



Remarks by

Kevin D. Strain

President & CEO | Sun Life

*(Check against delivery)*

2023 Annual Meetings  
Thursday, May 11, 2023

In this presentation, Sun Life Financial Inc. (“**SLF Inc.**”), its subsidiaries and, where applicable, its joint ventures and associates are referred to as the “**Company**”.

### **Forward-Looking Statements**

Certain statements in this presentation and certain oral statements made by senior management during the annual meeting of the common shareholders of SLF Inc. on May 11, 2023 (collectively, this “presentation”), including statements relating to (i) demand for the Company’s products and services, (ii) our strategies, (iii) our growth initiatives and other business objectives, (iv) our targets and commitments (including with respect to our sustainability plan and net zero emissions), (v) our diversity, equity and inclusion goals and strategy, (vi) or are predictive in nature or that depend upon or refer to future events or conditions, and (vii) that include words such as “achieve”, “anticipate”, “believe”, “goal”, “initiatives”, “may”, “plan”, “project”, “should”, “strategy”, “strive”, “will”, and similar expressions, 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. Information about risk factors relating to the Company can be found in the annual information form of SLF Inc. for the year ended December 31, 2022 under the heading “Risk Factors”, the annual management’s discussion and analysis of SLF Inc. for the year ended December 31, 2022, the interim management’s discussion and analysis of SLF Inc. for the period ended March 31, 2023, and other regulatory filings filed with or furnished to Canadian and U.S. securities regulators available at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov), respectively. 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 presentation or to reflect the occurrence of unanticipated events, except as required by law.

### **Non-IFRS Financial Measures**

The Company prepares its financial statements in accordance with international financial reporting standards (“IFRS”). This presentation includes financial measures that are not based on IFRS (“non-IFRS financial measures”). The Company believes that these non-IFRS financial measures provide information that is useful to investors in understanding the Company’s performance and facilitate a comparison of the quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed as alternatives to measures of financial performance determined in accordance with IFRS. For more information about these non-IFRS financial measures, refer to our Q1 2023 MD&A section N – Non-IFRS Financial Measures.

Non-IFRS financial measures that we use include underlying net income, underlying earnings per share (“EPS”), after-tax profit margin for U.S. Group Benefits, assets under management (“AUM”), assets under administration, AUM not yet earning fees, capital raising, cash and other liquid assets, measures based on a currency adjusted basis, organic CSM movement, expected movements from asset returns & locked-in rates, impact of markets, insurance experience gains/losses, impact of change in assumptions, CSM market sensitivities, deployment, driver of earnings, earnings on surplus, experience-related items attributable to reported net income and underlying net income, fee-earning AUM, fee-related earnings, financial leverage ratio, impacts of foreign exchange translation, LICAT market sensitivities, pre-tax fee-related earnings margin, pre-tax net operating margin, return on equity, sales and flows, third-party AUM, total weighted premium income, underlying dividend payout ratio, and effective income tax rate on an underlying net income basis.

### **2022 Restated Results**

2022 results have been restated for the adoption of IFRS 17 and the related IFRS 9 classification overlay (“the new standards”). The restated results may not be fully representative of our future earnings profile, as we were not managing our asset and liability portfolios under the new standards. The majority of the actions taken to re-balance asset portfolios and transition asset-liability management execution to an IFRS 17 basis occurred in Q1’23. Accordingly, analysis based on 2022 comparative results may not necessarily be indicative of future trends and should be interpreted with this context. Using sensitivities to analyze the outlook for market risk and related impacts (e.g., interest rate sensitivities) will be more representative starting with the sensitivities disclosed for Q1’23 in section I – Risk Management in the Q1 2023 MD&A. Certain 2022 restated results are not audited, or have not yet been audited, and may be subject to change.

### **Currency**

All amounts are in Canadian dollars unless otherwise noted.

## 2023 Annual Meetings – May 11, 2022

Remarks by:

Kevin D. Strain, President & Chief Executive Officer, Sun Life

---

Thanks Scott.

