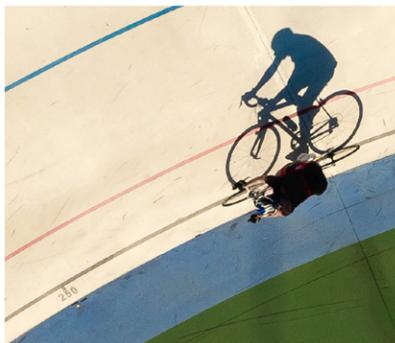
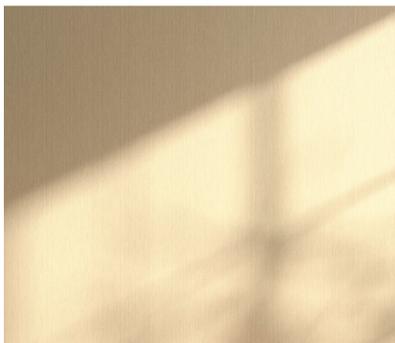


# Sustainability Report

## 2022 Performance



Life's  
brighter  
under  
the sun.



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Sun Life is a leading international financial services company offering a broad range of protection and wealth products and services to individuals, businesses and institutions. Sun Life has 52,500 employees<sup>1,2</sup>, 97,400 advisors<sup>1</sup> and offices in 28 markets. 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. Learn more about who we are in our [2022 Annual Report](#) and at [www.sunlife.com](http://www.sunlife.com).

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### FEEDBACK

We'd like your feedback on our reporting. Send your comments to [sustainability@sunlife.com](mailto:sustainability@sunlife.com).



<sup>1</sup> Rounded to the nearest hundred.

<sup>2</sup> Represents full-time equivalent employees and includes 29,169 regular employees, 1,258 temporary employees and employees in Asia joint ventures (21,549 regular employees and 525 temporary employees).

▶ 2022 highlights ▶ Global context and megatrends ▶ Message from the President and CEO ▶ Q&A with our Chief Sustainability Officer ▶ Sustainability at Sun Life

# 2022 highlights

## Increasing Financial Security

**49,000+**

financial roadmaps<sup>1</sup> created for Clients in Canada using the new Sun Life One Plan digital tool, supporting our ambition for every Sun Life Client across Canada to have a financial plan

Better treatment outcomes for plan members and

**US\$30.5 million**

in savings for Sun Life and our stop-loss Clients through our Clinical 360 program in the U.S.

**1.6 million**

lives covered through affordable insurance policies issued in Asia<sup>2</sup>

## Fostering Healthier Lives

**New surrogacy, adoption and fertility services benefits**

added to group benefits plans in Canada to help meet the diverse needs of people growing families in different ways

**\$46.7 million**

committed to diabetes awareness, prevention and care globally since 2012, including \$5.7 million in 2022

DentaQuest added

**~3 million members**

increasing access to dental care for low-income people in the U.S.<sup>3</sup>

## Advancing Sustainable Investing

**\$14.2 billion**

in new sustainable investments since 2021, including in renewable energy, green buildings and clean transportation, with \$6.5 billion invested in 2022<sup>4</sup>

**\$80.4 billion**

portfolio value of investments in assets and businesses that support the transition to a low-carbon and more inclusive economy<sup>4</sup>

**Net-zero interim targets established**

for several of our asset management businesses<sup>5</sup>

## Operating as a Trusted and Responsible Business

**36.9%**

reduction in greenhouse gas emissions across our global corporate real estate, data centres and business travel (2019 baseline)<sup>6</sup>

**Achieved gender parity**

on our Board of Directors, and 27% of Board members self-identified as members of underrepresented groups<sup>7,8</sup>

**89%**

employee engagement score<sup>9</sup> (third consecutive year), exceeding the global financial norm<sup>10</sup>



Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

(17 years in a row)



(6 years in a row)



**FTSE4Good**  
(22 years in a row)

<sup>1</sup> Figure includes Individual Clients and a pilot Group Retirement Services Client using our new Sun Life One Plan digital tool. In 2022, we created over 65,000 financial roadmaps for Individual Clients.

<sup>2</sup> Affordable insurance products help people in the mass market (including lower-income segments) meet risk protection needs at an accessible price point. The criteria for a product to be considered affordable insurance varies by country and is based on factors such as: insurance premium amount relative to average income, coverage period, underwriting requirements and/or government regulation.

<sup>3</sup> DentaQuest is the largest Medicaid dental benefits provider based on membership as of September 2022. Medicaid provides health coverage to low-income people and is one of the largest payers for health care in the U.S.

<sup>4</sup> Criteria for investments based on ICMA Green Bond Principles, ICMA Social Bond Principles, ICMA Sustainability Bond Principles, GRESB Real Estate Benchmark, and PRI Impact Investing Market Map. 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. Does not include all holdings in companies that may be defined as sustainable under other taxonomies. Values as at transaction date. Includes restated 2021 figure of \$7.7 billion due to reporting omission of \$0.9 billion in green, social and sustainability bonds.

<sup>5</sup> Refer to our [Net Zero by 2050](#) report for details and our latest updates.

<sup>6</sup> Emissions resulting from global corporate offices and data centres as well as from business travel, inclusive of majority-owned Sun Life affiliate companies. DentaQuest corporate offices are excluded for the 2022 reporting cycle. All emissions reporting is aligned to the GHG Protocol Corporate Accounting and Reporting Standard using the financial control approach.

<sup>7</sup> Effective February 7, 2023, upon the appointment of Joseph Natale to Sun Life's Board of Directors, 50% of Sun Life's Board of Directors self-identify as women and 25% self-identify as members of underrepresented groups.

<sup>8</sup> Individuals who have self-identified as members of the Black, Indigenous, People of Colour, disabled and/or LGBTQ2+ communities.

<sup>9</sup> 68% of employees surveyed participated. Refer to [Report Scope - Note 2](#).

<sup>10</sup> Based on Willis Towers Watson's Benchmark of Global Financial Services.

# Global context and megatrends

## Events and trends that influenced our sustainability actions in 2022

The race to net zero	Mental health crisis	Fostering inclusion	The digital revolution	The future of work	Increased scrutiny on sustainability
<p>The race to net zero picked up speed and became a global rallying cry in 2022, as more cities, countries and organizations released net-zero targets and strategies. Numerous studies and global events, including COP27, kept the climate crisis in the spotlight, while underscoring the need to ensure a just and inclusive transition to a low-carbon future that leaves no one behind.</p> <p>At Sun Life, we're working hard to reduce our carbon footprint and achieve net zero by 2050 or sooner. During the year, we increased oversight of climate performance and continued to strengthen skills, capabilities and resources across Sun Life to drive our net-zero strategies. Several asset management businesses had their interim targets under the Net Zero Asset Managers initiative approved. To learn more, refer to pages <a href="#">24-29</a> and <a href="#">31-33</a>.</p>	<p>Mental health is the leading cause of disability globally. The pandemic has magnified the crisis to the point that mental health is now a higher ranked concern than cancer<sup>1</sup>.</p> <p>Sun Life is affected as an employer and as a benefits provider serving millions of Clients. In response, for both groups, we have increased opportunities for treatment and support. To learn more, refer to pages <a href="#">14</a> and <a href="#">17</a>.</p>	<p>Diversity, equity and inclusion (DE&amp;I) remained at the forefront of public conversation in 2022. Governments and industry groups continued to urge organizations to prioritize issues like gender parity, pay equity and diverse workforce representation.</p> <p>This past year, we made meaningful progress in implementing our <a href="#">DE&amp;I Strategy 2025</a>. Launched in 2022, the strategy sets three pillars to enhance and evolve our efforts, with goals and outcomes we need to achieve. To learn more, refer to pages <a href="#">34-37</a>.</p>	<p>From artificial intelligence, machine learning and automation to the continuing spread of e-commerce, the rapid advancement of technology impacted virtually every aspect of society in 2022.</p> <p>Digital leadership is a core component of our Client Impact Strategy. To deliver exceptional digitally-led experiences for Clients, we continue to invest in digital tools and capabilities (e.g., access to virtual health care, offering personalized insurance and wealth solutions leveraging AI/data and analytics, and delivering seamless digital onboarding experiences). Through these offerings and services, we aim to drive positive Client outcomes. To learn more, refer to pages <a href="#">11-12</a>, <a href="#">14-16</a> and <a href="#">38-39</a>.</p>	<p>The global pandemic has changed people's perspectives around their working life. This "new normal" is marked by employees placing greater value on job flexibility, wellness services and continuous learning to keep pace with a changing world. We also know employees today are more purpose-driven and want opportunities to make a positive impact in society.</p> <p>In response to this evolution, Sun Life is adapting to create a more empathetic, employee-centric workplace where people feel inspired and supported, and want to stay. For example, we have introduced new programs rooted in employee flexibility and empowerment. These initiatives include remote and hybrid working arrangements and inclusive paid family and medical leave programs.</p> <p>To learn more, refer to pages <a href="#">42-43</a>.</p>	<p>During the year, the corporate world experienced mounting scrutiny from shareholder groups, regulators, community activists and others around many aspects of sustainability including public commitments, products/services and sponsorships.</p> <p>Against this backdrop, Sun Life is taking extra care to ensure our reporting on sustainability is transparent, accurate, credible and easy to understand. Each year, particularly in 2022, we strengthen and refine our sustainability disclosures. We welcome stakeholder input on ways we can improve.</p>

<sup>1</sup> Ipsos. Ipsos Global Health Service Monitor 2022: A Global Advisor survey. September 2022.

# Message from the President and CEO

## Building a more sustainable future, together



We're in a period of time where taking action on sustainability and its complex challenges offers exciting opportunities to create lasting impact. In our interconnected world, the demand for organizations to operate more sustainably and support resilient communities continues to grow. Measurable outcomes require fundamental shifts in how we do business. No single corporation, country or region can solve the complicated issues we face. Everyone can play a role and engage in this work. Only together — individuals, corporations, communities and governments — can we enact innovative solutions and make a difference.

2022 continued to challenge us all. We were still in the midst of a pandemic. We witnessed or were affected by a changing climate. Social inequalities challenged those already facing oppression and exclusion from society. Inflation and market volatility created a tough economic environment. Geopolitical tensions around the world continue to threaten international peace. The list goes on.

We're driven by our Purpose of helping Clients achieve lifetime financial security and live healthier lives

Yet, as I look ahead, I remain optimistic. I'm optimistic because we're determined in our commitment to embed sustainability into the decisions we make and the actions we take. We're driven by our Purpose of **helping Clients achieve lifetime financial security and live healthier lives** and focused on the impact we

can have for individuals, communities and our planet. It starts at the top with me and our Board and is engrained into our culture.

Building on our reputation as a trusted and responsible business, we're focused on areas where we can have the greatest impact: **increasing financial security, fostering healthier lives, advancing sustainable investing** and **being a trusted corporation** that has a strong culture, driven by great people with diverse backgrounds.

Being sustainability driven is a tremendous opportunity to nurture Client relationships and be innovative. It's an opportunity to deepen credibility and go above and beyond to drive real progress. It's an opportunity to attract and retain the best talent. And it's an opportunity to build on the legacy we want to leave behind. Being sustainability driven is simply the right thing to do.

I'm inspired by the impact demonstrated throughout these pages. This work could not happen without a talented, diverse, and empowered team. We continue to challenge ourselves to find new ways to build a

stronger Sun Life — to inspire and foster the respect of our Clients, employees, advisors, partners, shareholders and others.

It's with great optimism I present the 2022 Sustainability Report. I know the impact we are having today — and the innovative actions we'll take in years to come — will ensure we are building a more sustainable and brighter future, together.

We are #SunLifeBright.

### **Kevin D. Strain**

President and Chief Executive Officer

# Q&A with our Chief Sustainability Officer



## 2022 was your first full year as Chief Sustainability Officer. What accomplishments stand out to you?

I'm proud of our 2022 sustainability performance. We set measurable objectives in priority areas, built internal capabilities, embedded sustainability into more products and services, and provided transparent reporting on all of this.

Becoming 'sustainability driven' is critical to our Purpose of helping Clients achieve lifetime financial security and live healthier lives. We are working to instil sustainability into our strategies, policies, processes, products, and services. The launch of our Family Building program in Canada demonstrates how,

by evaluating our business from an equity lens, we can better support our Clients. In this case, we're helping Clients who are growing their families through fertility treatments, adoption and surrogacy.

Climate change remains a key area of focus. As we move towards net zero by 2050, we established several interim targets to define our decarbonization pathways and provide clear direction for our transition. We reduced our corporate operational carbon footprint by 36.9% compared to 2019. This demonstrates the meaningful progress we've made towards our goal of reducing absolute greenhouse gas emissions 50% by 2030 (relative to a 2019 baseline).

Like many of our financial services peers in Canada, we're relatively early on the journey to net zero. We sent our first delegation to COP27 — the UN Climate Conference — to listen, learn and establish relationships to deliver innovative climate initiatives.

We believe transparency builds trust. This year, we continued to strengthen our transparency and increased our sustainability disclosures and reporting, including in-depth sustainability data to help assess our performance.

Overall, we accomplished a lot, and I'm excited for the future of sustainability at Sun Life.

## What challenges have you faced so far?

Sustainability is a complex and rapidly evolving field. As a global company, it's not always easy to respond swiftly to the diverse and changing needs around us. For example, the global regulatory environment is dynamically evolving and sustainability disclosure requirements across geographies are not consistent.

That's why one of our priorities is to focus more on measuring our impacts. We're working closely with our internal partners to set and track metrics that give a clear sense of the value we deliver for both our business and society.

## How are you building 'people power' to achieve Sun Life's sustainability ambition?

Sun Life has made a commitment to being sustainability driven. We need a strong, energized, and specialized team to lead the transformation. We have roughly 55 individuals at Sun Life in dedicated sustainability roles and we continue to build our bench strength. Our Climate Change team is growing and building our enterprise climate transition plan to help position us as leaders in the transition to a low-carbon economy.

I'd like to thank both my own incredible team and the growing legion of sustainability-minded employees across Sun Life for their dedication to making a positive impact. Their ideas and actions are bringing our Purpose to life. It's truly inspiring to see so many people ready to roll up their sleeves to help.

## What is your vision for the road ahead in 2023?

I'm excited about the momentum we're building to power Sun Life's sustainability ambition. The goal is for each of us, at every level, to constantly evaluate our day-to-day business decisions: will this help drive positive social impact? Will this reduce our carbon footprint?

In this way, we can connect more dots across Sun Life to produce better business and societal outcomes and support our net-zero transition. We can have a massive impact if we build stronger connections and leverage the full breadth of our capabilities. We must come together to build a more sustainable future, and I am confident we have the people, potential and Purpose to get us there.

### Alanna Boyd

Senior Vice-President and Chief Sustainability Officer

# Sustainability at Sun Life

Sun Life's Purpose is to help our Clients achieve lifetime financial security and live healthier lives. Our commitment to sustainability brings our Purpose to life.

## Thinking sustainably: The key to our future

Our sustainability ambition is to maximize our positive impact on society and the environment over the long-term, while creating value and competitive advantage for our business. That's why at Sun Life, being 'sustainability driven' matters deeply. It's a cornerstone of our Client Impact strategy (part of our corporate strategy) and we believe it's essential to our long-term business success. Being sustainability driven means embedding sustainability in everything we do, from our talent and culture to our business strategies, operations, investments and philanthropy. It's about intentionally, consistently and proactively incorporating sustainability thinking into our daily decisions and how we allocate capital.

## Building a more sustainable tomorrow: An ongoing journey

We have made strong progress on the road to a more sustainable future. But we have much more work to do as we challenge ourselves on how and where we can do better. Building upon our experience and achievements, our global Sustainability Team is leading the transformation of our organization to become authentically sustainability driven in the way we operate, while delivering impact in alignment with Sun Life's Sustainability Plan.

Launched in 2019, the plan has three pillars which represent the areas where we have the greatest opportunity to drive positive impact in society, while creating competitive advantage for Sun Life:

1

### Increasing financial security

We aspire to increase the lifetime financial security of our Clients, employees and communities. We're advancing financial security through innovative products and services, proactive education and improved access to and use of insurance and wealth products.

2

### Fostering healthier lives

We aspire to improve health and wellness outcomes for all. We offer Clients and employees products, services and tools to help them live healthier lives. We positively impact health and wellness outcomes in society through our focus on increasing access to health care and health and disability insurance. Our investments in community health complement these efforts.

3

### Advancing sustainable investing

We aspire to deliver sustainable returns for Clients and drive the transition to a low-carbon, inclusive economy. To pursue our aspiration, we:

- Manage capital with environmental, social and governance (ESG) factors embedded in our investment processes
- Offer our Clients sustainable investing opportunities
- Invest assets to support a low-carbon and more inclusive economy

These efforts build from our foundation of **operating as a trusted and responsible business**. This area represents table stake issues that we believe every company should act on. Across all these areas, we're increasing our investments and expanding our efforts to deliver meaningful progress toward a more sustainable future.

▶ 2022 highlights ▶ Global context and megatrends ▶ Message from the President and CEO ▶ Q&A with our Chief Sustainability Officer ▶ **Sustainability at Sun Life**

## Our material ESG topics

Our Sustainability Plan – along with this report and complementary web disclosures – addresses the ESG topics that our stakeholders identify as most important for us to act on, based on our latest materiality assessment conducted in 2021. Refer to [Stakeholder Engagement and Materiality](#) for details.

## Our sustainability governance model

From our Board of Directors to our front-line business teams, we drive sustainability strategies and monitor sustainability performance at all levels. In 2022, we continued to strengthen sustainability functions, accountability and capability across the organization. We increased the number of people working across Sun Life on our sustainability agenda and deepened our in-house expertise and skills in key areas like climate change.

### Board of Directors

The Governance, Investment & Conduct Review Committee of the Board of Directors assists the Board with its oversight of sustainability matters. This includes reviewing and approving our enterprise-wide Sustainability Policy and reviewing and recommending approval of our annual Sustainability Report and Sustainability Plan to the Board. The Risk, Audit and Management Resources Committees assist the Board with its oversight role over aspects of sustainability and climate change. These aspects include oversight

over the management of current and emerging risks, financial disclosures in the Financial Statements and Management's Discussion and Analysis (including those related to climate change), and our diversity, equity and inclusion strategy.

### Chief Sustainability Officer

The Senior Vice-President, Chief Sustainability Officer is responsible for delivering on Sun Life's long-term sustainability commitments to design and lead greater sustainability performance for Sun Life. This accountability includes ensuring the company meets its climate commitments and advocating for strong government policies and regulations that support a lower-carbon, more inclusive economy.

### International Sustainability Council

The International Sustainability Council (ISC) is composed of senior executives representing our business groups and key functions. ISC members are responsible for supporting the implementation of our Sustainability Plan. ISC members champion, influence and drive action. This group meets at least four times per year.

### Global Sustainability Team

This team serves as our global centre of sustainability expertise. They manage Sun Life's Sustainability Plan, its implementation, and reporting and disclosures related to our global sustainability performance. The team also conducts sustainability-related research, facilitates knowledge-sharing across Sun Life and

provides insights and thought leadership to support decision-making. Complementing the team's efforts are dedicated sustainability roles within business groups, units and functions. A network of sustainability champions supports these efforts.

### Business Groups and Corporate Functions

As part of their Strategic Plans, each Sun Life business group has identified specific actions to drive meaningful sustainability impacts where they are best positioned. The Board of Directors reviews, advises on and approves Business Group Strategic Plans, ensuring the plans are holistic, thoughtfully developed and aligned to the enterprise strategy, purpose and objectives. Each group is also accountable for implementing and reporting on their sustainability strategy. The global Sustainability Team coordinates efforts across all business groups to ensure alignment to the enterprise Sustainability Plan. The ISC reviews progress of the business groups' sustainability efforts quarterly.

## UN Sustainable Development Goals

Sun Life supports the United Nations Sustainable Development Goals (SDGs). Our work is aligned to the following SDGs where we believe we can have the greatest impact:

- #3 Good health and well-being
- #5 Gender equality
- #7 Affordable and clean energy
- #8 Decent work and economic growth
- #13 Climate action

Read our separate report, [Supporting the Sustainable Development Goals](#), to learn how we're contributing to each of these SDGs.

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## Tracking our progress

### Sustainability scorecard and goals

Objective	Goal / Target	Status	2022 results	2021 results
<b>Increasing financial security</b>				
Increase the lifetime financial security of Clients, employees and communities	We are developing impact metrics related to this objective.	In progress	-	-
<b>Fostering healthier lives</b>				
Improve health and wellness outcomes for all	We are developing impact metrics related to this objective.	In progress	-	-
<b>Advancing sustainable investing</b>				
Grow sustainable investment portfolio	\$20 billion in new sustainable investments <sup>1</sup> between 2021-2025	In progress Total invested since 2021: \$14.2 billion <sup>2</sup>	\$6.5 billion invested <sup>2</sup>	\$7.7 billion <sup>2,3</sup>
Achieve net-zero greenhouse gas (GHG) emissions by 2050 or sooner for our investments	Establish initial interim targets for Sun Life's general account investments	Achieved: Established interim targets for three asset classes. Refer to our <a href="#">Net Zero by 2050</a> report for the latest details.	Developed 2019 baseline GHG emissions profile for Sun Life's general account; 2023 will be the first results reporting year	Announced net-zero GHG emissions goal
	Establish interim targets for our asset management businesses	In progress Refer to our <a href="#">Net Zero by 2050</a> report for the latest details	Several asset managers had interim targets approved through the Net Zero Asset Managers initiative	
<b>Operating a trusted and responsible business</b>				
Reduce our operational footprint and achieve net-zero GHG emissions by 2050 or sooner in our operations	Maintain carbon neutral operations globally	Achieved	Achieved CarbonNeutral <sup>®4</sup> company certification	Achieved CarbonNeutral <sup>®4</sup> company certification
	50% absolute reduction of GHG emissions <sup>5</sup> in our operations by 2030 (2019 baseline)	In progress	36.9% reduction	N/A Target established in 2021
Accelerate diversity, equity and inclusion by 2025 <sup>6</sup>	Gender parity on Board	Achieved	55% women <sup>7</sup>	42% women
	Gender parity in VP+ roles (global)	In progress	36% women	35% women
	25% underrepresented ethnicities <sup>8</sup> in VP+ roles (North America)	In progress	19%	16%
	3.5% Black employees in executive roles (Canada) <sup>9</sup>	In progress	3.3%	2.1%
	5% Black employees in student workforce roles (Canada) <sup>9</sup>	Achieved	8%	4%
	13% Black/African American employees at each level (U.S.) <sup>10</sup>	In progress	8%	6%
	5% diverse supplier spend (North America)	In progress	1.0%	1.6%
Achieve Progressive Aboriginal Relations certification	In progress	Phase 1 complete and phase 2 in progress	N/A Goal set in 2021	

<sup>1</sup> Criteria for investments based on ICMA Green Bond Principles, ICMA Social Bond Principles, ICMA Sustainability Bond Principles, GRESB Real Estate Benchmark, and PRI Impact Investing Market Map. 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. Does not include all holdings in companies that may be defined as sustainable under other taxonomies.

