of carbon dioxide equivalents.
⁹ Material sectors include utilities (electric, multi and gas); oil, gas and consumable fuels; aviation; chemicals; construction materials, and mining.
¹⁰ This goal follows the asset alignment methodology as set out in the Paris Aligned Investment Initiative’s NZIF. Assessing alignment progress involves assessing several criteria, including but not limited to net zero ambition, climate-related goals, disclosure of GHG emissions and decarbonization strategies.
¹¹ As of December 31, 2024.

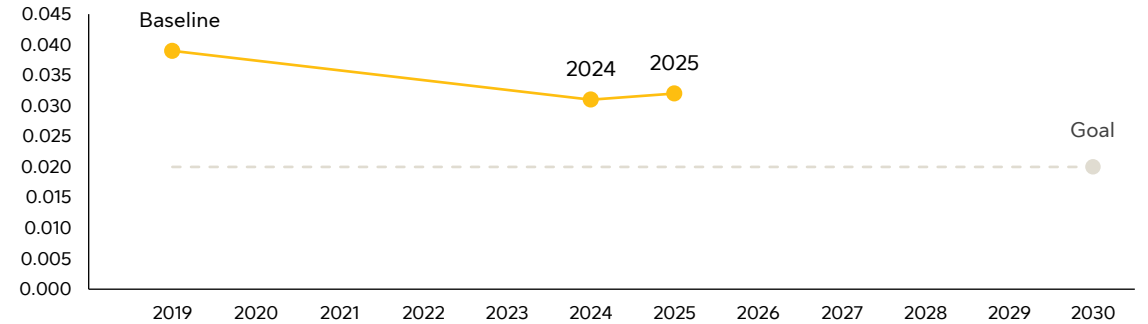
Directly managed listed equities goal

- 50% reduction in carbon intensity by 2030 relative to a 2019 base year (as carbon emissions to value invested (CEVI)).¹²
- **Baseline:** 77.7 tCO₂e per million dollars invested (absolute financed emissions baseline of 22,256 tCO₂e).¹³
- **Performance:** 17% reduction in GHG emissions intensity as of 2025 relative to the 2019 baseline. The annual change in relative progress to baseline reduction reflects portfolio repositioning due to the sale of lower carbon intensity holdings, resulting in a lower overall market value and greater concentration in inherently higher-emitting regional-specific holdings. Management will assess mitigation actions and continue to evaluate potential for changes to GHG emissions intensity over time due to impacts of external factors such as fluctuations in underlying investment valuations.



Commercial real estate goal

- 50% reduction in carbon intensity at commercial real estate properties by 2030 relative to a 2019 base year (tCO₂e per square metre).¹⁴
- **Baseline:** 0.04 tCO₂e per square metre (absolute financed emissions baseline of 78,871 tCO₂e).¹⁵
- **Performance:** 20% reduction in GHG emissions intensity as of 2025 relative to the 2019 baseline. Drivers of progress against this goal include implementation of energy efficiency measures, building envelope improvements, fuel switching and grid decarbonization.¹⁶



¹² Goal coverage includes scope 1 and 2 GHG emissions of investees. Goal does not permit the use of carbon offsets to account for GHG emissions reductions.

¹³ Financed emissions are calculated in alignment with the Partnership for Carbon Accounting Financials (PCAF) Standard Part A: Financed Emissions 2nd Edition (2022). Note this figure is not externally assured and may be adjusted in future publications due to changes in the organizational portfolio in addition to improvements in availability, controls and quality of data. Values are impacted by rounding. The unit tCO₂e refers to metric tonnes of carbon dioxide equivalents.

¹⁴ The General Account commercial real estate interim goal and baseline GHG emissions are associated with the Sun Life BGO Real Estate Equity Fund, and include GHG emissions from Scope 1, Scope 2 and Scope 3 Categories 4 and 15. Note this figure is not externally assured and may be adjusted in future publications due to changes in the organizational portfolio in addition to improvements in availability, controls and quality of data.

¹⁵ The baseline for the General Account commercial real estate interim goal has been restated to reflect changes in methodology, goal scope, activity data, acquisitions and divestments, and updated GHG emissions factors.

¹⁶ Refreshed GHG emissions data management processes have enabled reporting historic GHG emissions-intensity figures for 2024.