We're pleased to hold our Annual Meeting both in person and virtually for the first time in four years. The last few years have challenged all of us. And at the same time, many of us have surprised ourselves with the resilience and ingenuity we summoned in the face of adversity. I see resilience as interconnected with having a purpose that drives you forward, and with having a strong mix of global businesses that deliver on our Purpose – to help Clients achieve lifetime financial security and live healthier lives.

To help paint a picture of our Purpose in action, I would like to introduce you to Mason and his family and share their story of resilience.

[<Video: Moments that matter – Mason's story>](#)

I'm pleased to say that Mason is doing well. As a parent myself, so much of what Lindsay, Mason's mom, said resonated with me but two things stand out to me as a Sun Lifer. She said, "What you do makes a difference" and "You are human." Those seem like simple statements. But they're at the heart of what we do and what makes Sun Life so special. We're a company of people serving people, seeking to deliver on our Purpose and make a difference in the lives of our 85 million Clients around the world.

We're increasingly having a positive impact on our Clients' lives by elevating our focus on health, and access to health care solutions and coverage. In the U.S., DentaQuest continues to expand its dental business, advancing our goal to increase access to oral health care in underserved communities.

One example that brings our Purpose to life is our partnership with America's ToothFairy program. Sun Life and DentaQuest are shining a light on dental care disparity and providing

resources to increase awareness of oral health and healthy lifestyles for children and parents – because oral health is critical to overall health. Through this program alone, we’ve helped make an impact for more than 92,000 children and their caregivers.

We also want to be part of the solution when it comes to mental health. Already a concerning health crisis, it has only been exacerbated by the pandemic and current economic conditions. In Canada, we’re increasing access to mental health programs and services, including our unique Mental Health Coach solution. We’ve also invested more than \$5 million to support youth mental health programs, helping young people connect with the care they need.

And when it comes to helping build lifetime financial security, we’re here for Clients throughout their lives, helping them build and protect their financial futures. We want to be there for you, whether you’re just entering the workforce and thinking about your financial future, or part of the growing middle class in Asia wanting to protect your family, or preparing for retirement and worried about outliving your life savings.

In Asia more than 1 billion people are set to join the middle class by 2030. We’re building quality distribution channels to make Sun Life products and solutions more accessible. Through our more than 20 bancassurance partnerships across Asia we’re increasing our scale and reach – including recent agreements with CIMB Niaga in Indonesia and Dah Sing Bank in Hong Kong. Strong bancassurance distribution coupled with high quality advisors provides a critical platform for creating more Client impact in Asia. At the same time, we’ve grown our agency force to more than 95,000 advisors in this region.

We’re also creating products that provide more choice and appeal to different needs. In Malaysia and Canada we introduced new Shariah-based products and in Hong Kong we launched Stellar, the first ESG-focused savings plan. It’s one thing to diversify our products and services to meet the needs of our Clients and advisors. It’s another to make it easy to do business with us. Whether that’s by phone, online, in an app, or in person with an advisor, Clients can reach us when, where and how they want. The pandemic accelerated our path to digital, providing convenience and ease of access.

Last year in Asia and Canada, the vast majority of applications were submitted digitally. Similarly, in the U.S., most of our dental claims are now submitted electronically. Nudges from our digital coach, Ella, drove \$1.4 billion in insurance coverage and almost \$700 million in wealth deposits for Canadians last year. And in the U.S., we launched Sun Life Onboard – a new, digital way for employees and brokers to simplify their benefits setup. Digital innovation gives us data and insights, it helps identify market opportunities, and builds deeper and more personalized relationships with Clients.

We're also embracing our responsibility to create a more sustainable and brighter future. Sustainability is a shared goal. It's why we believe in engaging everyone. We all have a role to play – whether as an organization, government, NGO or individual. Our efforts focus on where we can have the greatest impact: increasing financial security, fostering healthier lives, and advancing sustainable investing.