<sup>2</sup> Values are as at transaction date. Client asset values included represent a non-IFRS financial measure.

<sup>3</sup> Data restated due to reporting omission of \$0.9 billion in green, social and sustainability bonds

<sup>4</sup> CarbonNeutral<sup>®</sup> is a registered trademark of Climate Impact Partners and is achieved in accordance with The CarbonNeutral Protocol, the leading global framework for carbon neutrality.

<sup>5</sup> Emissions resulting from global corporate offices and data centres as well as from corporate travel, inclusive of majority-owned Sun Life affiliate companies. All emissions reporting is aligned to the GHG Protocol Corporate Accounting and Reporting Standard using the financial control approach.

<sup>6</sup> Underrepresented ethnicity data is based on employee voluntary self-identification. 91% of employees surveyed have provided self-identification data. Board representation data based on self-identification.

<sup>7</sup> Effective February 7, 2023, upon the appointment of Joseph Natale to Sun Life's Board of Directors, 50% of Sun Life's Board of Directors self-identify as women.

<sup>8</sup> Canada: those who voluntarily self-identify as Visible Minorities per the Employment Equity Act; U.S.: those who voluntarily self-identify as People of Color per the Equal Employment Opportunity Commission.

<sup>9</sup> Part of a series of commitments included in our role as signatory to the BlackNorth Initiative.

<sup>10</sup> U.S. refers to the U.S. Group Benefits, Dental (excluding DentaQuest) and In-Force management businesses of Sun Life U.S. as reported by Sun Life Financial Group Inc.



# Increasing Financial Security

We aspire to increase the lifetime financial security of our Clients, employees and communities. We're advancing financial security through innovative products and services, proactive education and improved access to and use of insurance and wealth products.

## Material topics in this chapter:

- [Financial Security](#)

## Our work is aligned to Sustainable Development Goal:



► **Financial Security**

# Financial Security

## Helping people build financial security for a changing world

The need to help people create more stable and resilient financial futures is growing. Young people struggle to enter or remain in the workforce. They are worried about their financial future more than ever before<sup>1</sup>. Economic challenges from a lack of access to financial services have continued to impact marginalized communities more than others<sup>2</sup>. Many people around the world remain underinsured or not insured at all, leaving them and their dependents financially vulnerable<sup>3</sup>. The pandemic compounded these financial stressors but also highlighted the value that access to financial services can offer.

### Our approach at a glance

- > Delivering products to support lifetime financial security
- > Driving financial security through digital capabilities
- > Increasing financial inclusion and access
- > Improving financial confidence and engagement through proactive education
- > Advocating for financial security through public policy and outreach

[Learn more online](#)

## 2022 Performance

A key pillar of our sustainability plan is to expand and create new opportunities to boost financial security. Our focus on helping our Clients achieve lifetime financial security remained a priority in 2022. Across our markets we continued to offer a variety of insurance and investment products and services to help Clients build financial confidence, resilience and well-being. We also found new opportunities to make insurance, wealth management and financial education more accessible within some of our markets in Asia. Improving financial security is important to Sun Life because we believe it is a major step towards inclusive growth, while helping us reach and engage more Clients.

### Making it easier for Clients to increase their financial security

- Created over 49,000 financial roadmaps<sup>4</sup> for Clients in Canada using our new Sun Life One Plan digital tool. Sun Life One Plan contributes to our ambition for all Canadians to have a financial plan. Having a financial roadmap helps build financial confidence and provides clear steps to achieving wealth and protection goals. We also provide Clients with online access to their roadmap. This functionality makes it easier for Clients to track progress on their goals and identify different scenarios to build a sustainable future.
- Introduced Prospr by Sun Life, a hybrid advice solution combining a best-in-class digital platform with a team of licensed advisors. The solution makes it easier for Canadians to select, prioritize and track their

**49,000+**

financial roadmaps<sup>4</sup> created for Clients in Canada using our new Sun Life One Plan digital tool

goals all in one place. It supports Canadians' personalized and holistic financial planning in a way that best meets their needs.

- Helped employees of group benefits Clients make well-informed benefits decisions and get the insurance coverage they need to ensure their families' financial security by launching Benefits Explorer in the U.S. It's an interactive platform designed to provide employees with personalized, live educational content and customized tools. Insurance and benefits help employees protect their income when they are unable to work and from unexpected out-of-pocket medical costs that can put their financial security at risk.
- Supported Sun Life Canada Group Retirement Services plan members in maximizing their workplace retirement savings plans and driving better outcomes. We offered tools and insights, like the "Planning your Best Retirement" webpage and flagship reports such as Designed for Savings and Planalytics™.
- Drove \$1.4 billion in insurance coverage and \$697 million in wealth deposits in Canada through nudges from our digital coach, Ella. This represents an increase of 47% and 1% respectively over 2021. Ella delivers proactive and personalized interactions to help our Clients achieve their health and financial goals.
- Proactively helped more employed and self-employed citizens in Hong Kong save towards a healthy retirement through our digital platform. Through the platform, Sun Life distributors assist Mandatory Provident Fund (MPF) Clients in completing various account applications online. While retirement saving is mandatory in Hong Kong, the process varies by company. We believe that making the process more efficient and easier to navigate for our Clients has played a key role in making Sun Life Hong Kong the fastest growing MPF provider in the last five years, growing at a compound annual growth rate of over 20% per year.

<sup>1</sup> Sun Life. "Pandemic driving younger Canadians to focus on protecting their financial future more than ever". 2021.

<sup>2</sup> Aria Florant, JP Julien, Shelley Stewart, Nina Yancy, and Jason Wright. "The case for accelerating financial inclusion in black communities". 2020.

<sup>3</sup> Organisation for Economic Co-operation and Development. "Insurance indicators: Penetration". 2021.

<sup>4</sup> Figure includes Individual Clients and a pilot Group Retirement Services Client using our new Sun Life One Plan digital tool. In 2022, we created over 65,000 financial roadmaps for Individual Clients.

► **Financial Security**

### Improving financial access and inclusion

- Continued to address the low rate of life insurance uptake in the Philippines, Indonesia, Vietnam and Malaysia by providing access to more affordable insurance products.
  - In the Philippines, our affordable insurance products have helped to financially secure more than 1.5 million lives in 2022, a year-over-year increase of 7%. This growth is due to our efforts to make insurance more accessible through strategic partnerships with financial technology companies and other organizations, such as Universal Storefront Services Corporation, Home Credit Philippines, Lazada and GCash.
  - In Vietnam, the number of lives covered by simple and affordable insurance solutions offered through our partnerships with digitally-focused companies such as TIMO, TPBank and ACB reached over 2,200.
  - In Malaysia, we continued to offer low-cost insurance products through partnerships with CIMB Bank and U Mobile. Over 10,000 lives were insured through these partnerships in 2022.

In addition, in Indonesia, our partnerships with e-commerce and insurance technology organizations like LinkAja and Lifepal enable consumers to buy Sun Life insurance products directly from digital platforms.

- Expanded distribution channels to help increase access to financial services. Refer to [Client Experience](#) for highlights of our activities in this area.
- Offered financial education activities and resources globally to help people build their financial literacy. For example:
  - Sun Life's Asia Service Centre Philippines held a webinar entitled "Building Brighter Habits for your Future" for the second consecutive year to encourage young Filipinos to build good financial habits. 102 students from SOS Children's Villages and House Foundation attended the virtual event.
  - Sun Life Philippines engaged over 9,000 Filipinos through hybrid events on topics such as women in business, tax planning for small and medium enterprises, and family and finances.
- Delivered Sun Life Foundation's award-winning financial literacy program ("Sun Pera-Aralan") in the Philippines to over 70,000 teachers in Metro Manila and nearby provinces. Designed in collaboration with AHA! Behavioral Design, the program features a budgeting system to help teachers allocate their monthly salary and develop good financial habits. Sun Life Foundation also established an online community to allow teachers to learn from and inspire one another in their financial journey. Results to date show improvements in saving and budgeting habits among participants.

- Collaborated with CNBC Indonesia TV to create and broadcast 11 episodes on financial literacy topics. Reaching over 100,000 people, the television series educated people on financial management and the role of insurance in achieving their financial goals.
- Announced a new partnership between B2B Bank and Sun Life Global Investments. Clients can get registered retirement savings plan loans when investing in Sun GIF Solutions, one of Sun Life Global Investments' segregated fund products. We aspire to help Canadians save for retirement by providing innovative solutions that can help mitigate financial stressors and manage risk.

## 1.1M

actions taken by Clients in Canada to boost their financial security. Examples of actions include adding voluntary benefits, adding a voluntary savings product, or making a lump sum deposit.



#### JUST THE NUMBERS

- [ESG Performance Tables](#)

#### MORE ONLINE

- [Financial Advice](#)
- [Helping fishing communities in the Philippines build financial resilience \(feature story\)](#)



# Fostering Healthier Lives

We aspire to improve health and wellness outcomes for all. We offer Clients and employees products, services and tools to help them live healthier lives. We positively impact health and wellness outcomes in society through our focus on increasing access to health care and health and disability insurance. Our investments in community health complement these efforts.

## Material topics in this chapter:

- [Client Health](#)
- [Employee Wellness](#)
- [Community Wellness](#)

## Our work is aligned to Sustainable Development Goal:



# Client Health

## Improving access to care and helping Clients live healthier lives

Sun Life is committed to being a partner for Clients throughout their health journey. For us that means helping them find the right care in complex health-care systems. It means offering health insurance plans with appropriate coverage. And it means educating and empowering Clients to confidently make decisions about their health.

### Our approach at a glance

- > Improving access to care
- > Removing barriers to mental health treatment
- > Helping people remain productive at work
- > Educating and empowering people to take charge of their wellness
- > Sharing insights and best practices with others

[Learn more online](#)

## 2022 Performance

As a provider of health insurance and benefits, we continued to help Clients get access to the right care at the right time. We created innovative products and services, formed new partnerships and moved deeper into select areas (e.g., diabetes solutions, mental health services). Our aim is to build a digital health ecosystem that makes it easy for Clients to navigate, access, receive and manage care. We also continued to work collaboratively with governments, regulators and industries to proactively strengthen the health landscape for our Clients.

### Making health care more inclusive and accessible

- Supported group benefits plan members in Canada in building their families by introducing new surrogacy, adoption and fertility services benefits. Included within our new Family Building program, the benefits help meet the diverse needs of people growing families in different ways. These benefits can provide valuable support by reducing financial stress. Some estimates say surrogacy rates in Canada, for instance, have increased by 400% in the last decade<sup>1</sup>. So too have the costs, which can be as much as \$90,000 for each pregnancy.
- Continued to help Canadians with type 2 diabetes get access to affordable life insurance through Diabetes Signature Solutions. The program, which has been running as a pilot since 2021, offers improved

**50%+**

increase in the proportion of Canadians with type 2 diabetes getting insured as part of Sun Life's Diabetes Signature Solutions pilot

eligibility and access to specialized diabetes management resources in some regions. In 2022, the program saw both an increase in insurance applications, as well as higher offer and Client acceptance rates. These events led to an over 50% increase in the proportion of Canadians with type 2 diabetes who were able to receive insurance coverage as part of the pilot.

- Promoted better health by partnering with a wellness provider to pilot a digital wellness program for retail insurance Clients in Canada. The program rewards Clients for taking actions towards their physical, mental and financial health. Rewards can be redeemed for gift cards, discounts and charitable donations. Clients can also set and track their personalized health goals by syncing wearable devices with the app to stay motivated and compete in challenges. Since piloting this program, over 3,000 Sun Life Canada Clients have participated.
- Advanced our Client health capabilities in the U.S. by completing our acquisition of DentaQuest, the second-largest dental benefits provider in the U.S.<sup>2</sup>. The transaction advances Sun Life's strategy of being a leader in health and benefits. With this acquisition, Sun Life U.S. now serves more than 50 million Americans. We also announced two exciting initiatives following the acquisition:
  - A new program between DentaQuest and Partners Health Plan, a non-profit managed care organization serving individuals with intellectual and other developmental disabilities. This partnership will increase access to oral health care and help improve outcomes for this underserved community, contributing to our goal of increasing health equity for all.

<sup>1</sup> CBC/Radio-Canada. "Surrogacy in Canada Has Increased 400% in 10 Years: More Facts". 2022.

<sup>2</sup> Based on number of members as of December 31, 2021. Ranking based on data disclosed by competitors.

▶ Client Health ▶ Employee Wellness ▶ Community Wellness

- The TeamSmile Dental Home Project, a collaboration between Team Smile and DentaQuest. The program connects underserved children across the U.S. with long-term dental care resources and dental teams. Since piloting this initiative, the TeamSmile Dental Home Project powered by DentaQuest has connected over 1,400 children with a dental office in their community.

In addition, as the largest Medicaid dental benefits provider in the U.S.<sup>3</sup>, DentaQuest added approximately three million members in 2022, increasing access for low-income American families and children who typically have not had access to dental care.

- Continued to help members in the U.S. get timely access to high quality care and make confident decisions about their health through

**US\$30.5M**

in savings for Sun Life and our stop-loss Clients through our Clinical 360 program in the U.S.

PinnacleCare's personalized care navigation solutions. In 2022, more than half of PinnacleCare's expert second opinions identified a more appropriate treatment plan or a change in the original diagnosis. Member satisfaction was 95%.

- Continued to assist our Clients in reducing health-care costs and improve health-care outcomes. As part of Sun Life's Clinical 360 program in the U.S.,

self-funded employers receive support from clinical experts who act as a second set of eyes to identify cost savings and opportunities to improve care. For example, our nurse consultants' review of a high-cost medication identified an alternative for a plan member who was going to the hospital for treatments that could be administered at home. Sun Life's clinical and sales team worked with the broker and third-party administrator to make this change. The transition resulted in cost savings of more than US\$43,000 per dose and US\$1.1 million per year, and a more convenient experience for the plan member.

- Improved our understanding of the health-care needs of our Clients by creating listening programs in the U.S. These programs get input from Clients on topics such as access to care, mental health and how to make benefits easier to use and understand. We conducted quick pulse checks through a virtual feedback platform with Clients. Some things we learned:

- interest is high for digital experiences for managing health
- people value mental health programs and want more support in this area
- consumers want more transparency in health care

We are using the input to inform and update our Client health strategy.

- Formed a partnership with Teledentistry.com in the U.S. The service offers plan members 24/7 virtual access to dental providers, making it easier to get dental care and advice in emergencies, while traveling or during evenings and weekends.

- Focused on improving access to quality health care in the Philippines through initiatives launched in collaboration with top health-care companies such as Boehringer Ingelheim (Philippines) Inc., Pfizer (Philippines), Roche (Philippines), and Abbott. The collaborations kicked off with a medical-financial literacy program consisting of health webinars, forums and the development of educational materials on health and wellness. Aside from pharmaceuticals, we also partnered with Hi Precision, one of the leading medical diagnostic centres in the country. Together we will explore insurance solutions covering critical diseases affecting Filipinos.

- Supported access to medical care in the Philippines by strengthening the GREPA Medical and Diagnostic Center (GMDC), a division of Sun Life Grepa Financial, Inc. (SLGFI), with digital capabilities. At the height of the pandemic, GMDC offered its online consultation service which uses a video conferencing platform for telemedicine. More recently, SLGFI expanded to include partners located in rural areas, providing access to medical services to more Filipinos. Today, group life Clients and employees

can access over 1,200 hospitals and health clinics and 17,000 medical specialists nationwide.

- Continued to offer hospital insurance plans to consumers in Hong Kong under the government's Voluntary Health Insurance Scheme (VHIS). Launched in 2019, the VHIS aims to enhance the protection level of medical insurance and create better access to quality care that being VHIS-certified offers. Sun Life participates in the voluntary program as a certified VHIS provider because it aligns with our goal of improving access to health care and insurance protection. In 2022, we issued nearly 16,000 VHIS-certified policies to individuals, representing HK\$63 billion of annual coverage, helping more people prepare for their future medical needs.

- Made it possible for approximately 52,000 people across Indonesia and Vietnam, including in remote areas, to be vaccinated for COVID-19 by donating \$250,000 to UNICEF's COVID-19 vaccination program.

- Created initiatives aimed at educating and empowering Filipinos to make healthy choices. For example, our Wellness from Home campaign in the Philippines aimed to help Clients achieve wellness goals through online events, communications and pre-recorded workout videos. To date, 3,000 people have viewed the videos.

<sup>3</sup> Based on membership as of September 2022.  
Sustainability Report – 2022 Performance

## Mental health supports for Clients

- Provided mental health supports by expanding our partnership with Dialogue Technologies to offer a new Employee Assistance Program (EAP) and online Cognitive Behavioural Therapy (iCBT) to group benefits Clients throughout Canada. The new EAP is available on the Lumino Health Virtual Care platform and gives our plan members fast and confidential support, ranging from stress and wellness services to parenting support, couples coaching and eldercare navigation. As part of their EAP service, members have access to the iCBT program. The program is a series of interactive, self-care resources that are clinically proven to support mental health disorders, including anxiety and depression.
- Recorded strong results from our Mental Health Coach pilot project in Canada. The program identifies group benefits Clients most at risk of developing mental health problems. Following the launch of the pilot in 2021, 94% of plan members experienced a positive health outcome<sup>4</sup>. Findings also show that the program successfully engages at-risk members, removes barriers and prompts access to care, improves health outcomes and reduces absence duration.

- Offered convenient, confidential access to mental health services to Sun Life disability and critical illness members in the U.S. receiving benefits due to a cancer diagnosis by establishing a unique partnership with AbleTo. AbleTo is a leading provider of high-quality, evidence-based virtual mental health therapy and coaching solutions, and delivers holistic, personalized care, designed to help people cope with difficult medical diagnoses and reduce their mental health symptoms. Sun Life members get one-on-one weekly sessions with a licensed therapist via phone or video call, along with digital tools, activities and more.
- Published several mental health case studies to showcase workplace success stories. The case studies provide examples of how certain companies developed and implemented effective mental health strategies to support employee wellness. We understand that workplace mental health is at the top of the list of concerns and priorities for many employers.
- Collaborated with the Philippine Mental Health Association for a free webinar series entitled Safe Space. The series features experts discussing issues that Filipinos are facing in the present, as well as practical ways to cope with the triggers that affect their mental health. Over 2,000 people attended the live webinar series.



## Health research and advocacy

- Developed resources to enhance Client knowledge of workplace health issues, such as:
  - the management of long COVID impacts in the workplace. We published a [Bright Paper report](#) to highlight ways that companies can support employees who are experiencing long COVID.
  - high-cost claims and injectable drug trends. We released our 10<sup>th</sup> annual [Stop-Loss Research Report](#) to help self-funded employers make coverage decisions that are right for them and support the needs of their employee population.

- Advocated for an expansion of Tennessee's Medicaid program to include dental coverage for adult enrollees through Sun Life U.S.' DentaQuest business. This work has resulted in 600,000 more Tennesseans having access to dental benefits.
- Engaged with the Government of Manitoba as part of its public consultation on the development of a five-year roadmap for mental health, wellness and recovery. We recommended the government consider initiatives that increase access to mental health supports for all Manitobans and empower employers to create psychologically safe and healthy workplaces. In line with our recommendations, the government's mental health strategy includes commitments to develop an anti-stigma strategy and to provide workplace wellness and psychological health and safety programming.

### JUST THE NUMBERS

- ▶ [ESG Performance Tables](#)

### MORE ONLINE

- ▶ [Health and wellness resources](#)
- ▶ [Health insights for group benefits Clients](#)

<sup>4</sup> Plan members who were reassessed and saw symptom improvement, engaging in lifestyle interventions and/or higher intensity treatment.

# Employee Wellness

## Making a healthy investment in employee well-being

Supporting employee wellness has never been more important. Mental health risks, resignations and workforce burnout are among the growing challenges companies face. As people and businesses adjust to a rapidly changing world, maintaining an engaged, healthy workforce is critical to employee and organizational performance.

For years, Sun Life has been investing in employee wellness. We believe it's an investment that pays off. Employee wellness underpins our ability to deliver excellent service to Clients and to attract and retain top talent. It also supports our high-performance culture. The COVID-19 pandemic has reinforced the importance of our wellness programs to Sun Life's resilience. That's especially true for programs focusing on financial and mental health.

### Our approach at a glance

- > Establishing clear priorities and actions through our Global Wellness Strategy
- > Pillar 1: Supporting mental wellness
- > Pillar 2: Promoting physical wellness
- > Pillar 3: Investing in financial wellness
- > Measuring the success of our actions and making adjustments

[Learn more online](#)

## 2022 Performance

### Leadership in mental health care

- Rolled out new mental health training for people leaders and employees in North America. The training provides short courses and downloadable resources with practical tips to help support mental wellness.

92%

of employees say that their immediate manager/supervisor supports their well-being<sup>1</sup>

- Launched an enhanced virtual Employee and Family Assistance program (EFAP) in Canada that integrated our EFAP into a single wellness platform (Lumino Health Virtual Care, powered by Dialogue). Aligning programs on a platform with many entry points helps remove stigma as a barrier to accessing mental health care. In addition to legal and financial advice and career counselling, the EFAP provides mental health resources and help with family and other relationships. Our goal is to ensure employees and their families are aware of the resources available to them, and are able to easily access and take advantage of them when needed.
- Created a podcast for U.S. employees. Available on our intranet, the podcast is a platform for employees to share their experiences with mental health issues. By listening to the podcast, employees can learn about resources to help them get through challenging times. Making mental health conversations the norm is an important step in reducing the stigma associated with mental health.