Operational metrics

Operational GHG emissions

Sun Life has a goal of a 50% reduction in GHG emissions in our global offices by 2030 relative to a 2019 base year.¹⁷ As we continue our net zero journey, we are focusing on managing transition risks to support our Clients' sustainability goals and ensure our resilience.¹⁸ Refer to [Strategy > Operations](#) for additional information on our business operations. For additional information on operational GHG emissions, including measurement approach, inputs and assumptions, refer to Sun Life's [2025 GHG Emissions Reporting Methodology](#).

Relevant standards/ indicators	Global office GHG emissions	2030 Goal	2025	2024	2023	2019 (base year)
GRI 3-3, 305-5 SDG 3, 13	Emissions reduction from global offices relative to base year (%)	-50%	-34%	-32%	-11%	N/A
	Market-based emissions from global offices (tCO₂e)¹	12,811	17,464	17,770	23,280	26,291

All values are reported for the calendar year (January 1 to December 31). Amounts are impacted by rounding.

¹ In 2025, Sun Life sourced 46% of its global office electricity consumption from renewables. The market-based GHG emissions account for contractual instruments related to electricity purchases, including RECs, residual mix emission factors and on-site renewables.

¹⁷ Effective December 31, 2024, this goal replaces Sun Life's former goal to reduce operational GHG emissions by 50% by 2030 (relative to 2019), which covered not only GHG emissions from global offices, but also physical data centres and business travel. This goal was revised to cover GHG emissions from global offices only, in addition to permitting the use of renewable energy certificates (RECs). Refer to the [2024 OSFI B-15 Climate Risk Management Report](#) for more information.

¹⁸ Sun Life's operational GHG emission reduction goal permits the use of market-based instruments such as RECs. For additional information on RECs and relevance to GHG emissions accounting, refer to Sun Life's [2025 GHG Emissions Reporting Methodology](#). Note that carbon offsets do not contribute to our global offices GHG emissions goal progress.

► [Enterprise greenhouse gas emissions](#) ► [General account metrics](#) ► [Operational metrics](#) ► [Cross-industry metrics](#)

Energy, waste and water

Sun Life owns and leases a number of properties through our business operations and investment portfolio. We measure data associated with energy, waste and water use on an ongoing basis, as shown in the data table below. For additional information on real estate-related metrics, including measurement approach, inputs and assumptions, refer to Sun Life's [2025 GHG Emissions Reporting Methodology](#).

Relevant standards/indicators	Real estate energy, waste and water use	Global Offices ¹			Sun Life Owned Properties ²		
		2025	2024	2023	2025	2024	2023
GRI 3-3, 302-1, 302-2, 302-3, 303-5 SDG 3, 13	Energy³						
	Total energy use (eMWh)	101,654	93,299	98,756	534,915	516,461	493,878
	Energy use intensity (ekWh/sq.ft)	22.3	20.2	20.6	20.5	20.0	19.6
	Heating fuels	30,964	22,275	23,019	256,141	247,867	240,308
	Natural gas	30,911	22,193	22,972	255,945	247,582	240,261
	Other stationary fuels	53	82	47	196	285	47
	District heat and steam	1,020	1,083	2,421	6,209	4,717	5,188
	Chilled water	2,924	3,022	2,987	334	333	316
	Total electricity	66,746	66,919	70,329	272,231	263,544	248,066
	Grid electricity	41,418	41,076	62,722	269,685	263,522	199,428
	Renewable electricity (eMWh) ⁴	25,328	25,843	7,607	2,546	22	48,638
	Water						
	Total water use (m ³)	277,860	250,718	250,456	1,459,638	1,448,635	1,506,050
	Water use intensity (L/sq.ft)	60.9	54.2	52.4	56.0	55.2	59.7
	Waste⁵						
	Total waste disposed (metric tonnes)	-	-	-	17,421	15,863	14,043
	Landfill	-	-	-	13,825	12,374	10,946
Recycling	-	-	-	3,061	3,036	2,650	
Compost	-	-	-	535	453	447	

All values are reported for the calendar year (January 1 to December 31). Amounts are impacted by rounding.

Historical results have been restated to reflect changes in methodology, acquisitions and divestments, updated emission factors, and corrections to raw data where applicable.