We're also focused on climate change. Climate change is real. We all need to do our part, but we also need to recognize that the transition to a low carbon economy needs to be orderly and responsible. We're doing our part as a company and as an investor. As a company, we've committed to achieve net zero emissions by 2050, and as an investor, we recently published our interim net zero climate targets. Since 2021, we've made more than \$14.2 billion in new sustainable investments. This brings our total value of sustainable investments that support the transition to a low carbon, more inclusive economy to \$80.4 billion as of December 2022.

And this work continues. In Q1, SLC Management, one of our asset management companies, made an investment in two new vessel builds that will support long-term operation and maintenance of two offshore wind farms in the UK, which supply power to two million UK households annually. This provides a stable long-term investment at an attractive yield, while generating positive environmental impact. You can read about our plans and progress in our Sustainability and Net-Zero by 2050 reports, available at [sunlife.com](https://www.sunlife.com).

The last few years have been challenging and our business has proven resilient. Our diversified business strategy enabled Sun Life to remain in a position of strength. That included delivering solid financial performance for our shareholders. Sun Life's reported net income for 2022 was \$3.06 billion and underlying net income was \$3.67 billion, up by 4% over the previous year. We saw strong growth in our health and protection businesses, reinforcing the importance Clients continue to place on health and financial security.

Our asset management businesses remain strong. Like all financial institutions, they were affected by declines in global equity markets. However, we remain confident in our ability to perform and grow in these areas.

Tonight we're announcing our Q1 2023 results. Details will be available on our website. This is the first quarter reporting under the newly adopted International Financial Reporting Standards, known as IFRS 17 and IFRS 9. This was one of the biggest projects in Sun Life's history and I'd like to thank all Sun Lifers for their efforts and commitment to make this a seamless transition.

While IFRS 17 and 9 are accounting and reporting changes, it does not change the fundamentals of our business. We have strong capital positions, underpinned by our balanced and diversified business mix. This combined with our established leadership team and approach to prudent risk management are key strengths that will help us confidently navigate challenging economic environments.

It's clear to me our caring people and Purpose-driven culture differentiates us, guiding who we are and what we do. Sun Life has been certified as a Great Place to Work® in many markets around the world.

We were named in *The Globe and Mail's* 2023 Report on Business - Women Lead Here list. This is the fourth year Sun Life was recognized for its commitment to achieving gender parity at VP+ roles and helping women thrive in corporate Canada. Sun Life U.S. was also recognized among America's Best Employers for Diversity by *Forbes* magazine. We're also expanding our

commitment to Indigenous communities in Canada and are working towards Progressive Aboriginal Relations or PAR certification.

A diverse workforce with wide perspectives and creative ideas benefits our Clients, our colleagues and our communities. Our commitment to diversity, equity and inclusion is directly aligned with our Purpose, business strategy and ultimately company success.

In closing, while we can't predict the year ahead, what we know is that the macroeconomic environment is impacting our Clients' financial security and health. One thing that's certain is Sun Life will continue to be there to help navigate these times. We're staying true to our Purpose – the company's reason for being. We're reshaping our future with digital leadership, sustainability and access to care, driving our actions to a better experience.

I'll close with some thanks. Thank you to our shareholders and policyholders for your ongoing trust and support. Thank you to our Board for the role they play in helping guide our journey. Thank you to our Clients for trusting us with your financial security and health needs – nothing is more important. And finally, thank you to the Sun Life team for bringing your best to work each day and delivering excellence for our Clients and partners.

Together we can create a more positive, sustainable and healthier world. Everything Sun Life does – every innovative tool, service and solution we create – starts with our belief in a better future, and the knowledge that optimism isn't idealistic...it's realistic.

I'll leave you with an inspiring story that shows how our Purpose helped a family who immigrated to Canada build their future and financial security. Part of that bright future brought their son back to his roots in Asia to lead Sun Life's business in Vietnam.

Thank you.

[<Video: Luc's Story>](#)