- Organized theme days to support work-life balance at Sun Life Vietnam. Examples included movie day (free tickets), waffle day (with food served by the leadership team) and family photo day (with professional photographers). In addition, we increased the annual leave carryover limit in 2022. This increase helps employees to use their time off when it best suits them.
- Published a [Bright Paper report](#) with effective actions that organizations can take to promote mental health in the workplace. The resource highlights Sun Life's commitment to bringing our best practices to help others support their employees' mental health. Sun Life also offers a free Mental Health Strategy Toolkit. The toolkit helps organizations get started or take the next step on their workplace mental health journey.

### Reinforcing our commitment to a safe work environment

- Renewed our Health and Safety Statement in Canada. This document describes our commitments, and the roles and responsibilities that each one of us play in keeping a healthy and safe work environment. In addition, the statement provides guidance on how people leaders and employees can help make health and safety a priority while working. Other Sun Life regions have similar statements.
- Enhanced our safety ambassador program. Globally, Sun Life has more than 780 safety ambassadors who serve as the go-to people in their locations for safety resources. Each safety ambassador plays a role as an evacuation warden, first aid responder or health and safety representative within their region. In 2022, we created virtual health and safety boards to support hybrid working.

<sup>1</sup> Based on global employee engagement survey. 68% of employees surveyed participated. Refer to [Report Scope - Note 2](#).

- Provided access to vaccines, testing and resources to prevent the spread of COVID-19 through various waves of the pandemic. For example:
  - In North America, high efficiency particulate air (HEPA) filtration units were added to meeting rooms and closed multi-occupancy spaces (e.g., mailrooms) to limit potential virus spread. Landlords for all Sun Life occupied spaces were surveyed for heating, ventilation and air conditioning (HVAC) system information, such as air filter type, air changes per hour and fresh air allowances. We used this information to guide our actions in minimizing the circulation of COVID-19.
  - Our Asia Service Centre India (ASCI) spearheaded a COVID-19 vaccination drive that benefitted around 2,000 employees, their dependents and support staff. ASCI organized COVID-19 care and other monthly wellness webinars, and offered telemedicine services along with a dedicated 24/7 COVID-19 helpline. We also installed high-grade minimum efficiency reporting value (MERV)-13 air filters at ASCI to help minimize the circulation of infectious viruses.
  - In Hong Kong, we offered free telemedicine services (including sending prescribed medicine) to employees and dependents who tested positive for COVID-19. We also offered an extra HK\$500 to employees. This incentive helped to pay for rapid testing kits or other wellness items to support them through the fifth wave of COVID-19.

## A holistic approach to well-being

- Continued to share free health support with employees worldwide. The programs are voluntary and vary by region, so employees can choose the ones that interest them. For example, in the U.S., we expanded our library of wellness webinars. New topics include: keeping your heart healthy, how to manage emotions as a working parent and mobility training. In Vietnam, we partnered with a popular gym and yoga studio to organize in-office and virtual fitness sessions.
- Introduced a new medical travel and lodging reimbursement benefit to our U.S. employee health plans. This benefit supports obtaining any covered medical treatment or procedure that is not available within 100 miles of an employee's residence due to state restrictions on the availability of these services. We believe in equal access to health care and support the right of every employee to receive medical treatment regardless of where they live.
- Boosted benefits to better support growing families. For example:
  - In Canada, we extended maternity top-ups (from 6 to 14 weeks, up to 100% pay), included parental and adoption top-ups (up to 100% pay up to 14 weeks), added fertility services and increased fertility drug coverage amounts.
  - In Malaysia, we improved our benefit program for maternity, paternity and extended family care leaves (e.g., care for a family member who has a disability, physical illness or elderly care). The program offers benefits above the legal requirements.
- Helped employees and their families in India get access to local health care. We partnered with 46 hospitals and online pharmacies across the country to negotiate corporate discounts and priority services for employees and their dependents.
- Rolled out a new wellness icon on Sun Life U.S. employee computers. Employees can click the icon for one-stop-access to benefits and programs devoted to physical, mental and financial well-being, making it easier for them to get the help they need.



### JUST THE NUMBERS

▶ [ESG Performance Tables](#)

# Community Wellness

## Leading change for a healthier and more equitable society

Our philanthropic investments reflect Sun Life's commitment to helping people live healthier lives. We're aiming to improve their physical health, mental health and overall well-being. We're not just donating. We're striving to make a real difference, especially in our global philanthropic health cause: type 2 diabetes prevention. We harness the full breadth of our resources, including our people and expertise, to make a positive impact.

### Our approach at a glance

- > Encouraging healthy, active living that's inclusive
- > Slowing the advance of diabetes
- > Responding to ongoing challenges in mental health
- > Harnessing and supporting the community work of employees and advisors

[Learn more online](#)

## 2022 Performance

Our philanthropic strategy has centered on diabetes causes for the past 10 years, with a growing focus on expanding access to health services. In 2022, we increased our community investments to support access to mental health services for youth and their families. We also continued to place a bigger focus on advancing diversity, equity and inclusion, especially for disadvantaged or underserved communities, across all of our philanthropy support.



### Diabetes prevention and care

- Contributed \$5.7 million of Sun Life's corporate giving to the fight against diabetes. We supported initiatives to prevent type 2 diabetes, direct services to underserved communities, and take diabetes education virtual.

### Type 1 and Type 2 diabetes: What's the difference?

**Type 1:** Autoimmune disease that prevents people from producing their own insulin. Typically develops in childhood or adolescence but can also develop in adulthood. Approximately 10% of people living with diabetes have type 1.

**Type 2:** People can't properly use the insulin produced by their bodies (or they don't produce enough). Typically develops in adulthood but can occur in childhood. It can be managed with healthy eating, exercise, medication, or some combination of the three.

Source: Diabetes Canada, 2022

- Maintained our annual \$200,000 investment to support the Sun Life Diabetes College. This investment is part of a three-year \$600,000 commitment with Toronto Rehab-University Health Network that began in 2021. The online, interactive resource hub helps people with diabetes manage their health through exercise, education and tips on living a healthy lifestyle. Sun Life's funding has:
  - helped to create new education resources on the Sun Life Diabetes College platform,
  - enabled the creation of a research partnership in the Philippines to evaluate the effectiveness of the curriculum, and
  - increased the number of new users on the platform from 10,312 people in 2020 to 64,542 people in 2022 through global awareness campaigns.

▸ Client Health ▸ Employee Wellness ▸ **Community Wellness**

- Continued our partnership with the Montreal Heart Institute in support of the Sun Life Diabetes Prevention Clinic. The Sun Life Diabetes Prevention Clinic's goal is to reverse type 2 diabetes and pre-diabetes by detecting the disease earlier and encouraging the adoption of healthy lifestyle habits. Since the Sun Life Diabetes Prevention Clinic's launch in 2018 with Sun Life's funding, they have:
  - treated more than 850 patients, with 32% achieving the criteria for successful diabetes remission,
  - delivered 40,000+ training sessions for patients, and
  - facilitated over 8,600 patient meetings with teams of nurses, nutritionists, doctors and kinesiologists.
- Awarded US\$350,000 to six community organizations as part of our 2022 Team Up Against Diabetes grant program. Through the program, Sun Life awards grants annually to organizations around the U.S. that help improve people's health and serve those with or at-risk for diabetes. Programs provide services for type 2 diabetes prevention, awareness, education, management and care to underserved and under-resourced communities most vulnerable to type 2 diabetes. Since the launch of the program in 2016, we have awarded over US\$1.7 million in support to organizations across the U.S.

**\$46.7 million**

committed to the fight against diabetes globally since 2012

- Renewed our national sponsorship of Project Power, a program from the American Diabetes Association<sup>1</sup>. Project Power is a free program available in every U.S. state. The program consists of fun lessons and activities to encourage kids and their families to live healthier lives. Over 27,000 youth were impacted by the program in 2022. The curriculum is focused on nutrition and fitness education, as well as family engagement. Parents can also take a type 2 diabetes risk assessment and access additional resources.
- Continued to support the Boston Celtics' Fit to Win youth initiative in the U.S. The four-week program engages kids from grades three through six in new exercise routines and healthy habits. Kids get prizes for their participation. After a fully virtual program in 2021, kids were able to get back to their gyms and engage in additional virtual live programs from the Celtics. Participant surveys taken pre- and post-program showed an increase in frequency of exercise each week, and a higher consumption of fruits and vegetables.
- Collaborated with the Active Healthy Kids Global Alliance (AHKGA) to sponsor the Youth Physical Activity Report Cards program across Asia. The program is designed to help improve the physical health of young people in Asia and around the world. The report cards provide insights into the physical activity opportunities for children and youth by country and make recommendations for improvements.

- Introduced new diabetes-focused initiatives in the Philippines that aim to promote diabetes awareness and type 2 prevention. For example, we launched the Sun Life Diabetes Corner and integrated the diabetes program into existing barangay<sup>2</sup> health stations. Barangay health stations are community-based facilities that provide primary health-care services. In collaboration with Health Futures Foundations Inc., Sun Life Diabetes Corner provides services such as blood sugar screening and informational resources.
- Held the SUNPIOLOGY Family Challenge in the Philippines to make health and wellness a shared goal among families as they fight diabetes. 232 families participated, reaching a total of 13 million steps over the month-long challenge.
- Supported eight health and wellness programs in Malaysia. These programs benefited more than 9,000 people, many from underserved communities. For example, through our annual flagship Brighter Health Blood Glucose Screening campaign, we worked with pharmacy partners nationwide and offered free blood glucose screenings to more than 6,800 Malaysians. We also ran a series of wellness workshops for youth and women on type 2 diabetes prevention and mental and physical well-being. In addition, we provided financial aid to underprivileged individuals in need of diabetes medication.

**Increased investments in mental health**

- Partnered with the National Alliance on Mental Illness (NAMI) and the Black Mental Health Alliance for Education & Consultation, Inc. (BMHA) in the U.S, to support programs offering mental health and wellness services to communities that typically have limited access. BMHA offers educational forums, referral services and trainings that support health and wellness in Black and vulnerable communities. NAMI works to educate, support, advocate, listen and lead, to improve the lives of people with mental illness and their loved ones.



"Historically, underserved and underrepresented communities have had less access to quality, affordable mental health care, which has impacted their ability to get help early and the best possible care. NAMI has intentionally stepped up our efforts to reach more people with our free, local support groups and education programs. We are grateful to partners like Sun Life, who share this commitment and dedication."

**Jessica Edwards,**  
Chief Development Officer, NAMI

<sup>1</sup> Copyright 1995–2023. American Diabetes Association®.  
<sup>2</sup> A barangay is the smallest political unit in the country.

• Refined our mental health philanthropy strategy in Canada to focus on expanding access to mental health care for youth and families from underserved and marginalized communities. In 2022, we donated more than \$2 million to support mental health programs in Canada. This brings Sun Life's total mental health commitments to more than \$6 million over the next three years. These investments will support 14 organizations across Canada in their work to develop and maintain targeted mental health programs. Each of these community organizations takes a practical, prevention-based approach to building mental resilience and improving coping skills for at-risk youth, in a way that is accessible and engaging. Examples of donations made in 2022 include:

**\$23.8 million**

donated to support community organizations working to improve health, culture, social services and education around the world<sup>3</sup>

to support their mental well-being. The program also helps increase Indigenous youth awareness and understanding of Kids Help Phone services. In 2022, this program reached more than 500 Indigenous youth, through the delivery of 51 mental health sessions in 18 Indigenous communities across Canada. Refer to the [Diversity, Equity and Inclusion](#) section for more examples of our support for Indigenous communities.

For more information on these mental health partnerships and others, refer to [our mental health commitment](#).



**“The majority of mental health challenges begin during childhood or adolescence. In particular, marginalized youth are disproportionately impacted and face greater challenges accessing relevant supports. That is why we are committed to helping young Canadians take action on mental health and access the tools and resources they need when they need it. This funding and the collective power of these organizations will help build a more resilient, inclusive, and healthier Canada.”**

**Jacques Goulet,**  
**President, Sun Life Canada**



### **Inclusion and overall well-being**

- Donated \$275,000 in 2022, as part of a three-year \$825,000 commitment, to the Foundation for Black Communities in support of the Ontario Youth Wellness Grant program in Canada. These grants will benefit 33 Black-led, Black-focused and Black-serving non-profit organizations that foster the physical and mental well-being of Black youth in Ontario through sport and recreation programs.
- Renewed our support for Right to Play's Indigenous Health and Wellness Program with a new \$900,000 commitment over three years. Our funding will provide Indigenous children and youth across Canada with play-based, culturally-relevant programs that

support their physical and mental well-being. Sun Life has been a proud partner of Right to Play since 2015, contributing more than \$1.2 million to date. In 2022, our funding supported over 2,200 Indigenous children and youth in making positive, long-lasting healthy lifestyle choices in 36 communities across the country.

- Renewed our partnership with MLSE Foundation in Canada to launch a new basketball program aimed at improving mental health outcomes for underserved and marginalized communities in Ontario. In addition, Sun Life committed \$500,000 to Giants of Africa to help create a new state-of-the-art community basketball court in Edmonton. This facility aims to serve African youth in that community.

<sup>3</sup> Refer to [ESG performance tables](#).

▸ Client Health ▸ Employee Wellness ▸ **Community Wellness**

- Launched the TeamSmile Dental Home Project powered by DentaQuest. The nationwide program in the U.S. connects children in need with long-term dental care resources and dental teams. Established with US\$275,000 from DentaQuest (which Sun Life acquired in 2022), this project aims to provide life-changing dental care to underserved children across the country. Children receive needed comprehensive dental care, including preventive and restorative treatments.
- Unveiled a new corporate social responsibility strategy in Singapore, which includes a donation of S\$500,000 over the next five years to support local non-profits. As a first step, Sun Life Singapore formed a collaboration with Community Chest, the philanthropy and engagement arm of National Council of Social Service. Under this collaboration, we will spread the importance of philanthropic giving among our High Net Worth Clients and partners. Sun Life Singapore is also partnering with the Singapore Association for Mental Health and TOUCH Community Services. These partnerships aim to promote mental wellness, as well as build advocacy for diabetes prevention among vulnerable individuals.

- Completed a three-year collaboration between Sun Life Foundation and AHA! Learning Center to support the education system within and outside Metro Manila, Philippines. Under this partnership, the Sun Life Foundation launched the Tulong Eskwela program in June 2020 to equip teachers with affordable and accessible tools to help them conduct classes at the height of the pandemic, through online and hybrid learning setups. The program taught both parents and teachers strategies to keep kids in school and curb literacy and numeracy gaps, benefited over 160,000 teachers and parents to date, and was honoured in the 19<sup>th</sup> Philippine Quill Awards. In 2022, the Sun Life Foundation also donated 50 bicycles to financially disadvantaged families to help get their children to school.
- Launched the Mingo Meals Nutrition Program to address hunger and nutrition in two low-income communities in Mindanao, Philippines. In partnership with Negrense Volunteers for Change Foundation we provided Mingo meals — a nutritious, instant food made of rice, mungo (mung beans) and malunggay (moringa) — for 115 infants and toddlers. Some of these children were identified as malnourished from ultra-low-income families.

- Donated basic necessities worth around \$20,000 to communities in need in the Philippines, including:
  - boxes of powdered milk for babies
  - computer monitors
  - COVID-19 prevention kits
- Helped underprivileged families in Beri Nisfi Taoru village (located outside Gurgaon, India) gain access to environmentally friendly lighting sources. In collaboration with a local non-governmental organization, Sun Life's Asia Service Centre India distributed 200 solar lamps to villagers. Solar lamps are an alternative to oil lamps (which can cause health issues from resulting indoor air pollution) and support areas with limited or no access to electricity.
- Continued to support underserved community organizations through MFS donations and employee volunteerism. MFS donated over \$4 million to education, health and well-being, civic engagement, social justice and environmental initiatives in 2022.

## Humanitarian support

- Continued to support urgent humanitarian needs arising from natural disasters and crises worldwide, with over \$1.9 million in funding. For example, we donated:
  - Over \$1.1 million toward relief efforts for those affected by the war in Ukraine<sup>4</sup>.
  - \$100,000 to the Canadian Red Cross to support those impacted by Hurricane Fiona in Eastern Canada.
  - US\$500,000 to Volunteer Florida Foundation's Florida Disaster Fund-Hurricane Ian through DentaQuest, for communities impacted by the hurricane.
  - \$80,000 to help communities in the Philippines and Vietnam who were impacted by Super Typhoon Noru.
  - \$120,000 to various food banks in Hong Kong to support vulnerable populations during a COVID-19 wave.

### JUST THE NUMBERS

- [ESG Performance Tables](#)

### MORE ONLINE

- [Donations and partnerships](#)
- [Team Up Against Diabetes grant program](#)

<sup>4</sup> Includes donations made by Sun Life business groups and SLC Management affiliates BentalGreenOak, InfraRed and Crescent Capital.



► Sustainable Investing

# Advancing Sustainable Investing

We aspire to deliver sustainable returns for Clients and drive the transition to a low-carbon, inclusive economy. To pursue our aspiration, we:

- Manage capital with environmental, social and governance factors embedded in our investment processes
- Offer our Clients sustainable investing opportunities
- Invest assets to support a low-carbon and more inclusive economy

## Material topics in this chapter:

- [Sustainable Investing](#)

## Our work is aligned to Sustainable Development Goals:



► **Sustainable Investing**

# Sustainable Investing

## Investing with tomorrow in mind

We're one of the world's largest asset managers, with \$1.33 trillion<sup>1</sup> in total assets under management (AUM). As a part of fulfilling our duty to act in the best interests of Clients of our asset management businesses, we integrate environmental, social and governance (ESG) factors into our investment processes and decision-making, where material. We believe investing with a sustainability lens is crucial to better managing risk, optimizing opportunities and generating enhanced value from the assets we manage over the long-term.

Empowered by a sustainability mindset, Sun Life aims to play a leadership role in driving sustainable investing. Sustainable investing can help us deliver on our Purpose, while making a positive impact on society. Using our own investments and our influence as an asset manager, we seek opportunities to drive the transition to a low-carbon and more inclusive economy.

## Our approach at a glance

- > Meeting our duty to act in the best interests of our Clients
- > Integrating ESG factors into the investment process
- > Prioritizing stewardship, engagement and education
- > Supporting a low-carbon and more inclusive economy
- > Advocating for supportive public policy and regulation
- > Strengthening transparency and reporting to help stakeholders evaluate our efforts

[Learn more online](#)

In this section, we primarily discuss Sun Life's asset management businesses and fund platforms noted below.

### Asset Managers

#### **SLC Management**

A group of asset managers offering a diverse range of traditional and yield-oriented asset classes to institutional investors globally.

#### **Fixed income:**

- Investment grade public and private fixed income and infrastructure debt offered by SLC Fixed Income
- Alternative credit and non-investment grade public fixed income offered by Crescent Capital Group ("Crescent")

#### **Real assets:**

- Real estate asset investment and management in primary, secondary and co-investment markets offered by BentallGreenOak ("BGO")
- Infrastructure equity across a range of listed and unlisted funds offered by InfraRed Capital Partners ("InfraRed")

#### **MFS Investment Management ("MFS")**

Asset manager offering a comprehensive selection of actively managed equity and fixed income products to retail and institutional investors globally, including pension plans, sovereign wealth funds, monetary authorities, and endowments and foundations.

### Fund Platforms

#### **Sun Life Global Investments ("SLGI")**

Investment manager offering a diverse lineup of innovative investment solutions to a broad array of Canadian retail and institutional Clients.

#### **Sun Life Group Retirement Services ("GRS")**

The largest Canadian workplace retirement and savings plan provider, offering capital accumulation plans and defined benefit plans.

<sup>1</sup> Comprises general fund assets, segregated funds, mutual funds, managed funds and other AUM.

## 2022 Performance

2022 was a turbulent year in financial markets, but it didn't distract us from making progress on our sustainable investing commitments, including our goal of achieving net-zero greenhouse gas (GHG) emissions by 2050 across our investments. During 2022, all our asset management companies continued to pursue their own sustainable investing initiatives, plans and timelines, while aligning with Sun Life's overall sustainable investment philosophy built on three beliefs:

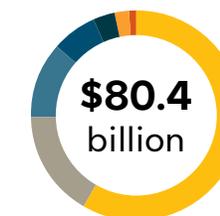
- sustainable investing can improve long-term returns;
- ESG factors are incorporated, where and as feasible, to manage risks and identify opportunities; and
- engagement can be more powerful than divestment.

Differences in approaches between our asset managers and fund platforms are due to their distinct business models, the varying stages of their sustainable investing journeys and the Clients they serve. We provide highlights of each business's key 2022 initiatives in the following pages. Some of our asset managers also publish their own [sustainable investing reports](#) for readers interested in learning more.

### Progress on net-zero goals and plans

- Focused efforts on setting interim targets and implementation plans toward achieving net-zero GHG emissions by 2050. In 2022, four of our asset management businesses had their interim targets approved by the Net Zero Asset Managers initiative (NZAM): MFS, BGO, InfraRed and SLGI. Refer to our [Net Zero by 2050](#) report for details and our latest updates.
  - MFS' approach to achieving net-zero alignment is based on the belief that engaging investee companies across all industry sectors to transition in line with the decarbonization of the global economy will reduce the overall climate-related financial risks within its Clients' investment portfolios. Through its "portfolio coverage approach", a percentage-based target of in-scope assets under management are covered by active stewardship efforts. This activity includes engagement with investee companies and issuers, proxy voting and policy advocacy.
  - BGO released a 2022 inaugural Climate Report detailing its net-zero targets and approach to managing climate-related risks and opportunities. BGO set interim targets for 2030, assessed performance against its 2019 baseline and developed high-level decarbonization pathways for select funds that have adopted net-zero goals.
- InfraRed released a [Net-Zero Progress Report](#) detailing its net-zero targets, progress the company has made and its key focus on integrating net zero into its investment and management processes.
- SLGI is working with Clients, sub-advisors, and other stakeholders (where appropriate) to build out and implement an action plan dedicated to its net-zero journey. Part of this commitment entails working with investment managers (with ESG and net zero a key component of the investment manager oversight process) and developing a manager escalation strategy. SLGI aspires to drive change by deepening awareness through education and other ongoing initiatives.
- Made progress towards our sustainable investment goal of \$20 billion in new investments from 2021-2025 in assets and businesses that support the transition to a low-carbon and more inclusive economy. New sustainable investments in 2022 totaled \$6.5 billion, bringing our total progress towards our goal to \$14.2 billion<sup>3,4</sup>. The goal articulates our intention to drive positive social and environmental impact through sustainable investments. These additional investments ranged from renewable energy, energy efficiency, sustainable buildings and clean transportation, to

### Sustainable investment AUM<sup>2,3</sup>



- Sustainable/green buildings<sup>5</sup> (\$47.1 billion)
- Renewable energy (\$13.0 billion)
- Access to essential services (\$9.5 billion)
- Green, social and sustainability bonds (\$5.5 billion)
- Energy efficiency (\$2.8 billion)
- Clean transportation (\$1.8 billion)
- Sustainable water management (\$0.7 billion)

### Progress towards goal of \$20 billion in new sustainable investments by 2025



<sup>2</sup> Portfolio at December 31 (general account and third-party Clients).