¹ Energy and water use in leased properties with GHG emissions reported under Scope 3 Category 8. Global offices within Sun Life owned properties are included in only the Sun Life owned properties totals to avoid double-counting. Refer to Section 2.1 of Sun Life's 2025 GHG Emissions Reporting Methodology for more information on Sun Life's global offices and owned properties.

² Energy use, water use, and waste disposed at Sun Life owned properties with GHG emissions reported under Scopes 1, 2, and Scope 3 Categories 4 and 5. Refer to Sections 2.1 to 2.3 of Sun Life's [2025 GHG Emissions Reporting Methodology](#) for more information.

³ All energy use values are in equivalent megawatt hours (eMWh).

⁴ Renewable electricity equivalent megawatt hours (eMWh) represent on-site generation, RECs and green power purchase through the utility.

⁵ Waste data is reported for 89% of Sun Life owned properties.

Cross-industry metrics

The Office of the Superintendent of Financial Institutions (OSFI) Guideline B-15 - Climate Risk Management (B-15) has a new disclosure expectation on cross-industry metrics that is applicable to Sun Life for fiscal year-end 2025. This section contains our inaugural disclosure of these metrics.

When defining the scope of disclosure for climate-related cross-industry metrics, we consider the availability, reliability and maturity of underlying data across our businesses as well as availability of risk assessment methodologies.

Certain metrics are more readily measurable in specific business segments, while others require further development of industry standards and data collection processes. The reporting scope for each metric on the next pages is limited to those specific business segments where we believe that the data is more readily available, reliable and measurable.

Consequently, these metrics do not represent the full scope of our assets and business activities. We expect to advance the disclosure of these metrics over time as our assessments, data collection processes and industry standards evolve. Where applicable and indicated, we have leveraged data reported to OSFI through required climate-related regulatory data submissions.¹

The climate-related data and metrics disclosed on the next pages involve inherent uncertainties, judgments and assumptions and do not represent a definitive, complete measure of future risk or performance. It is important to note that, in many cases, this data is derived from modelling, estimates, and scenario analyses. In addition, methodologies and frameworks used are not standardized across companies which may make comparative review of the metrics difficult.

These metrics represent a snapshot of our current or potential future risks and opportunities based on available data, estimates and methodologies. For further information, refer to [Cautionary statement regarding forward-looking statements and other matters](#).

¹ OSFI's Standardized Climate Scenario Exercise (SCSE) was designed to measure climate risk exposure that is not reflected using traditional quantification techniques for risk exposure. OSFI's aim for the SCSE was for financial institutions to better understand the potential exposures to climate change, build capacity to assess the impact of climate change, conduct climate scenario analysis exercises, and provide OSFI with a standardized quantitative assessment of climate-related risk exposure in Canada. OSFI's Climate Risk Returns (CRR) is designed to collect standardized climate-related GHG emissions and financial exposure data. These returns capture data to enable quantification of Insurers' potential and realized physical risk exposures and potential transition risk exposures.

Climate-related physical risks

About these metrics

The data to the right presents flood risk exposure for a subset of real estate assets in our general account and select properties within our global office portfolio.²

Accurate modelling of physical climate risk requires specific geospatial data to estimate potential damage from climate hazards. Because real estate assets have specific, known locations, they currently offer the most reliable data for measuring physical climate risks.

The flood risk exposure that is reported does not account for asset-level mitigants such as resiliency and adaptation measures for the property itself, and

Property & Casualty (P&C) insurance. Sun Life has identified P&C insurance as a key mitigant to physical risk and conducted a tabletop exercise to assess the impacts to Sun Life of a P&C insurance market breakdown. For more information on this assessment specifically and Sun Life's climate resilience approach for general account investments and operations generally, refer to the [Strategy](#) section.

Refer to the [Risk Management](#) section for Sun Life's approach to identify, assess, prioritize and monitor physical risks.

Physical risk metrics:

- 1) **General account exposure to flood risk (in scope real estate^{2,3} AUM):**
12%/\$1.0 billion of in-scope real estate assets are exposed to high flood risks.⁴ This assessment covers 36% of total general account real estate assets and 5% of total general account assets, before consideration of asset-specific mitigants.
- 2) **Office exposure to flood risk:**
15% of in-scope office square footage is exposed to high flood risk.⁴ This assessment covers 4.8 million square feet, representing 68% of our total office portfolio⁵, before consideration of asset-specific mitigants.

² General account data has been calculated using the [OSFI SCSE methodology](#). General account real estate AUM in scope for SCSE (\$8.6 billion, representing 5% of total general account assets) included real estate investments (residential properties, non-residential properties, land, and other immobile assets) and mortgages located in SCSE-defined locations (as described in footnote 3) in Canada. Global office portfolio data is derived from risk assessments conducted using the Jupiter Intelligence ClimateScore Global tool - a physical climate change risk tool that quantifies the level of exposure of a physical asset to a range of climate hazards over varying time horizons. As of December 31, 2023. Figures are reported in \$CAD.

³ The SCSE physical risk assessment focused on flood and wildfire risk for in-scope AUM. Flooding risk was assessed in major Canadian cities (Vancouver, Calgary, Edmonton, Winnipeg, Kitchener-Waterloo-Cambridge, Ottawa-Gatineau, Montreal, Quebec City, Sherbrooke, Saguenay and Fredericton). Wildfire risk was assessed in remote areas (Northwest Territories, Northern Alberta, Northern Saskatchewan, Northern Manitoba, Northern Ontario, Northern Quebec, Northeast Newfoundland, and Eastern Labrador). As Sun Life does not have General Account real estate or mortgage investments in the regions assessed for wildfire risk, this metric was considered out of scope for calculation.

⁴ "High flood risk exposure" is defined as flood depth above 0.5 meters with 1% probability of occurrence in any given year in the prescribed scenario, without consideration of asset-level mitigations. This definition was applied using different scenario methodologies depending on the asset type. For the general account, the scenario prescribed by OSFI involved a stochastic approach that captures a range of Representative Concentration Pathway (RCP) scenarios based on RCP 4.5 and RCP 8.5. For offices, the scenario used was the RCP 8.5 scenario, utilizing the Jupiter Intelligence ClimateScore Global tool. RCP 4.5 is a moderate scenario where global GHG emissions peak around 2040 and then decline, stabilizing radiative forcing at 4.5 Watts per square meter (W/m²) and projected global warming between 2°C and 3°C by 2100. RCP8.5 is a severe scenario representing high, unmitigated GHG emissions, with radiative forcing at 8.5 W/m² and projected global warming of between 3°C and 5°C by 2100. RCP 8.5 is intended to be a "very high baseline emission scenario" representing the 90th percentile of no-policy baseline scenarios available in 2011 when the scenario was introduced.

⁵ Sun Life's global office portfolio includes offices across North America, Asia and select sites in Ireland and Bermuda. Value reported as a percentage of the total office portfolio square footage across these geographies as of December 31, 2024. In some cases, general account real estate investments are also utilized as Sun Life offices. 21% of office square footage are in investment properties.

Climate-related transition risks

About these metrics

The data to the right presents our general account exposure to Transition Vulnerable Sectors (TVS)⁶ across 9% of total general account assets. These sectors face potential risks from decarbonization, such as higher operating costs, reduced demand and stranded assets. The AUM in scope for this transition risk assessment includes four asset classes: Corporate Loans, Commercial Mortgages, Shares and Corporate Bonds. These metrics reflect gross exposure based on sector classification and do not account for asset-level mitigants, such as borrower-specific transition plans.⁶

Specific to our corporate bond portfolio, which represents 23% of total general account assets, transition risk is concentrated in our top 50 financed emitters who face potential exposures to factors such

as policy, technology and market shifts. We assess these emitters in material sectors⁷ through net zero alignment, a metric defined by the NZIF that accounts for the specific transition risk mitigation plans of underlying companies. This metric covers 76% of our total corporate bond financed emissions. For further information, see [Metrics and Targets > General account goals](#).

Refer to the [Risk Management](#) section for Sun Life's approach to identify, assess, prioritize, and monitor transition risks. Refer to the [Strategy > General account investments](#) section for Sun Life's climate resilience approach for general account investments. Refer to the [Metrics and Targets > General account goals](#) section for progress against transition risk-related goals.