<sup>3</sup> Client asset values included represent a non-IFRS financial measure. Criteria for investments based on ICMA Green Bond Principles, ICMA Social Bond Principles, ICMA Sustainability Bond Principles, GRESB Real Estate Benchmark, and PRI Impact Investing Market Map. 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. Does not include all holdings in companies that may be defined as sustainable under other taxonomies.

<sup>4</sup> Values as at transaction date. Includes restated 2021 figure of \$7.7 billion due to reporting omission of \$0.9 billion in green, social and sustainability bonds.

<sup>5</sup> Real estate assets include investment properties, owner-occupied properties and real estate in limited partnership investments.

social infrastructure projects, such as long-term care facilities. Sun Life currently has over \$80.4 billion in sustainable investments, up from \$65.4 billion<sup>6</sup> in 2021, including primarily assets in our general account and SLC Management Client investments<sup>2,3</sup>.

### More sustainability products for Clients

- GRS increased opportunities for Clients in Canada to explore and choose sustainability-focused investments:
  - Added three new sustainability-focused investment options (segregated fund versions) – Sun Life KBI Global Sustainable Infrastructure, AlphaFixe Green Bond and Baillie Gifford Positive Change. GRS now has five sustainability-focused and five divestment/exclusionary investment options on its fund platform, available in every major asset category.
  - Added a Shariah fund for group savings plans. Shariah funds invest the assets in accordance with Islamic principles. The fund supports Sun Life's sustainable investment and diversity, equity and inclusion strategies. Offering a Shariah fund means plan sponsors can provide an investment option that considers community wellness and meets the specific investment needs of Muslim plan members.

- Updated all fact sheets for the funds available on the GRS core investment platform to include "How this fund integrates ESG". This update will help Clients make better-informed investment decisions, by including ESG integration information alongside other fund details.

- Sun Life Hong Kong Limited launched Stellar – the first ESG-focused savings plan in the market that actively integrates ESG concepts into investment strategies<sup>7</sup>. Stellar supports allocation to sustainable investments including, but not limited to, green bonds, renewable energy, and the energy transition.
- Developed an [Impact Framework](#) under the Operating Principles for Impact for the BGO Diversified US Property Fund. The fund has US\$12.4 billion in assets under management. Each investment in the fund seeks to contribute to one or more of three impact focus areas: i) resilient communities; ii) sustainable spaces; and iii) climate change. Each focus area aligns with one or more of the United Nations Sustainable Development Goals (SDGs).
- Launched the Sun Life Malaysia Islamic Global Sustainable Fund to make sustainable investing more accessible to our Clients. The fund aims to provide an affordable and convenient way for Malaysians to include ESG considerations in their investments. This offering, which is the second in Sun Life

### ► **Sustainable Investing**

Malaysia's sustainability fund series, was the first Shariah-compliant, investment-linked ESG fund for the Malaysian Takaful market. Sun Life Malaysia is a market leader in bancatakaful and has strong market share in the overall takaful market.

### **Growing our own ESG investment portfolio**

- BGO began implementing net zero and net-zero ready building standards into the design and development of select new buildings in Canada. One example is a new warehouse being built in Mississauga, Ontario, which will feature electric vehicle charging stations and a stormwater reuse system. BGO is also targeting LEED<sup>®8</sup> certification for the building. During initial construction, 94% of demolition waste was recycled and diverted from landfill. Refer to our feature story "[Preparing Sun Life's real estate portfolio to be net-zero ready](#)" for more information.
- BGO, on behalf of an institutional investor, began construction on its largest solar project to date, financed by Summit Ridge Energy (SRE) and facilitated by Black Bear Energy. The new rooftop solar

#### **Did you know?**

87% of Sun Life's North American real estate investment portfolio, based on net rentable area, has at least one green building certificate<sup>9</sup>.

installation, combined with two previous Maryland community solar projects, total over 10 MW in size and will be hosted at three of BGO's industrial assets. Once operational, all three rooftop systems will participate in Maryland's community solar program to provide clean, renewable power to local residents and businesses. The systems are expected to produce around 13,600 mWh of electricity, enough to power approximately 1,100 homes every year.

- Expanded InfraRed's presence in the renewable energy market. During 2022, InfraRed managed funds invested in 2.85 GW of new renewable energy projects, up from 0.65 GW the previous year. For example, The Renewables Infrastructure Group (TRIG), an InfraRed managed fund, invested in Hornsea One, the world's largest offshore wind farm when it was commissioned in 2019, located off the east coast of the UK. This project produces enough clean energy to power well over one million homes. InfraRed also made its first U.S.-based renewable generation investment by acquiring a stake in a 665 MW capacity portfolio, comprising two onshore wind sites and one solar site.

<sup>6</sup> Figure restated to reflect a foreign exchange correction totaling \$0.2 billion.

<sup>7</sup> Based on market conditions as of April 12, 2022 and comparison among other savings plans for new Composite and Long-Term Businesses as defined by the Insurance Authority in the Register of Authorized Insurers.

<sup>8</sup> LEED<sup>®</sup> – an acronym for Leadership in Energy and Environmental Design™. It's a registered trademark of the U.S. Green Building Council®. The Canada Green Building Council is the sole license holder for the LEED<sup>®</sup> trademark in Canada.

<sup>9</sup> Certificates include BOMA BEST, LEED, IREM Certified Sustainable Property, Fitwel and ENERGY STAR.



"The energy transition is a complex challenge with many dimensions beyond renewable energy generation. With investments in battery storage and new investment strategies focused on

electric vehicle charging points, heat pumps and hydrogen, InfraRed has an integral role to play in decarbonising traditionally high-impact sectors, and in so doing, accelerating the transition."

**Pilar Banegas,**  
**Partner, Fund Management, InfraRed**

- Sun Life Malaysia invested in green sukuk of MYR80 million and, in turn, achieved its five-year sustainable investment goal of MYR400 million within three years. Sukuk bonds are Shariah law-compliant financial instruments, where instead of interest, investors receive an agreed share of the profits generated by the asset pool.
- Sun Life Vietnam continued to increase investments in renewable energy. For example, Sun Life Vietnam invested VND34 billion (CAD1.9 million) in bonds of Gia Lai Electricity JSC, an independent renewable developer, to fund its Tan Phu Dong 2 wind power plant.

- In line with our view that sustainability factors are an important component in our investment decision-making process, particularly as it pertains to the existing and projected carbon footprint of the corporations and entities in which we invest, our various businesses in Asia have reduced Sun Life's General Account exposure to power and utility sector bond issuers with high carbon intensity or high exposure to coal as part of their power generation mix. For example:

- Sun Life Malaysia eliminated virtually all of its remaining exposure to 100% coal-fired power producers located in Asia (remaining exposure is approximately 0.0001% of the portfolio).
- Sun Life Hong Kong reduced its exposure to a large energy company with major operations in Asia.

In addition, Sun Life Philippines sold out of equity investments in Asian coal companies in its General Account.

### **Building our internal ESG knowledge and capabilities**

- Continued building the ESG screening practices of our in-house International Investment Centre (IIC). The IIC functions as an investment research and consulting group for Sun Life business units globally. It closely monitors and assesses third parties that manage investment strategies on behalf of Sun Life businesses.

### **► Sustainable Investing**

In 2021, the IIC added climate-specific questions to annual assessments of these managers covering areas such as employee compensation linked to climate targets, carbon-related exposures and how climate risks are integrated in research and portfolio management. In 2022, the IIC continued to expand the scope, adding more questions on climate change, diversity and inclusion and active ownership. The IIC summarizes key findings and includes them in due diligence reports.

- SLC Fixed Income conducted an ESG maturity assessment across all its public and private fixed income strategies. This exercise was structured on the Principles for Responsible Investment (PRI) assessment framework and helped SLC Fixed Income gain greater insight into differentiated approaches to ESG integration across different asset classes.
- Continued to increase employee training and programming related to ESG topics. For example:
  - SLC Management hosted an inaugural ESG Summit involving 600+ employees and launched new online education modules on sustainable investing as well as climate change and net zero.
  - BGO delivered training on topics ranging from net zero, energy efficiency, waste awareness and sustainability benchmarking to green building certifications.
  - SLGI launched a comprehensive training tool to help employees develop their expertise in sustainability and better understand how SLGI is involved.

- Evolved GRS' Proprietary ESG Evaluation Framework, launched in July 2020, to include how managers assess climate risk in their investment policies and processes and proxy voting metrics. The framework applies to GRS' core investment platform of 24 investment managers and over 140 investment options. The framework helps plan sponsors make informed decisions when it comes to sustainable investing.
- MFS completed the initial development of its proprietary engagement platform. This platform will enable team members to better track, evaluate and report on stewardship activities. MFS also implemented a new platform to guide fixed income sustainability reviews. Interactive dashboards allow the investment teams to visualize and analyze various ESG data in conjunction with portfolio risk analytics.
- InfraRed reviewed and updated its pre-investment processes regarding sustainability. Key changes include a requirement to complete a climate change risk assessment for all new investments, and monitoring ESG performance against key performance indicators prior to investment. InfraRed also dedicated a senior resource who is responsible for managing its portfolio impact strategy. This involves working with InfraRed's public sector Clients, supply chain and InfraRed staff to deliver meaningful impact initiatives and programmes for the communities in which InfraRed's investments are located.

- Crescent engaged a leading advisor to benchmark its ESG program against market best practices. This work includes assisting in future ESG road-mapping to maintain best practices, policy review and customization, internal ESG capacity building and the development of a public responsible investing report. Crescent is also working on estimating the carbon footprint and environmental impact of its portfolio, and increasing data collection and reporting capabilities related to Sustainable Finance Disclosure Regulation compliance.
- Sun Life Philippines developed an internal ESG scoring framework for direct investments. The team generated internal ESG scores and sector-level rankings for over 50 equities, representing approximately 98% of their actual investable universe for direct investments. The team used quantitative data from a third party ESG provider.
- Increased our sustainable investing bench strength. SLGI appointed a Head of Responsible Investing and Manager Research reporting directly to SLGI's Chief Investment Officer. Additionally, expertise has been developed and expanded within teams responsible for sustainable investing activity.

### External commitments and collaboration

- SLC Fixed Income joined NZAM in 2022. Signatories commit to: achieving net-zero GHG emissions across all assets under management by 2050, setting interim targets for reducing emissions by 2030, and supporting the scaling up of new products and investments in climate solutions. MFS, BGO, InfraRed and SLGI are also NZAM signatories and as stated earlier, have had their interim targets approved.
- SLC Fixed Income joined the Partnership for Carbon Accounting Financials (PCAF). PCAF is an industry-led initiative to facilitate transparency and accountability of financed emissions within the financial industry. Members commit to assess and disclose the GHG emissions associated with their loans and investments in line with the PCAF Standard.
- Crescent became a member of the FAIRR Initiative's investor network. The network is helping to build a more sustainable food system by raising awareness of the material risks and opportunities present in global protein supply chains. MFS has also been a supporter since 2021.

#### Did you know?

15 of GRS' platform managers, responsible for 80% of GRS core investment platform AUM, have signed onto the NZAM initiative

### ► Sustainable Investing

- InfraRed engaged in industry associations to progress sustainability initiatives within the infrastructure sector. InfraRed joined the UK Infrastructure Projects and Authority Net Zero Working Group. This government-led initiative is focused on public-private collaboration to create and share solutions to aligning to net zero. InfraRed also joined the Initiative Climat International (iCI) Infrastructure Working Group, which is an asset manager collaboration focused on advancing best practices relating to climate change in the infrastructure sector. InfraRed is also collaborating with the PRI on developing guidance on human rights due diligence processes for private market investors.
- Increased engagement activities through Climate Action 100+ and Climate Engagement Canada (CEC).
  - Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate GHG emitters take necessary action on climate change. MFS, SLC Management and Crescent are signatories and participate in direct engagements.
  - CEC aims to work collaboratively to drive the transition of businesses in Canada to net zero by engaging with the country's highest emitting companies. SLC Management is a founding member and participates in engagements.



“As leaders, we have the chance to affect society by having a positive impact on things bigger than us. We are taking steps to ensure a better future for our Clients and their families – financially, environmentally and socially.”

**Oricia Smith,**  
President, SLGI Asset Management Inc. &  
Senior Vice-President, Investment Solutions,  
Sun Life Canada

In 2022, for example:

- SLC Management participated in 10 company engagements through the two engagement organizations on climate-related topics, such as increasing ambition in GHG reduction targets, enhancing disclosure on lobbying on climate issues, and supporting a just transition in scenarios where companies are retiring coal plants.
- MFS engaged with seven companies through Climate Action 100+, encouraging them to adopt best practices such as setting science-based emissions reduction targets and enhancing their ESG disclosures.

## Investor education and awareness

- SLGI conducted ESG deep dives with investment managers to discuss key developments related to climate action. SLGI also revamped its ESG question and answer (Q&A) to highlight the multi-asset solutions team's approach to ESG integration. SLGI also produced two interviews to explain its perspective on ESG integration.
- GRS drove greater awareness of and education on sustainability principles among plan administrators, consultants and advisors. For example, GRS investment solutions executives had over 100 interactions with plan administrators to discuss sustainable investing (covering member experience, the ESG evaluation framework, fiduciary updates and sustainability-focused funds).
- InfraRed continued to host bi-annual ESG summits to educate portfolio company management teams on key sustainability themes such as net zero, social impact and the importance of ESG data. InfraRed also introduced a quarterly forum for its management service providers to share best practices and raise awareness of impactful, scalable initiatives.

- Published numerous articles and papers and launched a podcast to raise awareness among our Clients and the investment community of ESG trends and opportunities. For example:
  - MFS continued its thought leadership whitepaper series called ESG in Depth and published *A Framework for Assessing Natural Capital Risks and Opportunities in the Food Sector*. MFS also released the first season of its podcast "All Angles", available on Spotify. All Angles hosts expert guests that delve deeper into key themes within the complex world of ESG investing.
  - SLGI released a whitepaper outlining opportunities in sustainable infrastructure. In the document, SLGI argues that investing in sustainable infrastructure can: address climate change and supply shortages in terms of food, clean water and energy; address aspects critical to the well-functioning of modern society (e.g., hospitals, medical facilities and data storage); and hedge inflation risk brought about by the rising costs of goods and services.
  - SLC Management hosted podcasts to share timely insights on topics such as investing in the energy transition and integrating ESG in fixed income investments.

## ► Sustainable Investing

### Advocacy and multi-stakeholder collaboration

- Engaged with policymakers, regulators and industry associations advocating for improved sustainability-related disclosures including better climate-related financial disclosures, greater consideration of the life and health impacts from climate change, and more opportunities to invest in climate-resilient buildings and infrastructure. For example:
  - Our CEO was invited to a high-level roundtable on sustainable finance with Canadian Prime Minister Trudeau and His Royal Highness the (then) Prince of Wales where we discussed opportunities to invest in sustainable infrastructure.
  - GRS investment team members sat on:
    - the Association of Canadian Pension Management (ACPM) ESG working team, which developed the ACPM ESG Fiduciary Considerations in 2022. This paper assists Canadian pension plan administrators in understanding their fiduciary duties relating to investments and ESG and how to implement an appropriate ESG strategy as fiduciaries.
    - the Canadian Association of Pension Supervisory Authorities ESG working group, which developed draft ESG guidelines to support plan administrators in fulfilling their fiduciary obligations and giving appropriate consideration to ESG factors that may have financial relevance to their plan's investments and risk management frameworks.

- We have responded to consultations and requests for comment issued by the Securities and Exchange Commission, the Canadian Securities Administrators and other regulatory bodies. Our responses support the alignment of climate-related disclosures with widely-accepted international standards, coordination between regulatory bodies on the development of climate-related disclosure obligations, and the development of standardized climate scenarios.

### JUST THE NUMBERS

- [ESG Performance Tables](#)

### MORE ONLINE

- [Net Zero by 2050: Sun Life's Climate Journey](#)
- [Enabling Indigenous-owned power infrastructure \(feature story\)](#)
- [MFS – Sustainable Investing Annual Report](#)
- [SLC Fixed Income – Sustainable Investing Report](#)
- [BentallGreenOak – Corporate Responsibility Summary](#)
- [InfraRed – Sustainability Report](#)
- [Sun Life Global Investments](#)
- [Sun Life Group Retirement Services](#)
- [Sustainability Bond Framework](#)
- [Sustainability Bond Use of Proceeds Report](#)



# Operating as a Trusted and Responsible Business

We aspire to be a responsibly-managed business that is Client-focused, competitive, forward-thinking, financially and environmentally resilient, and sustainable for the long term.

Operating ethically, treating our Clients and employees with the utmost respect, and acting on critical environmental and social issues are all vital components of maintaining the longevity and resiliency of our business.

## Material topics in this chapter:

- [Climate and Environmental Action](#)
- [Diversity, Equity and Inclusion](#)
- [Client Experience](#)
- [Data Security and Privacy](#)
- [Talent Management](#)
- [Risk Management](#)
- [Governance and Ethics](#)

## Our work is aligned to Sustainable Development Goals:



# Climate and Environmental Action

Carbon neutral from 2021.  
Net zero by 2050.

We're keenly aware that the window of opportunity to avert the worst impacts of climate change is closing. Around the world, people are demanding that governments and corporations do more – much more – to tackle the climate emergency. There are calls for greater emission cuts, more climate financing and effective adaptation strategies. Sun Life is committed to being part of the solution. Meaningful climate action is essential to achieving our Purpose to help Clients achieve lifetime financial security and live healthier lives.

## Our approach at a glance

- > Setting and working towards interim targets aligned to our net-zero goal in both our operations and investments
- > Assessing and mitigating climate risks across our businesses
- > Adapting our facilities and portfolios to improve climate resilience
- > Embedding accountability at all levels in Sun Life
- > Measuring our performance and focusing on transparent reporting
- > Contributing to global climate action through collaboration and advocacy

[Learn more online](#)

## 2022 Performance

2022 marked the first full year of activity since announcing our goal to achieve net-zero greenhouse gas (GHG) emissions by 2050. During the year, we elevated our climate change response. We increased oversight of climate performance and continued to strengthen skills, capabilities and governance structures across Sun Life to drive net-zero strategies.

Much of our work focused on developing interim targets to define our decarbonization pathways and keep us on track for 2050. We know that attaining net zero will neither be easy nor straightforward. But we are working diligently to put in place the necessary plans, backed by capabilities that will help us tackle the challenges at hand. We are taking a prudent and thoughtful approach so that we feel confident in the quality and credibility of our actions.

This section highlights our climate efforts and broader environmental activities related to Sun Life's operations – our corporate offices, data centres and business travel (i.e., our operational activities). Refer to [Sustainable Investing](#) for more details on our sustainable investment approach and activities in 2022, including the ways we're supporting the net-zero transition.

## Improving the climate performance of our operations

- Reduced absolute GHG emissions in our operations by 36.9% against our 2019 baseline – from 42,904 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) to 27,063 tCO<sub>2</sub>e.<sup>1</sup> We attribute progress to a mix of eco-efficiency measures and hybrid work arrangements resulting in lower facilities use.
- Maintained CarbonNeutral<sup>®2</sup> company certification across our global business operations<sup>3</sup> in line with The CarbonNeutral Protocol developed by Climate Impact Partners. This certification covers our operational GHG emissions from our corporate offices, data centres and business travel. We continue efforts to reduce GHG emissions across our operations, and for the emissions that remain, we've purchased high-quality carbon credits. Carbon offsetting is not part of our long-term decarbonization strategy but an interim measure to help manage Sun Life's impact in pursuit of net zero. Read our feature story "[Supporting the transition to a low-carbon economy, one step at a time](#)" for more information.
- Continued to target GHG emissions reductions through operational efficiency projects across our corporate offices and data centres. For example:
  - In North America, we upgraded more equipment and lighting across our facilities to more energy-efficient options, including LED lighting. At our Waterloo King office, for example, we retrofitted or replaced lighting on several floors, resulting in a 3% decrease in annual



<sup>1</sup> Emissions resulting from global corporate offices and data centres as well as from business travel, inclusive of majority-owned Sun Life affiliate companies. DentaQuest corporate offices are excluded for the 2022 reporting cycle. All emissions reporting is aligned to the GHG Protocol Corporate Accounting and Reporting Standard using the financial control approach. Absolute operational emissions increased 22.6% from 2021 to 2022 largely due to post-pandemic related business operations.

<sup>2</sup> CarbonNeutral<sup>®</sup> is a registered trademark of Climate Impact Partners and is achieved in accordance with The CarbonNeutral Protocol, the leading global framework for carbon neutrality.

<sup>3</sup> Includes MFS and SLC Management affiliates (BentalGreenOak, InfraRed Capital Partners and Crescent Capital Group).

electricity usage from 2021. We also adjusted heating, ventilation and air conditioning (HVAC) scheduling to reduce heating and cooling periods.