Transition risk metrics:

1) General account exposure to TVS (in-scope AUM):

Of the \$48.5 billion of general account AUM in scope for this assessment (representing 28% of total general account assets), 32%/\$15.7 billion are in TVS. This assessment^{6,8} covers in-scope Corporate Loans, Commercial Mortgages, Shares and Corporate Bonds⁹, with exposure distributed across the following sectors:

- Electricity support & distribution: 9%
- Mining: 1%
- Manufacturing: 3%¹⁰
- Fossil fuels: 10%
- Transportation: 9%

This assessment does not account for asset-specific mitigants. Greater than 99% of the total AUM in TVS is within our corporate bond portfolio.

2) Net zero alignment of general account corporate bond investments in material sectors⁷:

36%/\$1.7 billion of the top 50 financed emitters are not aligned to net zero in line with criteria defined by the NZIF.

This unaligned exposure represents:

- 11% of TVS exposure
- 4% of listed corporate bond general account assets
- 1% of total general account assets (all asset classes)

⁶ OSFI defines Transition Vulnerable Sectors (TVS) as Electricity Support & Distribution, Mining, Manufacturing, Fossil Fuels, Transportation, and Agriculture and Forestry, aligned with the North American Industry Classification System (NAICS) 2022 version 1.0. These sectors are identified based on their exposure to climate mitigation policies and face potential risks from decarbonization, such as higher operating costs, reduced demand, and stranded assets. Sun Life does not have exposure to the Agriculture and Forestry sector, as outlined in the Climate Risk Returns (CRR). TVS exposure data is derived from the transition risk subset of AUM data reported to OSFI as part of a climate-related regulatory data submission. Sun Life's assessment maps the sectors OSFI defines as TVS in the CRR to the sector AUM data for the general account submitted under the transition risk module of the Standardized Climate Scenario Exercise (SCSE).

⁷ Material sectors include utilities (electric, multi and gas); oil, gas and consumable fuels; aviation; chemicals; construction materials, and mining. Alignment metric follows the asset alignment methodology as set out in Paris Aligned Investment Initiative's NZIF.

⁸ As of December 31, 2023.

⁹ In scope Corporate Loans and Commercial Mortgages are those accounted for as Fair Value through Other Comprehensive Income (FVOCI). In scope Common Shares and Preferred Shares are those accounted for as Fair Value through Profit & Loss (FVTPL). In scope Corporate Bonds are those accounted for as both FVOCI and FVTPL.

¹⁰ Amount is impacted by rounding.

Climate-related opportunities and capital deployment

About these metrics

Within the Sun Life general account, we consider material climate-related risks and opportunities, as appropriate, with the goal of improving our risk-adjusted returns. We invest a portion of Sun Life's general account assets in investments that support a range of our sustainability objectives, such as renewable energy and green buildings. These investments capture one view of capital deployment toward climate-related risks and opportunities.

We also deploy capital into companies demonstrating alignment with net zero. While our transition risk analysis monitors exposure to non-aligned emitters in our general account corporate bond portfolio, this view highlights the proportion of our top 50 financed emitters in the corporate bond portfolio that are aligned or aligning to net zero, in line with criteria defined by the NZIF.

Refer to the [Metrics and Targets > General account goals](#) section for additional information.

Opportunities and capital deployment metrics:

1) General account exposure to climate-related investments:

Within the general account, **\$10.7 billion of AUM is invested in climate-related categories representing 5% of total general account assets¹¹:**

- Renewable energy: \$4.5 billion
- Energy efficiency: \$2.3 billion
- Green buildings: \$2.2 billion¹²
- Clean transportation: \$1.7 billion

We consider climate-related investments as those in assets and investments in the green project categories set out by International Capital Market Association (ICMA) Green Bond Principles¹³ that map to ICMA environmental objectives¹⁴ of climate change mitigation and adaptation.¹⁵

2) Net zero alignment of general account investments in material sectors⁸:

Within our corporate bond portfolio, 64%/\$6.0 billion of the top 50 financed emitters are aligned or aligning to net zero in line with NZIF criteria. This aligned exposure represents:

- 15% of listed corporate bond general account assets
- 3% of total general account assets

¹¹ As of December 31, 2025. All figures are in \$CAD, unless stated otherwise. More information on AUM methodology, including criteria included in the calculation, is available upon request. Asset values included represent a non-IFRS financial measure.

¹² Real estate assets include investment properties, owner-occupied properties, and real estate in limited partnership investments.

¹³ Refer to the [ICMA Green Bond Principles](#) for further information.

¹⁴ Refer to the [ICMA Green Project Mapping](#) for further information.

¹⁵ Where issuers do not obtain a third-party opinion or provide an internal opinion on their issuance, our investment professionals apply judgment to assess whether the use of proceeds meets the standards set out in the ICMA principles. Assets included may not align with criteria in Sun Life's Sustainability Bond Frameworks. Does not include all holdings in companies that may be defined as sustainable under other taxonomies.

Internal carbon price

Sun Life has not adopted an internal price on carbon.

Remuneration

For grants issued in 2023 and 2024 under our Executive Sun Share Unit Plan, we incorporated a Sustainability modifier that allows for a maximum adjustment of +/-10 percentage points to the final award value. The adjustment is based on our performance over three years against four aspirational sustainability goals, including sustainable investments and greenhouse gas emission reduction in our operations. The Sustainability modifier was eliminated in 2025. Refer to Sun Life's [Management Information Circular](#) for more details.

Appendix

OSFI B-15 Index

Annex 2-2: Climate-related financial disclosure expectations applicable to Sun Life for fiscal year-end 2025.

Category	Expectation	Location in OSFI B-15 Climate Risk Management Report
Governance	a) Describe the governance body(ies) (e.g., board of directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed including the frequency of meetings, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration.	Governance > Board of Directors
	b) Describe management's role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee.	Governance > All sub sections
Strategy	a) Describe the climate-related risks and opportunities the federally regulated financial institution (FRFI) has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital, including: <ul style="list-style-type: none"> • The classification of each climate-related risk as either physical or transition risk; • The expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term); • The FRFI's definitions of 'short term,' 'medium term,' and 'long term' in relation to strategic decision-making planning horizons. 	Risk Management > Prioritization
		Risk Management
	b) Business model and value chain Describe: <ul style="list-style-type: none"> • the current and anticipated effects of climate-related risks and opportunities on the FRFI's business model and value chain; • where in the FRFI's business model and value chain the climate-related risks and opportunities are concentrated. Strategy and decision making Disclose information about current and anticipated: <ul style="list-style-type: none"> • changes to the FRFI's business model, including its resource allocation, to address climate-related risks and opportunities; • direct mitigation and adaptation efforts; • indirect mitigation and adaptation efforts. 	Strategy > Life and health insurance business Strategy > General account investments Strategy > Operations
	Financial position, financial performance, and cash flows Describe: <ul style="list-style-type: none"> • how climate-related risks and opportunities have affected the FRFI's financial position, financial performance, and cash flows for the reporting period; • how the FRFI expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities. 	Strategy

[► OSFI B-15 Index](#) ► [Assurance](#)

Category	Expectation	Location in OSFI B-15 Climate Risk Management Report
Risk Management	a) Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks. In meeting this disclosure expectation, the FRFI should explain how it has applied Principle 3 in Chapter 1 of this Guideline.	Risk Management > All sub sections
	b) Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.	
	c) Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process.	
Metrics and Targets	a) Disclose metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics and Targets > Operational metrics
	b) Disclose separately the FRFI's Scope 1 and location-based Scope 2 absolute gross GHG emissions for the period. Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. If the reporting standard used by the FRFI is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.	Metrics and targets > Enterprise greenhouse gas emissions
	c) Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals, including: <ul style="list-style-type: none"> • The objective of the target; • The period over which the target applies; • The base period from which progress is measured; • Any revisions to the target and an explanation of those revisions; Disclose information about the FRFI's approach to setting and reviewing each target and how it monitors progress against each target; Disclose information about the FRFI's performance against each climate-related target and an analysis of trends or changes in the FRFI's performance. For any GHG emissions target disclosed (and the corresponding metrics, if applicable), disclose it both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (for example, carbon credit, nature-based, other).	Metrics and Targets > Approach to climate-related metrics Metrics > General account metrics Metrics > Operational metrics
	d) Disclose the following cross-industry metrics; <ul style="list-style-type: none"> • climate-related physical risks: the amount and percentage of assets or business activities vulnerable to climate-related physical risks; • climate-related transition risks: the amount and percentage of assets or business activities vulnerable to climate-related transition risks; • climate-related opportunities: the amount and percentage of assets or business activities aligned with climate-related opportunities; • capital deployment: the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities; • internal carbon price; • remuneration. 	Metrics and Targets > Cross-industry metrics

Assurance


KPMG’s Independent practitioner’s limited assurance report

To the Board of Directors and Management of Sun Life Financial Inc. (“Sun Life”)

We have undertaken a limited assurance engagement on certain performance metrics of Sun Life, included in the Sun Life 2025 Sustainability Report and the 2025 OSFI B-15 Climate Risk Management Report (the “Reports”), for the year ended December 31, 2025.