- In Asia, solar panels installed at our Asia Service Centre India (ASCI) office sustained the solar energy generation of approximately 6% of its annual electricity consumption.
- Achieved LEED®<sup>4</sup> Platinum certification (the highest rating) at Sun Life's Waterloo King office. LEED certified buildings save money, improve efficiency, lower carbon emissions and create healthier places for people. In addition, our Waterford Ireland site is very close to achieving net-zero GHG emissions as a result of installing solar panels and purchasing green power.
- Engaged an external consultant to conduct an energy-efficiency assessment of our three major data centres in North America. These centres are major power users and represent 27% of Sun Life's emissions from data centres. The consultant diagnosed how energy is currently being used in the data centres and recommended a list of energy-saving solutions, including upgrades to mechanical, electrical and HVAC systems. In 2023, we intend to create a roadmap to implement select recommendations with a goal of improving the energy performance of these critical environments.

## Climate-related goals

1. Net-zero GHG emissions by 2050, for operations and investments. Interim targets established or under development for our asset management businesses and for Sun Life's general account<sup>5</sup>. Refer to [Sustainable Investing](#).
2. Carbon neutral operations globally from 2021<sup>3</sup>
3. 50% absolute reduction of GHG emissions in our operations by 2030, relative to 2019<sup>6</sup>

- Sourced the equivalent of 40% of our global electricity consumption through renewable sources in 2022.
- Focused on ways to maintain progress in curbing emissions from business travel. The halt of business travel during the pandemic resulted in significant reductions of Scope 3 emissions associated with air, rail and car travel by our employees. With a continued focus on a hybrid work environment, expense management and investment in technology and collaboration tools, we aim to maintain reductions in GHG emissions relative to pre-pandemic levels.

### Progress towards our 50% by 2030 GHG emissions reduction target (2019 baseline)<sup>1</sup>



### Building climate bench strength and accountability

- Continued to embed climate accountabilities and considerations across our business lines. For example, we formed an internal net-zero working group with representatives from key business areas. Members will be responsible for identifying and driving decarbonization programs and opportunities within their respective business areas.
- Boosted our climate expertise and bench strength. In 2022, we created more climate-related roles at Sun Life and hired our first Vice-President (VP) of Climate Change and Environmental Impact to evolve Sun Life's enterprise-wide climate change strategy. The VP oversees the development and implementation of the enterprise-wide climate change strategy, climate risk management, decarbonization performance and reporting functions, as well as enterprise regulatory compliance.

### Taking action beyond climate change

- Rolled out a new waste diversion/elimination program across our North American sites. In 2020, all major sites in North America switched to a centralized waste system on all floors. This change was a move away from the old model of having a waste and recycling bin at every workstation. This initiative eliminated the use of hundreds of thousands of plastic bags each year. In 2022, the program was enhanced with local teams categorizing and understanding waste and recycling diversion rates at each site. Local teams will develop actions to target problem areas across all sites.
- Developed two frameworks to manage and reduce the environmental impact of our operations.
  - Our IT asset disposition framework ensures we reuse, recycle, repurpose, repair or dispose of IT equipment in a safer and more responsible way. We aim to have over 90% of Sun Life's IT equipment managed by the framework by the end of 2023.
  - Our data lifecycle management framework aims to reduce exposure from over-retention of Client data. Storing data beyond retention requirements increases energy consumption needlessly. The framework outlines best practices for data

<sup>4</sup> LEED® – an acronym for Leadership in Energy and Environmental Design™. It's a registered trademark of the U.S. Green Building Council®. The Canada Green Building Council is the sole license holder for the LEED® trademark in Canada.

<sup>5</sup> Refer to our [Net Zero by 2050](#) report for details and our latest updates.

<sup>6</sup> Emissions resulting from global corporate offices and data centres as well as from business travel, inclusive of majority-owned Sun Life affiliate companies. All emissions reporting is aligned to the GHG Protocol Corporate Accounting and Reporting Standard using the financial control approach.

## Tackling Scope 1, 2 and 3 emissions

To reach net zero by 2050, we are tackling our impacts across all three GHG emissions scopes:

- **Scope 1** (direct emissions, typically from fuels used in sources in our financial control<sup>7</sup>, like boilers that heat our buildings)
- **Scope 2** (indirect emissions, for example from electricity we purchase that causes direct emissions at the facility producing the electricity)
- **Scope 3** (other indirect emissions in our value chain, including emissions from our non-real estate investment activity). Quantifying scope 3 emissions, which are not within our financial control, continues to be an enormous challenge; however, we've made it a priority and are building the capabilities to report on it. Refer to [Sustainable Investing](#) for climate-related highlights in our investments.

retention and destruction, in conjunction with our data privacy and regulatory requirements. A pilot will be initiated in 2023 to test the framework within one of our business units before using it across the enterprise.

- Improved the energy efficiency performance of 14 Sun Life websites, including sunlife.com, by adopting the 'lazy loading' method. Lazy loading is considered a green IT best practice because it reduces load time for web images. Also, instead of bulk loading all the content when a person visits a webpage, with lazy loading content is loaded when they access that specific part of the page.
- Sun Life Foundation continued its involvement in a conservation project in Sorsogon, Philippines that is protecting the environment while providing a sustainable livelihood for locals. The first phase of the project (completed in 2019) rehabilitated the Panganiban Mangrove Forest, a vital natural resource in the region. The forest was transformed into an eco-tourism site with a mangrove nursery and boardwalk access. The second phase (which began in 2022) is educating community members about environmental stewardship and will provide training to almost 400 community members (including students) on conservation practices, tour guiding and more.
- Introduced more environmental measures at our ASCI office. Examples include the installation of:
  - an electric vehicle charging station,
  - a compost bin to segregate wet waste/food waste, and
  - a reverse vending machine to recycle plastic water bottles and other single-use plastics. This helps create awareness of plastic use reduction amongst employees.
- Enhanced green spaces in several communities with tree plantings run by our local teams. For example:
  - ASCI conducted two tree plantation drives and employees planted over 300 saplings in and around its office premises. ASCI also distributed over 650 plants to the employees as a 'go green' initiative.

- Sun Life Malaysia embarked on a long-term tree planting drive in the country called #PlantTreePlantHope. Sun Life employees planted 500 trees, including mangrove, rare fruit and landscape trees, during two tree planting events at Sungai Chua Recreational Park and Sijangkang Mangroves Recreational Forest. The campaign's goal is to restore the natural environment and mitigate climate change while supporting the Malaysian government's Greening Malaysia Program. The program will continue through to 2025.

### JUST THE NUMBERS

- ▶ [ESG Performance Tables](#)

### MORE ONLINE

- ▶ [Net Zero by 2050: Sun Life's Climate Journey](#)
- ▶ [Task Force on Climate-related Financial Disclosures reporting](#)
- ▶ [2022 GHG Emissions Reporting Methodology](#)
- ▶ [2022 GHG Emissions Assurance Statement](#)

<sup>7</sup> As defined by the World Business Council for Sustainable Development and World Resources Institute in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – Revised Edition.

# Diversity, Equity and Inclusion

## It's about all of us

The fight for true inclusion in our society remains as critical as ever. Racism, discrimination and social inequality are serious, long-standing issues for society, as well as for businesses.

We can't be bystanders and *hope* that inclusion happens. Through our [Diversity, Equity and Inclusion \(DE&I\) Strategy 2025](#), we are working harder to be a more inclusive business and drive meaningful change. We believe in the importance of an inclusive and caring culture where everybody belongs. That's what attracts great talent and makes our teams stronger. These values also help serve the diverse needs of our Clients and communities around the world.

## Our approach at a glance

- > Driving progress through a global DE&I strategy
- > Focusing our DE&I actions on Clients, colleagues and communities
- > Supporting external initiatives
- > Engaging employees in building an inclusive culture
- > Protecting and supporting human rights around the world
- > Measuring and reporting on our progress

[Learn more online](#)

## 2022 Performance

### Enterprise commitments by 2025

#### Gender parity Vice-president (VP)+ Global



- 36% women VP+
- 21% women underrepresented ethnicities<sup>1</sup> VP+ (North America)
- 36% women hires VP+
- 47% women promotions VP+

#### Balanced gender representation Board of Directors



### Regional commitments by 2025

#### 25% Underrepresented ethnicities<sup>1</sup> (URE) VP+ North America



- 19% URE VP+
- 35% URE hires VP+
- 22% URE promotions VP+

#### Progressive Aboriginal Relations certification Canada

Phase 1 complete and phase 2 in progress

#### 3.5% Black employees<sup>2</sup> VP+ Canada



- 3.3% Black VP+
- 4% Black workforce
- 8% Black student workforce (goal: 5%)

#### 3% Philanthropic spend on Black-led initiatives<sup>2</sup> Canada

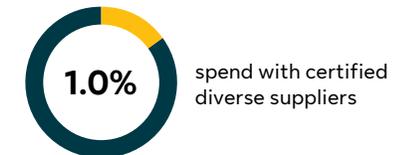


#### 13% Black/African American employees Each level U.S.<sup>3</sup>



- 10% Black/African American VP+
- 3% Black/African American AVP and Directors
- 10% Black/African American workforce

#### 5% Diverse supplier spend North America



<sup>1</sup> Canada: those who voluntarily self-identify as Visible Minorities per the Employment Equity Act; U.S.: those who voluntarily self-identify as People of Color per the Equal Employment Opportunity Commission.

<sup>2</sup> Part of a series of commitments included in our role as signatory to the BlackNorth Initiative. Data based on voluntary self-identification.

<sup>3</sup> U.S. refers to the U.S. Group Benefits, Dental (excluding DentaQuest) and In-Force management businesses of Sun Life U.S. as reported by Sun Life Financial Group Inc. Data based on voluntary self-identification.

<sup>4</sup> Effective February 7, 2023, upon the appointment of Joseph Natale to Sun Life's Board of Directors, 50% of Sun Life's Board of Directors self-identify as women.

This past year, we made meaningful progress in implementing our DE&I Strategy 2025. Launched in January 2022, the strategy sets three pillars to enhance and evolve our DE&I efforts, with goals and outcomes we need to achieve. Our investments are showing early returns, including a one percentage point bi-yearly increase in our DE&I Engagement Index<sup>5</sup>. In this section we provide performance highlights grouped into our three DE&I pillars.

**Pillar 1: Learning through measurement and research**

- Maintained focus on measuring and accelerating leadership diversity. We believe inclusive representation at all levels, especially in leadership, is an important driver of progress. We increased representation<sup>6</sup> in VP+ roles among women globally, and underrepresented ethnicities<sup>1</sup> and Black/African American employees in North America. And in 2022, we achieved gender parity on the Board of Directors. Refer to our [ESG Performance Tables](#) for more results.

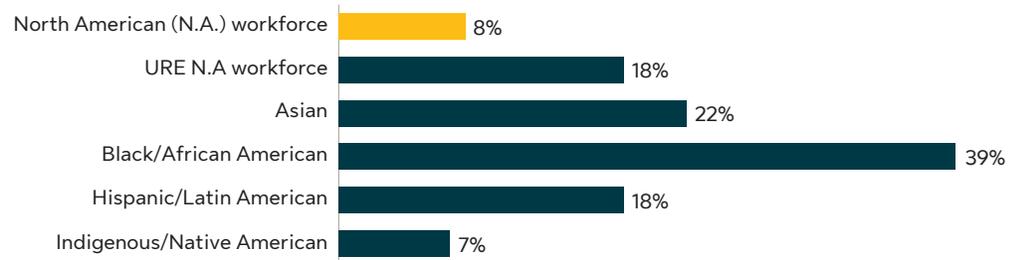
- Used data to implement a new recruitment practice aimed at further diversifying our North American workforce. The initiative, called diverse slate hiring, helps Sun Life recruiters attract and consider a diverse pool of qualified candidates. We will continue to track outcomes of the initiative and aim to report results in 2023.
- Continued monitoring our pay programs to ensure pay decisions and pay levels are equitable across genders and other diverse groups. Sun Life is committed to pay equality for all employees.
  - In Canada: The average total compensation for women as a percentage of men is between 96% and 98%<sup>6,7</sup>. The average total compensation by job level for underrepresented ethnicities<sup>1</sup> is higher than non-underrepresented ethnicities<sup>7,8</sup> (101% to 111%).
  - In the U.S.: The average total compensation for women as a percentage of men is between 97% and 98%<sup>6,7</sup>. The average total compensation by job level for underrepresented ethnicities<sup>1</sup> is higher than non-underrepresented ethnicities<sup>7,8</sup> (101% to 104%).

- In countries in Asia, average total compensation for women as a percentage of men is between 89% and 104% at the middle management and staff levels<sup>6,7,9</sup>.  
Gender and ethnicity pay is reported on a regional basis due to differing pay practices of the various countries and accounts for level. A global number would not be a true representation of our focus on equitable pay.

- Broadened our talent management indicators to monitor, track and leverage more meaningful DE&I metrics. Such metrics are valuable for evaluating progress relevant to our performance goals and holding our leaders accountable. From hiring to development and engagement, we’re making sure leaders and managers have access to data. This information can help them understand and drive DE&I within their teams.

**95%**  
of employees said that Sun Life supports diversity in the workplace<sup>10</sup>.

**Year-over-year underrepresented ethnicity (URE) talent growth is outpacing workforce growth**



<sup>5</sup> Refer to [Report Scope - Note 2](#).  
<sup>6</sup> Data based on self-identification.  
<sup>7</sup> Calculated for full-time employees only, excluding those participating in specialized incentive plans; includes base salary, annual incentives and long-term incentive grants.  
<sup>8</sup> Includes primarily employees who self-identify as white, those who choose not to identify and those for whom there is no data.  
<sup>9</sup> Countries in Asia include India, Indonesia, Hong Kong and the Philippines.  
<sup>10</sup> Based on global employee engagement survey. 68% of employees surveyed participated. Refer to [Report Scope - Note 2](#).

## Pillar 2: Building the right policies, programs and practices

- Increased our annual funding and established philanthropy budgets for all internal employee inclusion networks. Each network supports and advocates for one of the many diverse populations at Sun Life. There are nine inclusion networks with a combined membership of over 5,400 employees as of year-end. These additional investments will enable the networks to do more to advance inclusion within Sun Life and in local communities. In 2022, we also created the new Emerging Professional Network.
- Continued to deliver and expand DE&I education in all our learning channels. For example:
  - Globally, more than 16,800 employees participated in our Kaleidoscope program in 2022. Created by Hive Learning, the program leverages a social learning platform, where over a three-month period teams engage to:
    - learn more about core DE&I concepts,
    - implement inclusive behaviours into their daily routine, and
    - create safe spaces for conversation. Participant feedback has been very positive: 97% of employees said they would apply what they learned in the program to their work, with their team and colleagues.

- Building on Kaleidoscope's success, we launched the Kaleidoscope HUB (the "HUB"). It's a one-stop spot for DE&I resources. The HUB hosts the original learning program and provides Kaleidoscope graduates with ongoing new content, tips and toolkits. We also released session guides on hosting meetings on important DE&I topics each quarter. As of Dec 31, 2022 (6 months after launch) more than 8,200 employees have engaged with resources and had conversations in the HUB.
- In Canada, we partnered with First Nations University of Canada to deliver *4 Seasons of Reconciliation*, an Indigenous cultural awareness program. The unique online program helps our employees better understand Indigenous history, protocol, approach and etiquette in line with our commitment to reconciliation with Indigenous peoples. Employee engagement and feedback has been positive, with comments such as "This program was transformational for me", "This course should be taken by every Canadian" and "I am an Indigenous person, and even I was really impressed with the quality of the material."

16,800+

employees actively used Kaleidoscope and HUB (our one-stop spot for DE&I resources) in 2022.



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

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

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

Having an outlet like BEA to discuss these issues and emotions is necessary and therapeutic. It affords us the opportunity to engage with and educate our allies on the effects of racism.

I am very proud of how Sun Life stepped up during these times of social unrest. They asked questions, listened to understand, and took action to make positive changes.

**Shamika Hoyt**  
Director, Health & Risk Solutions

▶ Climate and Environmental Action ▶ **Diversity, Equity and Inclusion** ▶ Client Experience ▶ Data Security and Privacy ▶ Talent Management ▶ Risk Management ▶ Governance and Ethics

- Successfully completed phase 1 of the Progressive Aboriginal Relations (PAR) certification program through the Canadian Council of Aboriginal Business. As we work on reconciliation, we are making our commitments public and continuing to evolve our approach. Refer to [Sun Life Indigenous Commitments](#) for more details.
- Provided many diverse employees with targeted development opportunities. For example:
  - In North America, we expanded a leadership development program which previously focused on Black leaders to now include Asian and Hispanic-Latino leaders as well. There were 131 leaders enrolled in 2022. Refer to the [Talent Management](#) section for more details.
  - In Canada, we introduced a 12-month equity-based sponsorship and development opportunity called The Career Accelerator Program. In 2022, we enrolled 11 high performing Black and/or Indigenous employees in the program.
  - In the U.S., we offered a career coaching program to professionals of color to provide accelerated development support. The program has reached over 75 participants to date, and we are bringing it to Canada in 2023.
- Continued to build our supplier diversity program. Among our activities, we launched focused supplier diversity training for our teams across North America. These sessions communicated the

importance of creating a more inclusive supply chain as we work towards our 2025 target of 5% certified diverse supplier spend (achieved 1% diverse spend 2022). We are in the process of appointing supplier diversity champions and working groups to identify more opportunities for diverse suppliers. There is a lot of work and opportunity as we progress on our supplier diversity journey.

- Embedded DE&I and support for marginalized communities into our global philanthropy strategy. We set clear donation targets and criteria to amplify our contributions to DE&I-related initiatives. To learn more, refer to the [Community Wellness](#) section.
- Welcomed the inaugural 18 recipients of the Dean Connor Sun Life Inclusion Scholarships for Black and Indigenous Students. The students received financial support for schooling and spent their summers working at Sun Life, gaining valuable experience and building meaningful connections.

### **Pillar 3: Leading through ownership and accountability**

- Defined DE&I performance goals for all Senior VPs across Sun Life. The goals are tied to actions that can help achieve our 2025 commitments. This measure is to build accountability and ensure every business area reaches representation goals independently.
- Implemented quarterly reviews by the executive team of hiring and promotional outcomes. The

updated process ensures frequent and consistent oversight of DE&I performance across every line of business, as part of their quarterly strategy scorecard. This is one of the ways we're equipping our leaders with the resources they need to track progress and drive lasting change.

- Unveiled a new global mentorship framework with an inclusion focus. The framework includes a guide to help employees understand mentoring, the mentoring process and how to get started. The aim is to create opportunities for Sun Life employees of all backgrounds and identities, while ensuring a consistent mentoring model across our businesses.
- Appointed a Chief Diversity, Equity and Inclusion Officer at MFS. This newly created position will be responsible for enhancing MFS' efforts to become a more diverse, equitable and inclusive workplace.
- SLC Management and two of its affiliates, BentallGreenOak and Crescent Capital, became founding signatories to the CFA Institute Diversity, Equity, and Inclusion Code (USA and Canada) (the "DEI Code"). MFS is also a signatory to the DEI Code. Investment industry signatories commit to six principles to drive DE&I efforts in a meaningful and measurable way.
- MFS became a signatory to the CEO Action for Diversity & Inclusion™ pledge. The pledge commits CEO action on supporting a more inclusive workplace for employees, communities and societies at large.

- Conducted a national survey of working Canadians in partnership with Ipsos to better understand how members of diverse communities use, perceive and value their group benefits. We surveyed over 2,000 people and gained insights that can help organizations, including Sun Life, better integrate DE&I into their group benefits plans. We shared the innovative research in a [comprehensive report](#).



"Making Sun Life a truly inclusive business and workplace is not a short or easy journey. But we have set high aspirations as we challenge ourselves to do better. I am proud of the progress and heightened energy demonstrated by colleagues across Sun Life over the past year. Our collective efforts made a positive impact toward our goals."

**Sarah Kheir, AVP, Practice Lead and Head of Diversity, Equity & Inclusion**

#### JUST THE NUMBERS

- ▶ [ESG Performance Tables](#)

#### MORE ONLINE

- ▶ [Diversity, Equity & Inclusion Strategy 2025](#)
- ▶ [MFS Diversity Annual Report](#)

# Client Experience

## Creating better experiences and outcomes for our Clients

Today's consumers want fast, convenient and friendly service, and a company that makes them feel valued. They want options that enable them to interact with companies in the most efficient way at any given time.

We aspire to meet Clients' evolving expectations by putting them at the centre of everything we do. Sun Life serves millions of Clients in Canada, the U.S. and countries in Asia. Our efforts are supported by a network of Sun Life advisors, third-party partners and other distributors. We're building a better, more inclusive organization focused on consistently providing great service experiences. We aim to do this through convenient processes, fair and quick handling of complaints, and friendly, easy-to-understand communication. We're working to support each Client's financial security and health management goals, too. We discuss our efforts in these areas in the [Financial Security](#) and [Client Health](#) sections of this report.

### Our approach at a glance

- > Providing better Client communication and connections
- > Marketing and selling responsibly
- > Resolving complaints the right way
- > Measuring the Client experience

[Learn more online](#)

## 2022 Performance

### Better Client communication and connections

- Proactively connected with Clients in Canada over 160 million times in 2022 through Ella, our digital coach. This is up 4% from the previous year. Ella draws on the science of nudging to give Clients personalized insights that inform and guide them in making positive financial and health decisions.
- Continued to provide more simplified, plain language information and tools for our Clients worldwide. Plain language has been a major Sun Life initiative for several years now. In Canada alone, we rewrote over 700 documents in 2022 to make information clearer and understandable for our Clients. These documents ranged from Client letters and emails to chatbot messages and voice scripts. Since 2017, we have improved more than 3,600 documents through our plain language initiative. Through user testing, our Clients have reported feeling valued and that our responses are more sensitive to their needs. They've also acknowledged the clarity and simplicity of the improved messaging.
- Made improvements to enhance the Client experience in our Asian markets. We did this by streamlining service logistics and enhancing the services provided by our teams. Examples include:
  - Rolling out a Client visit program in Malaysia where 140 employees met over 450 Clients at their home or work to discuss their financial needs.
  - Shortening average wait times at our call centre in Hong Kong, from 12 minutes to 4 minutes, and at our walk-in service centre, from 16 minutes to 6 minutes.