The scope of our limited assurance engagement, as agreed with management, comprises the following performance metrics (collectively, the ‘subject matter information’) and criteria:

Subject Matter Information	Reported Value for 2025	Criteria
Scope 1 Greenhouse Gas (GHG) emissions	47,057 tCO ₂ e	Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition)
Scope 2 Location-based GHG emissions	36,823 tCO ₂ e	
Scope 2 Market-based GHG emissions	37,166 tCO ₂ e	
Scope 3 GHG emissions – Category 3 Fuel- and energy-related activities	18,609 tCO ₂ e	GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard
Scope 3 GHG emissions – Category 6 Business Travel	18,624 tCO ₂ e	
Scope 3 GHG emissions – Category 8 Upstream Leased Assets (Location-based)	23,230 tCO ₂ e	
Scope 3 GHG emissions – Category 8 Upstream Leased Assets (Market-based)	17,901 tCO ₂ e	

The subject matter information is denoted by the symbol  in the Reports.

Other than as described in the preceding table, we did not perform assurance procedures on the remaining information included in the Reports, and accordingly, we do not express a conclusion on this information.

There are no mandatory requirements for the preparation or presentation of the subject matter information. As such, Sun Life has applied the following criteria (“applicable criteria”):

- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition);
- GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.

The criteria are further described in Sun Life’s reporting methodology available on Sun Life’s website.

Management’s Responsibility

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error. This responsibility includes determining Sun Life’s objectives in respect of sustainability performance and reporting, identifying stakeholders and material issues, and selecting or developing appropriate criteria.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements (ISAE 3410), *Assurance Engagements on Greenhouse Gas Statements*. This standard requires that we plan and perform our engagement to obtain limited assurance about whether the subject matter information is free from material misstatement.

A limited assurance engagement involves assessing the suitability of the criteria used by Sun Life in preparing the subject matter information in the circumstances of the engagement, assessing the risks of material misstatement, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.

We exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures were designed and performed to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. In carrying out our engagement, we:

- evaluated the suitability of Sun Life’s use of the criteria, as the basis for preparing the subject matter information in the circumstances;
- through inquiries, obtained an understanding of Sun Life’s control environment, processes and systems relevant to the preparation of the subject matter information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- evaluated whether Sun Life’s methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Sun Life’s estimates;
- inspected a limited number of items to or from supporting records, as appropriate;
- performed analytical procedures and made inquiries of management to obtain explanations for any significant differences we identified;
- performed recalculation, for certain performance metrics, and compared the recalculated amounts to recorded amounts; and
- considered the presentation and disclosure of the subject matter information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and the independence and other ethical requirements of relevant rules of professional conduct/code of ethics in Canada applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Significant Inherent Limitations

Historical non-financial information, such as that contained in the Reports, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time. It is important to read Sun Life’s reporting methodology available on Sun Life’s website.

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Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that Sun Life's subject matter information for the year ended December 31, 2025, is not prepared, in all material respects, in accordance with the applicable criteria.

Our conclusion on the subject matter information does not extend to any other information, reports or documents that accompany, are presented with, or contain the subject matter information and our assurance report.

Restriction on Use

Our report is intended solely for use by Sun Life Financial Inc. for the purpose set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by Sun Life Financial Inc. in the Sun Life 2025 Sustainability Report and the 2025 OSFI B-15 Climate Risk Management Report, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.

The logo for KPMG LLP, featuring the letters 'KPMG' in a large, bold, black font, with 'LLP' in a smaller, black font to the right. A horizontal line is drawn underneath the letters.

Chartered Professional Accountants

Toronto, Canada

March 24, 2026