- Forming a personalised care team in Vietnam to focus on engaging Clients through updates on new products, services and events.
- Created a new Chief Client and Innovation Officer (CCIO) role. This role is responsible for leading the company's commitment to Client experience excellence. The Chief Sustainability Officer, Chief Marketing Officer and head of Corporate Communications report to the CCIO. Combined, these teams aim to strategically position Sun Life as a sustainability-driven and Client-centred global brand.
- Built a new approach for resolving Client problems in Canada. Our Client Care Centre (CCC) handles about 20,000 escalated cases yearly. These cases can take several days to resolve. To improve the Client experience, we created a predictive artificial intelligence (AI) model that enables our CCC to identify problems and proactively contact our Clients with a solution. With this new model, case resolution time is less than an hour and the rate of escalation decreased 23% year-over-year.

### Improved processes, distribution and convenience

- Enhanced our mobile claims experience for Clients in Canada. Through the mobile app, Clients can now more conveniently coordinate benefits claims for themselves and their dependents. We also added expense details and explanations about how we determine reimbursements. This information helps Clients understand how the claim was paid. Adoption was aided by a 20% engagement rate with push notification messages that provide updates related to the status of the claim. Mobile claims have increased 10% year-over-year.

- Continued to transform our underwriting capabilities in Canada using data and analytics. Our goal is to create an insurance experience that is simple, fast and worry-free for all Canadians. Advanced analytics enables us to identify whether Clients need lab exams for their life insurance application. The result is a faster, less invasive experience for Clients, minimizing appointments and tests. Since 2019, these capabilities enabled nearly 30,000 individual life insurance applicants to get coverage without lab testing.
- Simplified the benefits on-boarding experience for employers and brokers by launching [Sun Life Onboard](#) for U.S. Clients. With this new digital tool, we have reduced the median onboarding time from 33 days to 24 days and improved the onboarding experience. We also introduced Benefits Explorer to help educate and prepare Clients' employees for benefits enrollment. Refer to the [Financial Security](#) section for more details.

~30,000

individual life insurance applicants in Canada able to get coverage without lab testing since 2019

- Continued to expand our digital connectivity capabilities in the U.S. through application programming interfaces ("APIs") with partners. This initiative has reduced manual administrative tasks, automated processes and provided real-time updates related to employee benefits. For instance, we've made it easier to apply for life insurance through new digital functionality. This improvement has saved plan members more than 2,000 hours of administrative work over the year. Plan members now complete the process online 97% of the time, compared to 50% without this capability.
- Continued to expand our distribution channels across Asia to better service Clients and increase access to insurance in our fast-growing markets:
  - In Indonesia, we announced the expansion of our existing bancassurance partnership with CIMB Niaga, Indonesia's second largest privately-owned bank<sup>1</sup>. Sun Life will be the provider of all insurance solutions to the bank's seven million customers, across all channels, starting in 2025 through 2039.
  - In the Philippines, our joint venture, Sun Life Grepa Financial, Inc., renewed its bancassurance partnership with Rizal Commercial Banking Corporation (RCBC), one of the country's leading commercial banks. The 10-year renewal, through to 2033, allows more Filipinos to access financial protection products, leveraging the strength of RCBC's extensive sales network of over 430 branches and almost two million customers.
  - Added eight New Business Offices (NBO) in the Philippines to serve more Filipinos. With these new additions, Sun Life now has 88 NBOs nationwide, which serve as home to over 22,000 Sun Life advisors. The expansion provides easier access for Clients who rely on Sun Life and its advisors in their journey toward a more financially-secure future.

### Client experience metrics

- Maintained our global Client Experience Index score in 2022<sup>2</sup>. Clients continue to report high satisfaction with Sun Life's ease of doing business, proactive contact and problem resolution.
- Experienced over 1,500 Client complaints in Canada that required an investigation by our Client Advocacy team. This is up from 875 in 2021. However, 100% of the cases reviewed by an independent complaint resolution body or regulator<sup>3</sup> resulted in a recommendation consistent with Sun Life's final position. We continue to measure the success of our complaint resolution processes through Client feedback surveys. 70% of respondents were satisfied with the resolution of their concern and the resolution process.

#### JUST THE NUMBERS

- ▶ [ESG Performance Tables](#)

#### MORE ONLINE

- ▶ [Code of Conduct and Ethics Hotline](#)
- ▶ [Client Advocacy: Improving our inclusivity practices \(feature story\)](#)

<sup>1</sup> Based on total assets as at Sept 30, 2022.

<sup>2</sup> Refer to [Report Scope - Note 4](#).

<sup>3</sup> Represents cases investigated by OmbudService for Life and Health Insurance, Ombudsman for Banking Services and Investments, or Autorité des marchés financiers.

# Data Security and Privacy

## Evolving risks. Evolving our defences.

In the digital age, organizations like Sun Life hold more personal information than ever before. Our Clients and the public trust us with their information. That's why we see it as critical for Sun Life to take a leadership role to manage their data safely and responsibly.

New cyberthreats continue to emerge, and a surge in remote work and online financial services creates different data risks. We must work to find and prevent threats before they happen. This effort requires a constant evolution of best practices.

## Our approach at a glance

- > Delivering comprehensive training on data protection
- > Using powerful security safeguards to defend against cyberthreats
- > Embedding privacy protection into our culture and processes
- > Collaborating with external organizations to boost our efforts

[Learn more online](#)

## 2022 Performance

### Building a more cyber resilient organization

- Maintained and enhanced our phishing awareness training program. Phishing emails are the most common cyberattack against organizations. Education remains one of our best defenses.
 

**91%**  
of employees completed information security and privacy training (2021: 96%)<sup>1</sup>

  - We delivered 30 phishing simulations to employees, contractors and Canadian advisors in 2022<sup>1</sup>. These tests include real-life scenarios to help identify and avoid all types of phishing emails. We track the success of the training through performance metrics and reports.
  - Our security team provided extra learning modules to individuals in high-risk roles. These individuals include executives and executive assistants, and employees with privileged IDs and Sun Life mobile devices. These modules gave tips on avoiding spear phishing and ransomware attacks and how to safeguard mobile devices.
- Hosted internal events and activities for Cybersecurity Awareness Month in October. These initiatives aimed to improve employees' cybersecurity skillset and ensure they have a robust understanding of sophisticated cyber risks. From keeping children safe from cyberbullying, to protecting personal and professional mobile devices, our team of experts shared the latest, best-in-class guidance.
- Implemented a threat intelligence platform to deliver real-time updates on cybersecurity risks. The new software tool collects and combines multiple sources of threat intelligence feeds. This process ensures

our security monitoring tools are automatically updated for detection and blocking of threats. This work helps keep our business and our stakeholders safe in an ever-evolving cyber-threat landscape.

- Deployed new safeguards for email security amid rising cyber threats. These enhancements include blocking outbound emails that contain Sun Life sensitive data not related to valid business activity. We also introduced an improved authentication control to ensure that all Sun Life emails are properly verified. Robust email security is critical to protect sensitive information, block phishing attacks and prevent unauthorized access.

### Championing privacy within and beyond Sun Life

- Enriched our privacy curriculum with new content. For example, we developed a course on how to identify unintended bias in advanced analytics during the Privacy Impact Assessment (PIA) process. We also created courses to help employees manage privacy-related risks. A series of new videos reinforced our Client Data Privacy Principles using examples across the enterprise. These awareness-building programs complement mandatory security and privacy training courses employees must complete each year.

### Client Data Privacy Principles

- 1 We use Client data to deliver on our Purpose
- 2 We do not sell Client data
- 3 We inform Clients about why we collect and use their data

<sup>1</sup> Training completion rates are as at January 15 since annual training assigned during the reporting year may be completed after year-end. Refer to [Report Scope - Note 6](#).

▶ Climate and Environmental Action ▶ Diversity, Equity and Inclusion ▶ Client Experience ▶ **Data Security and Privacy** ▶ Talent Management ▶ Risk Management ▶ Governance and Ethics

- Enhanced our PIA tool with a new scoring model to rate the privacy risk of initiatives. PIAs are a cornerstone of Sun Life's privacy program. The automated assessment tool is used globally. PIAs help our employees assess and manage privacy risks for products, services, processes and systems that are new or have changed significantly and which involve personal information. We will use the new scoring model to streamline PIA reviews, provide direction for compliance testing and prioritize privacy controls. In 2022, our teams completed over 500 PIAs<sup>2</sup>.
- Refreshed our Privacy Guide for Contracts to enhance the protection of the personal information of our Clients and employees. The guide provides examples of privacy-related terms and establishes standards to ensure consistency between third-party contracts and Sun Life's privacy commitments. In 2022, we updated the guide to provide more plain-language examples and reflect new privacy-related regulatory requirements.

## 511

Privacy Impact Assessments conducted before launching new or modified products, services and programs<sup>2</sup> (2021: 566)



and makes it easier to do business with us.”

**Suzanne Morin,**  
**VP, Enterprise Conduct,**  
**Data Ethics and Chief Privacy Officer**

“The improved PIA process will better protect the privacy of our Clients’ information, while leveraging data and analytics to deliver on our Purpose. This enhances our Client experience

- Continued to work with other organizations to understand evolving privacy risks and advocate for good privacy practices. Sun Life has played an active role in advancing a balanced and thoughtful approach to the development of privacy laws and regulations. For example, our Chief Privacy Officer (CPO) is a member of the Steering Committee of the Canadian Anonymization Network. This organization advocates for balanced legislative and policy standards for anonymization. Their goal is to enable innovative and beneficial uses of data, while protecting against privacy risks. The CPO has co-authored articles with noted academics and industry experts on topics that will impact how privacy is managed in the future.
- Experienced one substantiated privacy complaint from a regulatory body in 2022 concerning the disclosure of one individual's personal information<sup>2</sup>. In response, we have taken corrective actions to ensure we maintain the privacy and confidentiality of all personal information entrusted to us. The regulator acknowledged the steps taken to resolve the complaint satisfactorily.



### JUST THE NUMBERS

▶ [ESG Performance Tables](#)

### MORE ONLINE

- ▶ [Security at Sun Life](#)
- ▶ [Your privacy at Sun Life](#)
- ▶ [How Sun Life is leading the way in protecting privacy rights \(case study\)](#)

<sup>2</sup> Refer to [Report Scope - Note 6](#).

# Talent Management

## Award-winning culture. Top-ranking employee engagement

Our talented team of 52,500 employees<sup>1</sup> across 28 markets drives our competitive advantage. As part of our Client Impact strategy, we're focused on empowering our people and building an inclusive culture.

Talent management is about hiring people with the right skills and investing in their development. It's about empowering our people to be action-oriented and accountable. And it's about helping our employees feel motivated in their work and connected to their Sun Life experience. When they are, we believe they'll be more productive and passionate in delivering on our Purpose.

### Our approach at a glance

- > Creating inspiring and flexible workspaces for our hybrid work model
- > Providing a wide range of training and development opportunities
- > Investing in next generation talent and leaders
- > Engaging employees through multiple communication channels

[Learn more online](#)

## 2022 Performance

- Continued to advance our future of work strategy in North America and embed it as an element of Sun Life's culture. This strategy is about employee flexibility and empowerment. Employees can choose when and where to work (at home, office or wherever their work takes them), using Client and business needs as a guide. That means no minimum number of days in office per week. New initiatives in 2022 included:
  - A future of work playbook, a toolkit that provides guidelines, resources and answers to employee questions. The playbook is a living document that will continue to evolve based on employee feedback. It covers topics such as determining workstyle and creating moments of togetherness.
  - A training program to help employees and leaders support effective work in a hybrid environment. The interactive learning series includes videos, and individual and team activity workbooks that cover key concepts such as clarity and building trust, creating engaged and connected teams, and building team agreement.
  - Investments in technology and collaboration rooms in offices across North America to make hybrid meetings more effective.

- Invested over \$34 million in training and development to support employee growth (up 36% from 2021)<sup>2</sup>. This amount covered in-house learning programs as well as external conferences, seminars and courses. On average, employees spent 20 hours participating in learning activities during the year<sup>3</sup>.

20

average hours of training per employee<sup>3</sup> (2021: 10)



"Our focus on talent and culture, which is the foundation of achieving our goals and Purpose, enables us to create a sense of belonging and fosters great ideas. Empowering our people, and having a supportive, flexible, and inclusive environment allows them to own their careers and feel safe to manage their well-being."

**Helena Pagano,**  
EVP, Chief People and Culture Officer

- Expanded our internal talent marketplace to all Sun Life Canada and Sun Life International HuBS employees. Through the marketplace, employees who have short-term capacity can find and work on internal short-term projects of interest. Employee location or level does not matter. These opportunities allow employees to gain new experiences and skills, while also supporting our leaders by providing access to talent through a new channel. Since launch in April 2020, over 200 employees have participated in unique gig opportunities.

<sup>1</sup> Rounded to the nearest hundred. Represents full-time equivalent employees and includes 29,169 regular employees, 1,258 temporary employees and employees in Asia joint ventures (21,549 regular employees and 525 temporary employees). Refer to [Report Scope - Note 1](#).

<sup>2</sup> 2022 figure reflects resumption of some training and development and conferencing activities which were cancelled or delayed due to the pandemic. Refer to [Report Scope - Note 1](#).

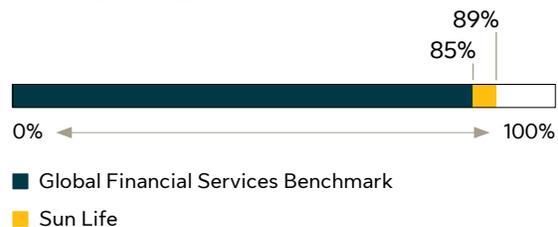
<sup>3</sup> Refer to [Report Scope - Note 5](#).

- Expanded a leadership development program at Sun Life which previously focused on Black leaders to now include Asian and Hispanic-Latino leaders as well. The training program, offered in partnership with McKinsey & Company, is designed to accelerate racial equity and hone management capabilities. Participants gain the skills, mindsets and peer networks to help them achieve their career goals. In 2022, we sponsored 131 global leaders in this program.

- Achieved an 89% employee engagement score<sup>4</sup> for the third consecutive year. This score exceeds the global financial services norm of 85%<sup>5</sup>. Employees continue to show higher support for recommending Sun Life as a good place to work and indicated they are better enabled to get work done compared to pre-pandemic levels.

- Experienced an increase in employee turnover, with a rate of 14.9% in 2022<sup>6</sup>, from 13.9% in 2021. In today's fast-changing business environment, retaining top talent remains a challenge for companies.

#### Employee engagement score exceeds industry average<sup>4,5</sup>



- Created a new management development program for our top talent in Asia. The Talent GYM is a 6-12 month integrated development journey to help our talent build and flex their leadership muscles. Participants complete core leadership modules and can choose optional add-on modules according to their individual development plan. Participants can also join gigs (short-term projects with other teams), a business bootcamp, a mentorship program and/or get individual coaching resources through an app. These opportunities help participants gain exposure and experiences that meet their personal growth needs.

- Defined a new job leveling framework at MFS to create greater consistency and transparency in job titles, roles and expectations. With the new structure, employees can more easily identify various career paths within MFS, develop their skillsets and grow their career. The new structure will also empower managers to better support their teams' professional development and facilitate internal mobility.



#### JUST THE NUMBERS

▶ [ESG Performance Tables](#)

#### MORE ONLINE

▶ [Careers at Sun Life](#)  
 ▶ [Bringing inclusive employment opportunities to local jobseekers \(feature story\)](#)

<sup>4</sup> 68% of employees surveyed participated. Refer to [Report Scope – Note 2](#).

<sup>5</sup> Based on Willis Towers Watson's Benchmark of Global Financial Services.

<sup>6</sup> Refer to [Report Scope - Note 3](#).

# Risk Management

## From climate risks to cyber threats – we're risk ready

Proactively identifying, measuring, managing, monitoring and reporting risk is key to making our business more resilient. A risk management mindset helps us meet our financial commitments to Clients. At the same time, it protects our competitiveness and long-term sustainability.

Our Annual Report provides more details on our approach to risk management. The 2022 Performance section on the right focuses on environmental, social and governance (ESG) risks.

### Our approach at a glance

- > Following our [Risk Management Framework](#) to ensure a consistent approach across Sun Life
- > Prioritizing risk management through our risk culture
- > Staying risk ready with global risk management training
- > Achieving control and accountability through [three lines of defence](#)
- > Managing climate-related risks
- > Addressing other ESG risks

[Learn more online](#)

## 2022 Performance

- Increased leadership focus on rapidly evolving ESG risks to ensure they are properly addressed. Our leadership regularly discussed sustainability risks and opportunities, including climate change, cybersecurity and human rights. The Executive Risk Committee and Risk Committee of the Board of Directors received quarterly reports on emerging and top risks.
- Continued expanding our awareness and understanding of climate-related underwriting risks. For example, we started developing a risk monitoring plan for research and analysis. The work is focused on monitoring the emerging risks associated with climate change and its effects on diseases and death in human populations. The research along with experience data will help to inform decisions related to underwriting assumptions over the long term.

### 91%

of employees completed risk-related training in 2022<sup>1</sup>



“To respond to the accelerating pace of change in climate risk management, Sun Life is committed to elevating our approach. The demand for climate risk expertise has never been greater. We continue to build our bench strength in this area by adding more roles dedicated to climate risk, such as the Assistant Vice-President of Climate Change Risk.”

**Paula Haschig, Vice-President, Climate Change & Environmental Impact**

- Identified, assessed and prioritized key human rights risks across Sun Life. The purpose is to ensure we are aware of and manage the full range of

potential human rights risks within our employment practices, products and services, supply chain, and investments. In 2023, we intend to strengthen our approach to managing key human rights issues.

- Contributed to ongoing regulatory and policy responses to climate-related risks. For example, we supported the introduction of the Office of the Superintendent of Financial Institutions' draft *Guideline B-15: Climate Risk Management*. We encouraged aligning with the domestic and international regulatory environment and accelerating the development of standardized climate scenarios.
- Updated our [Task Force on Climate-related Financial Disclosures](#) reporting in our 2022 Annual Report. These disclosures give stakeholders insight on our governance, risk management, strategy and metrics and targets related to climate change.

### Sun Life's financial strength ratings continue to be among the highest in the industry

	Standard & Poor's	Moody's	A.M. Best	DBRS
Sun Life Assurance Company of Canada	AA Very strong	Aa3 High quality	A+ Superior	AA Excellent

Ratings are for Sun Life Assurance Company of Canada ("Sun Life Assurance"). Sun Life Assurance is Sun Life Financial Inc.'s principal operating life insurance subsidiary.

#### JUST THE NUMBERS

- ▶ [ESG Performance Tables](#)

#### MORE ONLINE

- ▶ [Annual Report](#)
- ▶ [2023 Management Information Circular](#)
- ▶ [Financial Strength Ratings](#)

<sup>1</sup> Training completion rates are as at January 15 since annual training assigned during the reporting year may be completed after year-end. Refer to [Report Scope - Note 6](#).

# Governance and Ethics

## Empowering our people to do the right thing

Good governance and behaviour are essential practices for any sustainable business. They're especially important for financial services companies like ours. Being well-governed and behaving ethically at all levels of our organization is critical to Sun Life's reputation. These practices are essential to ensuring we operate – and are regarded – as a trusted and responsible business.

### Our approach at a glance

- > Committing to best-in-class corporate governance
- > Embedding an ethical culture through robust practices
- > Providing a confidential way to raise concerns about unethical behaviour
- > Respecting fundamental human rights
- > Shaping public policy in a way that benefits public interests

[Learn more online](#)

## 2022 Performance

- Achieved 2025 aim of balanced gender representation on the Board of Directors, with 55% of board members self-identifying as women<sup>1</sup>.
- Exceeded target for underrepresented groups<sup>2</sup> on the Board, with 27% of Board members self-identifying as members of underrepresented groups<sup>1</sup>.
- Continued to promote and measure our ethical culture through ongoing communication and surveys. 78% of employees told us they feel it's safe to speak up at Sun Life<sup>3</sup>. This result exceeds the global financial services norm of 76%<sup>4</sup>.
- Increased employee ease of use of our Code of Conduct by making it available in nine languages (up from 4 in 2021). As a global organization, we believe it is essential that our Code is inclusive, easy to understand and clear in its expectations for employees.
- Assessed 100% of critical suppliers to evaluate their alignment with our Supplier Code of Conduct. We used self-assessment surveys and reviewed supplier policies and reports to understand critical supplier compliance. Our Supplier Code sets out standards and expectations for suppliers on topics such as privacy, ethics, human rights and sustainable practices.

### Achieved gender parity

on Board of Directors

**27%**

of Board members self-identify as belonging to an underrepresented group<sup>1,2</sup>

**75%**

of Board committee chairs self-identify as women



“At Sun Life, our reputation is earned every day – in how we conduct our businesses, the services and solutions we offer and doing the right thing for our Clients, shareholders, communities and each other. Our Code of Conduct acts as our roadmap, keeping us all on track as we deliver on our Purpose to help Clients achieve lifetime financial security and live healthier lives.”

**Melissa Kennedy,**  
EVP, Chief Legal Officer & Public Affairs

#### JUST THE NUMBERS

- ▶ [ESG Performance Tables](#)

#### MORE ONLINE

- ▶ [Sun Life Code of Conduct](#)
- ▶ [Ethics Hotline](#)
- ▶ [2023 Management Information Circular](#)

<sup>1</sup> Effective February 7, 2023, upon the appointment of Joseph Natale to Sun Life's Board of Directors, 50% of Sun Life's Board of Directors self-identify as women and 25% self-identify as members of underrepresented groups.

<sup>2</sup> Individuals who have self-identified as members of the Black, Indigenous, People of Colour, disabled and/or LGBTQ2+ communities.

<sup>3</sup> Based on global employee engagement survey. 68% of employees surveyed participated. Refer to [Report Scope - Note 2](#).

<sup>4</sup> Based on Willis Towers Watson's Benchmark of Global Financial Services.

## APPENDIX I: About this report

Every year, we publish our Sustainability Report to provide an update on the progress we've made globally on key sustainability topics.

### Reporting Scope

This report presents the most relevant environmental, social and governance (ESG) issues and impacts of our activities during 2022. We determine the ESG issues of greatest importance to our business and our stakeholders through a periodic materiality assessment. Refer to [Stakeholder Engagement and Materiality](#) for more details. Reports from previous years are available on our [website](#).

### Reporting Frameworks

We have followed the Global Reporting Initiative (GRI) framework since 2014 to guide our reporting. We have reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022. We also report on select disclosure topics identified in the Asset Management and Insurance standards developed by the Sustainability Accounting Standards Board (SASB).

- [GRI Index](#)
- [SASB Index](#)

### Our Process

We strive to give an accurate and balanced account of our sustainability performance. To achieve this, several groups review the content of this report:

- internal subject-matter experts;
- senior management responsible for key sustainability-related activities;
- members of our International Sustainability Council;
- our internal Disclosure Committee; and
- the Governance, Investment & Conduct Review Committee of our Board of Directors, prior to recommending to the Board approval of the report for publication.

We obtained external and independent limited assurance of our Scope 1, 2 and selected Scope 3 data for our 2022 greenhouse gas (GHG) emissions, and annual emission reductions between 2021 and 2022. Refer to the [Assurance Statement](#) and [GHG Emissions Reporting Methodology](#) for more information. We did not seek an external, independent review of our full report.

### Reporting Boundaries

This Sustainability Report ("Report") is for Sun Life Financial Inc., and where applicable, its subsidiaries, joint ventures and associates. It covers the fiscal year January 1 to December 31, 2022. Unless otherwise noted, we presented all information in this report as at and for the year ended December 31, 2022. All dollar amounts are in Canadian currency, unless otherwise stated. References to "we," "our," "us," "the Company," and "Sun Life" mean Sun Life Financial Inc. and, where applicable, its subsidiaries, joint ventures and associates.

This Report reflects the data that is available to Sun Life for each of the disclosed metrics. The default scope for disclosures in this Report reflects the following Sun Life business groups (collectively, the "Core Data Group"): Canada, U.S. (excluding DentaQuest), UK, Asia (includes Hong Kong, Indonesia, Philippines, International), and SLC Management. For clarity, sustainable investing content generally also includes MFS and SLC Management affiliates

(BentallGreenOak, InfraRed and Crescent). Exceptions based on data availability are reflected in footnotes throughout the Report and, where indicated, vary from the Core Data Group as follows:

NOTE 1: Includes Vietnam, DentaQuest, MFS, SLC Management affiliates (BentallGreenOak, InfraRed and Crescent) and Asia joint ventures.

NOTE 2: Includes Vietnam and Asia joint ventures (Malaysia and Philippines)

NOTE 3: Includes MFS

NOTE 4: Excludes UK, Asia (International), SLC Management and includes Sun Life Malaysia.

NOTE 5: Includes MFS and Vietnam

NOTE 6: Includes Vietnam

NOTE 7: Includes Vietnam and Sun Life Malaysia

NOTE 8: Excludes UK

#### 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 (i) relating to our strategies, plans, targets and priorities; (ii) relating to our sustainable investment commitments and net-zero greenhouse gas emissions reduction goals and targets, including our interim emissions reduction targets; (iii) that are predictive in nature or that depend upon or refer to future events or conditions; (iv) 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 represent our current expectations, estimates and projections regarding future events and are not historical facts. These forward-looking statements are not a guarantee of future performance, involve inherent risks and uncertainties and are based on key factors and assumptions, all of which are difficult to predict. Future results may differ materially from those expressed in forward-looking statements. In addition, as Sun Life works to advance its climate goals, external factors outside of Sun Life's reasonable control may act as constraints on their achievement, including varying decarbonization efforts across economies, the need for thoughtful climate policies around the world, more and better data, reasonably supported methodologies, technological advancements, the evolution of consumer behaviour, the challenges of balancing interim emissions goals with an orderly and just transition, and other significant considerations such as legal and regulatory obligations. We intend to review and potentially revise our emissions reduction goals and targets as appropriate as data quality and methodologies improve and as best practices, regulations and climate science continue to evolve. Other factors that may cause actual results to differ materially from those expressed in forward-looking statements include the matters set out in the Company's Annual Information Form for the year ended December 31, 2022 under the heading "Risk Factors" and other factors detailed in the Company'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.sedar.com](#) and [www.sec.gov](#), respectively. The forward-looking statements contained in this report describe our expectations as at December 31, 2022 and accordingly, are subject to change after such date. The Company does not undertake any obligation to update or revise its forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

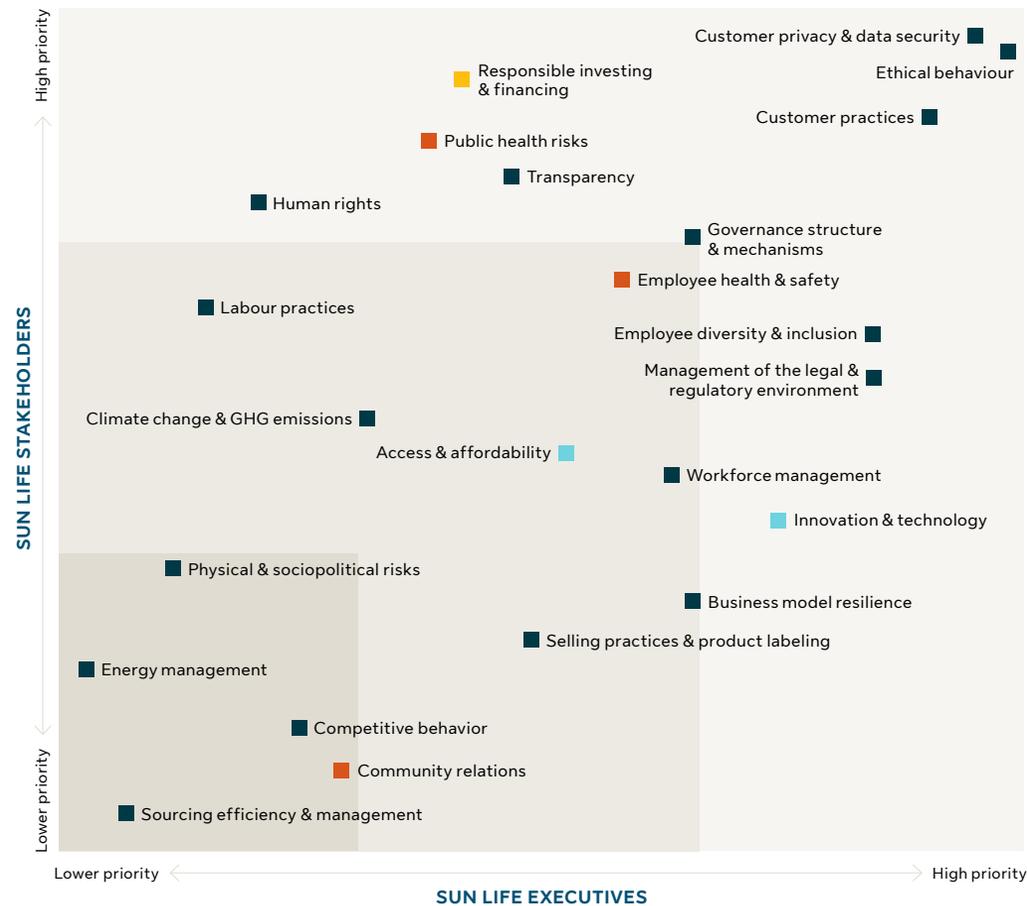
# APPENDIX II: Stakeholder engagement and materiality

Engaging with our stakeholders is critical to our success, and we do so in many ways – as highlighted throughout this report and in our [GRI Index](#). Our key stakeholders are: Clients, employees and advisors, governments and regulators, industry associations, shareholders, investors, analysts, suppliers, and community organizations and members.

One of the ways we check in with internal and external stakeholders is through a materiality assessment, which is our process for identifying and prioritizing ESG issues of greatest importance. The results guide Sun Life’s sustainability initiatives and reporting.

We conducted our last materiality assessment in 2021. The matrix on the right shows the results. This report is structured around the top 12 material topics from that assessment, grouped into the four pillars of our Sustainability Plan (Financial Security, Healthier Lives, Sustainable Investing, and Trusted and Responsible Business). Refer to our [2021 Sustainability Report](#) for more details about our materiality process. We will review the need for a full materiality assessment in 2023.

## 2021 materiality assessment results



- Financial Security
- Healthier Lives
- Sustainable Investing
- Trusted and Responsible Business

Material topics	Relevant issues/sub-topics
Client experience	Customer practices Selling practices & product labeling Transparency
Client health	Public health risks Innovation & technology
Climate and environmental action	Climate change & GHG emissions Energy management
Community wellness	Public health risks Community relations
Data security and privacy	Customer privacy & data security
Diversity, equity and inclusion	Employee diversity & inclusion Human rights Sourcing efficiency & management
Employee wellness	Employee health & safety
Financial security	Access & affordability Innovation & technology
Governance and ethics	Ethical behaviour Governance structures & mechanisms Management of the legal & regulatory environment Competitive behaviour
Risk management	Business model resilience Sourcing efficiency & management Physical & sociopolitical risks
Sustainable investing	Responsible investing & financing
Talent management	Labour practices Workforce management

## APPENDIX III: ESG performance tables

Relevant standards/ indicators	Financial Security	2022	2021	2020
<b>GRI 3-3, 203-2</b> <b>SDG 8.3, 8.10</b>	Number of lives covered under affordable insurance policies <sup>1</sup> (Asia) (millions)	1.6	1.5	1.0
	Number of positive financial actions taken by Clients in Canada towards financial security <sup>2</sup> (millions)	1.1	1.1 <sup>3</sup>	1.0 <sup>3</sup>
	Number of Sun Life Canada Group Retirement Services Clients with a financial plan	331,477	284,933	232,898
	Number of financial roadmaps created for Clients in Canada using the Sun Life One Plan digital tool	49,035 <sup>4</sup>	-	-
	Dollars paid in claims and benefits <sup>5</sup> (\$ billions)	\$22.0	\$18.7	\$18.3

<sup>1</sup> Affordable insurance products help people in the mass market (including lower-income segments) meet risk protection needs at an accessible price point. The criteria for a product to be considered affordable insurance varies by country and is based on factors such as: insurance premium amount relative to average income, coverage period, underwriting requirements and/or government regulation.

<sup>2</sup> Examples of positive financial actions include adding voluntary benefits, adding a voluntary savings product, or making a lump sum deposit.

<sup>3</sup> Restated due to change in methodology.

<sup>4</sup> Figure includes Individual Clients and a pilot Group Retirement Services Client using our new Sun Life One Plan digital tool. In 2022, we created over 65,000 financial roadmaps for Individual Clients.

<sup>5</sup> Refer to [Report Scope - Note 1](#).

Relevant standards/ indicators	Client Health	2022	2021	2020
<b>GRI 3-3, 203-2</b> <b>SDG 3.4, 3.8, 3.d</b>	Number of positive decisions taken by Clients in Canada towards health and wellness after a nudge from our digital coach, Ella <sup>1</sup>	499,993 <sup>2</sup>	379,349 <sup>3</sup>	248,416
	Number of Clients and their family members with access to Lumino Health Virtual Care in Canada	755,000	556,000	523,000
	U.S. stop-loss Clinical 360 savings for Sun Life and Clients (\$ millions)	US\$30.5	US\$24.5	US\$16.2

<sup>1</sup> Examples of positive decisions include purchasing a voluntary benefits product (optional life or critical illness) or making a booking on Lumino Health.

<sup>2</sup> Represents fulfillment data as at March 1, 2023. Values are subject to change as fulfillment is not fully validated until 90-120 days after year end.

<sup>3</sup> Restated to reflect fully validated data.

Relevant standards/ indicators	Employee Wellness	2022	2021	2020
<b>GRI 3-3, 403-6</b> <b>SDG 3.4, 3.8, 5.4</b>	Total spent on compensation and benefits <sup>1</sup> (\$ billions)	\$5.1	\$5.1	\$4.4
	Percentage of qualified employees in North America voluntarily contributing to Sun Life's defined contribution plan			
	Canada	90%	88%	86%
	Percentage eligible for auto-enrollment who did not opt out	94%	94%	95%
	U.S.	88%	86%	86%
	Percentage eligible for auto-enrollment who did not opt out	95%	98%	96%
	Percentage of qualified employees in North America voluntarily contributing to Sun Life's share purchase plan			
	Canada	61%	65%	64%
	U.S.	21%	21%	19%
	Percentage of employees who say that their immediate manager/supervisor supports their well-being <sup>2</sup>	92%	-	-
	Percentage of employees who completed Sun Life's annual safety and emergency preparedness training <sup>3</sup>	93%	96%	96%
	Absentee rate (% of total days scheduled)	4.7%	4.8%	4.2%
	Critical injuries (work-related accidents) <sup>4</sup> (Canada)	0	0	0

<sup>1</sup> Refer to [Report Scope - Note 1](#).

<sup>2</sup> Based on global employee engagement survey. 68% of employees surveyed participated. Refer to [Report Scope - Note 2](#).

<sup>3</sup> Training completion rates are as at January 15 since annual training assigned during the reporting year may be completed after year-end. Refer to [Report Scope - Note 6](#).

<sup>4</sup> Refers to a serious injury that places life in jeopardy, and involves an employee that is unconscious, experienced a significant loss of blood, a fracture or amputation of a limb, burns over major portions of the body, loss of sight or other significant losses that require immediate medical attention in a hospital setting. This also includes serious violent crime (resulting in an injury, death or a near miss) while at a company event or traveling on company business.

▶ I. About this report ▶ II. Stakeholder engagement and materiality ▶ **III. ESG performance tables** ▶ IV. Recognition

Relevant standards/ indicators	Community Wellness	2022	2021	2020
<b>GRI 3-3, 203-2</b>	Total corporate giving (\$ millions)	<b>\$23.8</b>	\$20.9	\$18.5
<b>SDG 3.4, 3.8, 3.d</b>	Sun Life	<b>\$16.2</b>	\$15.3	\$13.8
	MFS	<b>\$4.1</b>	\$4.3	\$4.1
	BentallGreenOak	<b>\$1.0</b>	\$0.8	\$0.6
	Crescent	<b>\$0.5</b>	\$0.4	-
	InfraRed	<b>\$0.4</b>	\$0.1	-
	DentaQuest	<b>\$1.6</b>	-	-
	Breakdown of Sun Life donations by focus area (\$ millions)			
	Health	<b>\$10.5</b>	\$9.2	\$7.4
	Diabetes	<b>\$5.7</b>	\$6.0	\$4.5
	Mental Health	<b>\$3.3</b>	\$0.8	\$0.2
	Culture	<b>\$1.3</b>	\$1.7	\$1.8
	Social Services	<b>\$3.3</b>	\$3.3	\$3.5
	Education	<b>\$1.2</b>	\$1.1	\$1.0
	Total donations to diversity, equity and inclusion initiatives <sup>1</sup> (\$ millions)	<b>\$3.8</b>	\$2.0	\$0.9
	Dollars raised by employees for charities across North America and Ireland <sup>2</sup> (\$ millions)	<b>\$2.2</b>	\$2.3	\$2.4
	Number of registered charities supported by employee giving and volunteering in North America and Ireland <sup>2</sup>	<b>3,212</b>	3,085	3,027
	Employee volunteer hours <sup>3</sup>	<b>26,596</b>	19,553	13,458

<sup>1</sup> Refer to [Report Scope - Note 8](#).

<sup>2</sup> 2021 and 2020 values do not include Ireland.

<sup>3</sup> Number of hours an employee performed a service without pay for the greater good of others, on behalf of a registered charity. Refer to [Report Scope - Note 7](#).

Relevant standards/ indicators	Sustainable Investing	2022	2021	2020
<b>GRI 3-3, 203-1, 203-2</b>	Sustainable investment AUM* <sup>1</sup> (\$ billions)	<b>\$80.4</b>	\$65.4 <sup>2</sup>	\$60.1
<b>SDG 7.1, 7.2, 7.3, 13.1, 13.3</b>	Renewable energy	<b>\$13.0</b>	\$10.9	\$9.7
	Energy efficiency	<b>\$2.8</b>	\$1.9	\$1.6
	Sustainable/green buildings <sup>3</sup>	<b>\$47.1</b>	\$35.8 <sup>2</sup>	\$33.7
	Clean transportation	<b>\$1.8</b>	\$1.3	\$1.9
	Sustainable water management	<b>\$0.7</b>	\$0.7	\$0.7
	Access to essential services	<b>\$9.5</b>	\$9.3 <sup>2</sup>	\$9.9
	Green, social and sustainability bonds	<b>\$5.5</b>	\$5.5	\$2.6
	Value of new sustainable investments <sup>4,5</sup> (\$ billions) (Target: \$20 billion between 2021-2025 <sup>6</sup> )	<b>\$6.5</b>	\$7.7 <sup>7</sup>	\$3.6
	Sustainability-themed investment AUM (SLGI) <sup>8</sup> (\$ millions)	<b>\$523</b>	\$469	\$367
	Percentage of green-certified space <sup>9</sup> (real estate investments in North America)	<b>87%</b>	86%	77%

\* Portfolio at December 31 (general account and third-party Clients). Client asset values included represent a non-IFRS financial measure.

<sup>1</sup> Criteria for investments based on ICMA Green Bond Principles, ICMA Social Bond Principles, ICMA Sustainability Bond Principles, GRESB Real Estate Benchmark, and PRI Impact Investing Market Map. 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. Does not include all holdings in companies that may be defined as sustainable under other taxonomies.

<sup>2</sup> Figures restated to reflect a foreign exchange correction totaling \$0.2 billion.

<sup>3</sup> Real estate assets include investment properties, owner-occupied properties and real estate in limited partnership investments.

<sup>4</sup> 2022 and 2021 values are as at transaction date, 2020 values are as at Dec 31. Client asset values included represent a non-IFRS financial measure.

<sup>5</sup> Examples of typical investments include solar, wind and hydro renewable energy investments, energy efficiency projects, affordable housing, and long-term care facilities.

<sup>6</sup> Includes investments from SLC Fixed Income and two of SLC Management's affiliates: BentallGreenOak and InfraRed.

<sup>7</sup> Figure restated due to reporting omission of \$0.9 billion in green, social and sustainability bonds.

<sup>8</sup> Represents mutual funds investments in companies with good environmental, social and governance credentials and high potential to generate positive and measurable environmental and social outcomes. Investments may represent all or only a portion of a mutual fund. For further details into SLGI's mutual funds, refer to its latest [Simplified Prospectus](#).

<sup>9</sup> Certificates include BOMA BEST, LEED, IREM Certified Sustainable Property, Fitwel and ENERGY STAR.

Relevant standards/ indicators	Client Experience	2022	2021	2020
<b>GRI 3-3, 203-2</b>	Change in global Client experience index score <sup>1</sup> from previous year	<b>0</b> (target: 0)	-1 (target: +1)	+3 (target: +2)
	<b>Problem resolution in Canada:</b>			
	Cases investigated by Sun Life's Client Advocates	<b>1,531</b>	875 <sup>2</sup>	146 <sup>3</sup>
	Cases investigated by an independent complaint resolution body or regulator <sup>4</sup>	<b>48</b>	28	47
	Cases investigated that resulted in a recommendation different from Sun Life's position <sup>4</sup>	<b>0</b>	0	2

<sup>1</sup> Refer to [Report Scope - Note 4](#).

<sup>2</sup> Cases increased due to a new complaint resolution process which enables Clients to raise concerns more easily with Sun Life.

<sup>3</sup> These cases were investigated by Sun Life's ombuds office in Canada prior to their merger with the Client Advocacy group.

<sup>4</sup> Represents cases investigated by OmbudService for Life and Health Insurance, Ombudsman for Banking Services and Investments, or Autorité des marchés financiers.

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Relevant standards/ indicators	Diversity, Equity and Inclusion <sup>1</sup>	2022	2021	2020
GRI 2-7, 3-3, 405-1, 405-2 SASB FN-AC-330a.1 SDG 5.1, 5.2, 5.5, 8.5	Women (Global)	59%	59%	59%
	Senior management (Vice-President and above) (Goal: Gender parity by 2025)	36%	35%	34%
	Middle management (Assistant Vice-President and Director)	48%	47%	47%
	Staff	62%	61%	61%
	Underrepresented ethnicities <sup>2</sup> (North America)	34%	31%	29%
	Senior management (Goal: 25% by 2025)	19%	16%	15%
	Middle management	29%	27%	24%
	Staff	35%	32%	30%
	LGBTQ2+ (North America)	3%	3%	3%
	Persons with disabilities (North America)	2%	1%	1%
	Indigenous <sup>3</sup> (Canada)	1%	1%	1%
	Senior management	1%	1%	1%
	Middle management	0%	0%	0%
	Staff	1%	1%	1%
	Black (Canada)	4%	3%	3%
	Senior management (Goal: 3.5% by 2025) <sup>4</sup>	3.3%	2.1%	0.7%
	Middle management	2%	1%	1%
	Staff	5%	4%	3%
	Within student workforce (Goal: 5% by 2025) <sup>4</sup>	8%	4%	4%
	Black/African American (U.S.) <sup>5</sup>	10%	8%	6%
	Senior management (Goal: 13%)	10%	7%	7%
	Middle management (Goal: 13%)	3%	3%	2%
	Staff (Goal: 13%)	11%	9%	7%
	Diversity in hiring			
	Women (Global)	58%	55%	55%
	Underrepresented ethnicities <sup>2</sup> (North America)	52%	51%	41%
	Age diversity (Global)			
<30	19%	18%	19%	
30-50	60%	58%	58%	
50+	21%	24%	23%	
Average total compensation for women as a percentage of men by role <sup>6</sup> (Canada)				
Senior management	96%	94%	95%	
Middle management	98%	98%	98%	
Staff	98%	99%	99%	

Relevant standards/ indicators	Diversity, Equity and Inclusion <sup>1</sup>	2022	2021	2020
	Average total compensation for underrepresented ethnicities <sup>2</sup> as a percentage of non-underrepresented ethnicities <sup>6,7</sup> (Canada)			
	Senior management	111%	105%	-
	Middle management	101%	100%	-
	Staff	103%	103%	-
	Average total compensation for women as a percentage of men by role <sup>6</sup> (U.S.)			
	Senior management	97%	99%	96%
	Middle management	98%	97%	97%
	Staff	97%	96%	95%
	Average total compensation for underrepresented ethnicities <sup>2</sup> as a percentage of non-underrepresented ethnicities <sup>6,7,8</sup> (U.S.)			
	Middle management	104%	100%	-
	Staff	101%	101%	-
	Average total compensation for women as a percentage of men by role <sup>6,8,9</sup> (Countries in Asia)			
	Middle management	89%-104%	98%-106%	-
	Staff	98%-101%	97%-101%	-
	Percentage of total direct spend (North America) with certified diverse suppliers (Goal: 5% by 2025)	1.0%	1.6%	1.3%
	Percentage of employees who feel that Sun Life supports diversity in the workplace (recognizing and respecting the value of human differences) <sup>10</sup>	95%	94%	94%
	DE&I Engagement Index score <sup>11</sup>	87%	-	86%

<sup>1</sup> Underrepresented ethnicity data is based on employee voluntary self-identification. 91% of employees surveyed have provided self-identification data.

<sup>2</sup> Canada: those who self-identify as Visible Minorities per the Employment Equity Act; U.S.: those who self-identify as People of Color per the Equal Employment Opportunity Commission.

<sup>3</sup> Indigenous is a collective name for the original peoples of North America and their descendants. In Canada, the term Aboriginal Peoples is also used for individuals identifying themselves as First Nations, Inuit or Métis.

<sup>4</sup> Part of a series of commitments included in our role as signatory to the BlackNorth Initiative.

<sup>5</sup> U.S. refers to the U.S. Group Benefits, Dental (excluding DentaQuest) and In-Force management businesses of Sun Life U.S. as reported by Sun Life Financial Group Inc.

<sup>6</sup> Calculated for full-time employees only, excluding those participating in specialized incentive plans; includes base salary, annual incentives and long-term incentive grants.

<sup>7</sup> Includes primarily employees who self-identify as white, those who choose not to identify and those for whom there is no data.

<sup>8</sup> Senior management populations across comparator groups did not meet the minimum required for reporting.

<sup>9</sup> Countries in Asia include India, Indonesia, Hong Kong and the Philippines.

<sup>10</sup> Based on global employee engagement survey. 68% of employees surveyed participated. Refer to [Report Scope - Note 2](#).

<sup>11</sup> Based on Diversity, Equity and Inclusion employee survey, conducted every two years. 68% of employees surveyed participated. Refer to [Report Scope - Note 2](#).

For MFS diversity, equity and inclusion data refer to [MFS Diversity Annual Report](#).

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Relevant standards/ indicators	Talent management	2022	2021	2020
<b>GRI 2-7, 3-3, 401-1, 401-2 SDG 5.4, 5.5, 8.5</b>	Total number of employees <sup>1</sup>	52,501	50,012	43,091
	Regular employees	29,169	24,589	23,975
	Temporary employees	1,258	1,233	908
	Regular employees – Asia joint ventures	21,549	23,576	18,318
	Temporary employees – Asia joint ventures	525	614	700
	Employee engagement score <sup>2</sup>	89%	89%	89%
	Participation rate in employee engagement survey <sup>2</sup>	68%	72%	77%
	Total turnover rate <sup>3</sup>	14.9%	13.9%	8.9%
	Voluntary turnover rate	13.3%	12.1%	6.9%
	Average employee tenure <sup>3</sup> (years)	8.4	9.0	8.9
	Percentage of staff who received a promotion <sup>3</sup>	9.7%	8.6%	7.2%
	Number of new hires <sup>3</sup>	9,616	7,034	5,621
	Percentage of hires filled by internal candidates	43%	53%	53%
	Total invested in training and development <sup>4</sup> (\$ millions)	\$34	\$25	\$26
	Average hours of training per employee <sup>5</sup>	20	10	6
Mandatory risk-related training	3	4	3	
Other training <sup>6</sup>	17	6	3	

<sup>1</sup> Represents full-time equivalent employees. Refer to [Report Scope - Note 1](#).  
<sup>2</sup> Refer to [Report Scope - Note 2](#).  
<sup>3</sup> 2021 and 2020 data restated to include MFS. Refer to [Report Scope - Note 3](#).  
<sup>4</sup> 2022 figure reflects resumption of some training and development and conferencing activities which were cancelled or delayed due to the pandemic. Refer to [Report Scope - Note 1](#).  
<sup>5</sup> Amounts are impacted by rounding. Refer to [Report Scope - Note 3](#).  
<sup>6</sup> Other training includes skills and career development training.

Relevant standards/ indicators	Risk management	2022	2021	2020
<b>GRI 3-3 SDG 13.1</b>	Percentage of employees who completed Sun Life's annual risk-related training modules <sup>1</sup>	91%	94%	94%

<sup>1</sup> Training completion rates are as at January 15 since annual training assigned during the reporting year may be completed after year-end. Refer to [Report Scope - Note 6](#).

Relevant standards/ indicators	Data security and privacy	2022	2021	2020
<b>GRI 3-3, 418-1</b>	Number of different scenarios used in phishing simulation tests that were delivered to employees, contractors and Canadian Advisors (combined total) <sup>1</sup>	30	36	33
	Number of substantiated privacy complaints from a regulatory body <sup>1</sup>	1	1	1
	Percentage of employees who completed Sun Life's annual information security and privacy training <sup>2</sup>	91%	96%	96%
	Privacy Impact Assessments (PIAs) reviewed <sup>3</sup>	511	566	357

<sup>1</sup> Refer to [Report Scope - Note 6](#).  
<sup>2</sup> Training completion rates are as at January 15 since annual training assigned during the reporting year may be completed after year-end. Refer to [Report Scope - Note 6](#).  
<sup>3</sup> PIAs are mandatory evaluations that teams across Sun Life must complete when developing new business initiatives. Conducting a PIA is a strong risk management practice for identifying and mitigating privacy risks. Refer to [Report Scope - Note 6](#).

Relevant standards/ indicators	Governance and ethics	2022	2021	2020
<b>GRI 3-3, 405-1 SDG 5.1, 5.2, 5.5</b>	Number of directors on the Board	11	12	11
	Number of independent directors on the Board	10	11	10
	Percentage of Board members who self-identify as women (Goal: gender parity by 2025)	55% <sup>1</sup>	42%	36%
	Percentage of Board committee chairs who self-identify as women	75%	50%	75%
	Percentage of Board members who self-identify as belonging to an underrepresented group <sup>2</sup> (Goal: 20-25%)	27% <sup>1</sup>	25%	9%
	Percentage of employees who feel it is safe to speak up at Sun Life <sup>3</sup>	78%	81%	81%
	Percentage of employees who completed Sun Life's annual Code of Conduct training <sup>4</sup>	96%	89%	90%
	Percentage of employees who completed Sun Life's annual financial crime awareness training <sup>4</sup>	92%	96%	95%

<sup>1</sup> Effective February 7, 2023, upon the appointment of Joseph Natale to Sun Life's Board of Directors, 50% of Sun Life's Board of Directors self-identify as women and 25% self-identify as members of underrepresented groups.  
<sup>2</sup> Individuals who have self-identified as members of the Black, Indigenous, People of Colour, disabled and/or LGBTQ2+ communities.  
<sup>3</sup> Based on global employee engagement survey. 68% of employees surveyed participated. Refer to [Report Scope - Note 2](#).  
<sup>4</sup> Training completion rates are as at January 15 since annual training assigned during the reporting year may be completed after year-end. Refer to [Report Scope - Note 6](#).

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Relevant standards/ indicators	Global GHG emissions associated with real estate (tCO <sub>2</sub> e)	2022	2021	2020
<b>GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5</b> <b>SDG 3.9, 8.4, 13.1, 13.3</b>	Corporate Real Estate (Sun Life occupied space) <sup>1</sup> (market-based)			
	Scope 3 (Category 8, upstream leased assets <sup>2</sup> )	17,855	18,245	17,803
	Market-based emissions intensity <sup>3</sup> (kgCO <sub>2</sub> e/ft <sup>2</sup> )	3.7	3.7	3.6
	Real Estate Investments (Sun Life owned properties) (market-based)			
	Scope 1 (natural gas)	15,046	13,532	13,850
	Scope 2 (electricity, steam, chilled water)	10,920	15,724	15,361
	Scope 3 (Category 4, upstream transportation and distribution)	226	232	220
	Scope 3 (Category 5, waste generated in operations <sup>4</sup> )	7,296	7,046	7,087
	Total market-based <sup>5</sup>	33,488	36,534	36,518
	Market-based emissions intensity <sup>3</sup> (kgCO <sub>2</sub> e/ft <sup>2</sup> )	1.2	1.3	1.4
	Emissions (market-based)			
	Scope 1	15,046	13,532	13,850
	Scope 2	10,920	15,724	15,361
	Scope 3	25,377	25,523	25,110
Carbon offsets	-18,836	-17,303	-1,683	
<b>Total net<sup>5</sup> emissions (market-based)</b>	<b>32,507</b>	<b>37,476</b>	<b>52,638</b>	
<b>Overall market-based emissions intensity<sup>3</sup> (kgCO<sub>2</sub>e/ft<sup>2</sup>)</b>	<b>1.0</b>	<b>1.2</b>	<b>1.7</b>	
Emissions (location-based)				
Scope 1	15,046	13,532	13,850	
Scope 2	18,819	17,772	18,541	
Scope 3 <sup>6</sup>	25,792	25,220	25,528	
<b>Total emissions (location-based)<sup>7,8</sup></b>	<b>59,657</b>	<b>56,524</b>	<b>57,919</b>	

Sun Life has engaged KPMG LLP (KPMG) to provide limited assurance over selected Scope 1, 2 and 3 data for GHG emissions in this report, for the year ended December 31, 2022 and annual emissions increase between 2021 and 2022. Refer to the [Assurance Statement](#) for more information.

In 2022, we applied changes to our methodology. Refer to Section 2.4 of Sun Life's [GHG Emissions Reporting Methodology](#) for more information on the methodology changes for reporting the scope of emissions for Sun Life's Real Estate. Prior period values have been restated to reflect the updated methodology, where applicable.

Relevant standards/ indicators	GHG emissions associated with Scope 3, Category 6 business travel (tCO <sub>2</sub> e)	2022	2021	2020
<b>GRI 3-3, 302-2, 305-3</b> <b>SDG 3.9, 8.4, 13.1, 13.3</b>	Car	1,219	462	617
	Air	4,744	518	2,850
	Rail	13	4	3
	Total emissions	5,976	984	3,470
	Carbon offsets *	-5,976	-984	0
	<b>Total net emissions</b>	<b>0</b>	<b>0</b>	<b>3,470</b>

Travel emissions data accounts for business travel by air, rail, car rental for business purposes and employee-claimed mileage (employee-owned car travel) for Sun Life's North American operations, and by employees based in the following office locations: India, the Philippines, the United Kingdom, Hong Kong, Ireland and Vietnam. In addition, business travel data is included for the global offices of MFS, BentalGreenOak, InfraRed Capital Partners and Crescent Capital.

\* Sun Life has maintained CarbonNeutral company certification since 2021 which includes the purchase of carbon offsets for emissions associated with business travel. CarbonNeutral® is a registered trademark of Climate Impact Partners and is achieved in accordance with The CarbonNeutral Protocol, the leading global framework for carbon neutrality.

Refer to additional notes on [page 53](#).

Relevant standards/ indicators	Global water use associated with real estate	2022	2021	2020
<b>GRI 3-3, 303-5</b> <b>SDG 3.9, 8.4, 13.1, 13.3</b>	Corporate Real Estate (Sun Life occupied space) <sup>1</sup>			
	Water use (m <sup>3</sup> )	262,181	280,312	309,384
	Water use intensity (L/ft <sup>2</sup> )	54.9	56.6	63.0
	Real Estate Investments (Sun Life owned properties)			
	Water use (m <sup>3</sup> )	1,405,550	1,357,647	1,312,449
	Water use intensity (L/ft <sup>2</sup> )	50.4	49.7	50.5
	<b>Total water use (m<sup>3</sup>)</b>	<b>1,667,731</b>	<b>1,637,959</b>	<b>1,621,833</b>
	<b>Overall water use intensity (L/ft<sup>2</sup>)</b>	<b>51.1</b>	<b>50.8</b>	<b>52.5</b>

<sup>1</sup> Some corporate real estate offices are located in Real Estate Investment properties. Emissions and water use for these offices are included under the Real Estate Investment portfolio total emissions to avoid double-counting.

<sup>2</sup> Emissions are reported for heating fuel, purchased energy and water consumed at Corporate Real Estate spaces occupied by Sun Life.

<sup>3</sup> Market-based electricity emissions reflect contractual instruments implemented with respect to electricity purchases, i.e., renewable energy credits or power purchase agreements.

<sup>4</sup> Emissions resulting from waste are reported for Real Estate Investment properties, where available. Emissions from waste used to produce energy at waste-to-energy facilities are not considered to be in scope.

<sup>5</sup> Net emissions account for carbon offsets purchased to compensate for property emissions.

<sup>6</sup> Location-based emissions for Scope 3, Category 8, upstream leased assets were 18,269 tCO<sub>2</sub>e in 2022.

<sup>7</sup> Location-based electricity emissions reflect the grid-average emission intensity (gCO<sub>2</sub>e/kWh) for the region in which a property is located.

<sup>8</sup> The proportion of estimated location-based emissions in 2022 for the combined Corporate Real Estate and Real Estate Investments portfolio is approximately as follows: Scope 1 emissions is 18%, Scope 2 emissions is 11% and Scope 3 emissions (waste, water and upstream leased assets) is 27%.

Refer to additional notes on [page 53](#).

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Relevant standards/ indicators	Global energy use associated with real estate (eMWh)	2022	2021	2020
GRI 3-3, 302-1, 302-2, 302-3 SDG 3.9, 7.3, 8.4, 13.1, 13.3	Corporate Real Estate (Sun Life occupied space) <sup>1</sup>			
	Heating fuels			
	Natural gas	26,474	26,268	25,843
	Distillate oil	72	123	104
	Steam	3,710	3,413	3,189
	Total heating fuel use	30,256	29,804	29,135
	Chilled water use	473	516	438
	Electricity			
	Standard grid electricity	52,739	55,231	58,593
	Renewable electricity purchases	5,906	5,242	4,185
	Total electricity use	58,645	60,473	62,778
	Total energy use	89,373	90,793	92,351
	Energy use intensity (ekWh/ft <sup>2</sup> )	18.7	18.3	18.8
	Real Estate Investments (Sun Life owned properties)			
	Heating fuels			
	Natural gas	79,749	71,620	73,348
	Distillate oil	203	222	218
	Steam	2,088	1,779	1,633
	Total heating fuel use	82,040	73,621	75,198
	Chilled water use	251	269	262
Electricity				
Standard grid electricity	59,036	108,261	102,147	
Renewable electricity purchases	68,631	14,498	23,781	
Total electricity use	127,666	122,759	125,928	
Total energy use	209,957	196,649	201,389	
Energy use intensity (ekWh/ft <sup>2</sup> )	7.5	7.2	7.7	
<b>Total energy use</b>	<b>299,331</b>	<b>287,442</b>	<b>293,739</b>	
<b>Overall energy use intensity (ekWh/ft<sup>2</sup>)</b>	<b>9.2</b>	<b>8.9</b>	<b>9.5</b>	

<sup>1</sup> Some corporate real estate offices are located in Real Estate Investment properties. Energy use for these offices are included under the Real Estate Investment portfolio total emissions to avoid double-counting.

Relevant standards/ indicators	Paper consumption (tonnes) in North America <sup>1</sup>	2022	2021	2020
GRI 3-3 SDG 8.4, 13.1, 13.3	Office paper (internal) <sup>2</sup>	40	48 <sup>4</sup>	103
	Business forms (external) <sup>3</sup>	294	320	296
	<b>Total</b>	<b>334</b>	<b>368<sup>4</sup></b>	<b>399</b>

<sup>1</sup> Approximate total volumes from operations in Canada and the U.S., excluding subsidiaries.

<sup>2</sup> Copy paper printed from networked printing devices.

<sup>3</sup> Marketing, direct-mail and statements.

<sup>4</sup> Data restated due to calculation error.

The following notes apply to GHG emissions, energy and water consumption associated with real estate, and GHG emissions associated with business travel, as reported on pages 52 and 53.

- GHG emissions are calculated based on the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard, Revised Edition (World Resources Institute, 2004) and the Greenhouse Gas Protocol Scope 2 guidance.
- Sun Life has chosen the financial control approach for determining the organizational boundary for its GHG and energy use reporting. Properties partially owned by Sun Life are accounted for based on Sun Life's equity share in the properties.
- All GHG emissions are listed in tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e). All energy use values are in equivalent megawatt hours (eMWh). Both are reported for the calendar year (January 1 to December 31).
- Emissions were calculated using emission factors from publicly available sources wherever possible, including but not limited to the National Inventory

Report 1990-2020: Greenhouse Gas Sources and Sinks in Canada (Environment and Climate Change Canada, 2022); Emissions & Generation Resource Integrated Database (eGRID) (United States Environmental Protection Agency, eGRID2020); UK Government GHG Conversion Factors for Company Reporting (GOV. UK Department for Business, Energy & Industrial Strategy).

- Global warming potentials are taken from the Climate Change 2007: Synthesis Report. Contribution of Working Groups I, II and III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change.
- Historical results have been restated to reflect methodology changes, property acquisitions and dispositions, updated emission factors, the addition of reporting by more Sun Life offices (for travel and energy use), and updates to historical data.
- Amounts are impacted by rounding.
- Refer to Sun Life's [GHG Emissions Reporting Methodology](#) for more information.

## APPENDIX IV: Recognition



(14 years in a row)



FTSE4Good

(22 years in a row)

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

(17 years in a row)

### Client Health



Named a winner of the 2022 Insurance Technology Impact Awards by Aite-Novarica Group. The Insurance Technology Impact Awards program recognizes insurers who are using technology to drive positive business impact. Sun Life was selected as a winner in the digital category for our wellness solution pilot for digital Client engagement.

### Employee Wellness



Recognized by LifeWorks Workplace Strategy Index<sup>1</sup> for Mental Health as a leading organization for our mental health strategy in Canada. Sun Life placed in the top 3 when benchmarking our policies, practices, and behaviours related to workplace mental health against the index and other Canadian organizations. The index supports our focus on mental health by offering guidance toward continued improvement.



Recognized as one of the Best Workplaces™ for Mental Wellness (Canada 2022) by Great Place to Work®. 84% of employee respondents said that our workplace is psychologically and emotionally healthy and supportive.

### Sustainable Investing

Signatory of:



Sun Life Assurance Company of Canada received a five-star rating, the highest possible, in the latest Principles for Responsible Investment assessment<sup>2</sup> for the Investment and Stewardship Policy module. Sun Life also received a four-star rating for the Indirect-Fixed Income-Active module.



G R E S B  
★★★★★ 2022

BentallGreenOak marked 12 consecutive years of excellence and industry leadership in ESG in the 2022 GRESB Real Estate Benchmark. Sun Life's general account achieved a 5-star rating, indicating industry leadership and performance in the top 20% of the global benchmark.

### Climate and Environmental Action



Sun Life's Waterloo King building won the 2022 ENERGY STAR® Canada Awards for the Building of the Year - Office (2<sup>nd</sup> consecutive year). The award recognizes businesses and organizations for their outstanding contributions to protecting the environment and saving energy.



For the 12<sup>th</sup> consecutive year, the U.S. Environmental Protection Agency (EPA) and the Department of Energy awarded BentallGreenOak (BGO) with the ENERGY STAR® Partner of the Year—Sustained Excellence award. This award recognizes BGO's leadership in energy management and achievements in reducing the environmental footprint of the Company's portfolio.



BGO received Gold Recognition in the 2022 Green Lease Leaders program organized by the Institute for Market Transformation and the U.S. Department of Energy's Better Buildings Alliance. Launched in 2014, Green Lease Leaders sets national standards in the U.S. for what constitutes a green lease, while recognizing landlords and tenants who modernize their leases to spur collaborative action on energy efficiency, cost-savings, air quality, and sustainability in buildings.



Sun Life's Asia Service Centre India was recognized out of 1100+ nominees for its contributions in "Professional Excellence in Environment, Health and Safety, and Energy Conservation" at the 138<sup>th</sup> CE Worldwide Conference held in India.

<sup>1</sup> On Feb 1, 2023, LifeWorks Workplace Strategy Index was rebranded to TELUS Health.

<sup>2</sup> For copies of Sun Life Assurance Company of Canada's 2021 PRI Transparency and Assessment reports, contact [sustainability@sunlife.com](mailto:sustainability@sunlife.com). For more information on the assessment, visit the [PRI website](https://www.sunlife.com/pri).

▶ I. About this report ▶ II. Stakeholder engagement and materiality ▶ III. ESG performance tables ▶ **IV. Recognition**

## Diversity, Equity and Inclusion



Named among the Best Workplaces™ for Inclusion in Canada. This recognition is especially significant since the results are based on employee responses to inclusion-related statements.



Recognized by Women Lead Here for the third year in a row. Published by the Globe and Mail, Report on Business magazine, Women Lead Here is an annual list that sets the benchmark for gender diversity in corporate Canada.



Named among the Best Workplaces™ for Women in Canada and India's Best Workplaces for Women™ (Sun Life Asia Service Centre) by Great Place to Work®.



For the 14<sup>th</sup> consecutive year, Sun Life U.S. earned a 100% score on the Human Rights Campaign Foundation Corporate Equity Index.



For the 6<sup>th</sup> consecutive year, Sun Life was named to the Bloomberg Gender-Equality Index.



Sun Life Asia Service Centre India was recognized as one of the 100 Best Companies for Women in India by Avtar and Seramount.

## Client Experience



Sun Life U.S. received the Alida Delta Award in recognition of its top-tier Client experience initiatives. The award recognized two ongoing Client engagement and research programs, which enable brokers and employers to provide direct, immediate feedback on a range of topics.

## Talent Management



Certified as a Great Place to Work at Sun Life Canada, Sun Life U.S., Asia Service Centre India, Asia Service Centre Philippines, Sun Life Philippines, Sun Life Vietnam and our operations in Ireland.



Sun Life Canada ranked 26<sup>th</sup> on the Best Workplaces in Canada list in 2022. Based solely on anonymous feedback from employees, the business group has also been recognized as one of the:

- Best Workplaces in Financial Services & Insurance
- Best Workplaces for Hybrid Work
- Best Workplaces for Inclusion (refer to Diversity, Equity and Inclusion)
- Best Workplaces for Mental Wellness (refer to Employee Wellness)
- Best Workplaces in Ontario
- Best Workplaces for Professional Development
- Best Workplaces for Women (refer to Diversity, Equity and Inclusion)