

MESSAGE FROM THE CHAIR

To my Fellow Shareholders,

I'm proud to share Sun Life's 2020 Annual Report detailing your company's strong performance in a year that presented extraordinary and unexpected challenges. If 2020 taught us anything, it's that leadership matters. Sun Life continued to benefit from the strength of our Executive Team and the dedication and determination of our employees. We drew on our 155-year history and our depth of experience to successfully navigate the challenges of the pandemic, while delivering on our purpose to help Clients achieve lifetime financial security and live healthier lives.

Against this backdrop, Sun Life continued to deliver exceptional value for our shareholders. Our annualized Total Shareholder Return (TSR) of -0.5%, 7% and 9.6%, for one-, three- and five-year periods ending in 2020 places us top quartile compared to global industry peers. Our capital strength with a LICAT ratio of 147% at Sun Life Financial Inc. is well above the required minimum. Our diversified and balanced business model, combined with our robust risk management approach and strong capital position, once again proved a key strength.

We adhered to our disciplined approach to capital allocation, which included investments to grow our business organically, acquisitions and partnerships that accelerated our strategy, and return of capital to our shareholders through dividends.

Our long-standing strategic focus on digital innovation served us well as we expanded our digital offerings and interactive tools, making it easier to do business with us. Our digital capabilities proved to be a difference maker in 2020, allowing us to communicate effectively with our Clients, employees and advisors.

As a global organization, your Board and Executive Team are committed to Sun Life's continued growth as a sustainable company. By fulfilling our environmental, social and governance (ESG) responsibilities, we create long-term value for our Clients, employees, communities and shareholders. Sun Life won the 2020 corporate Sustainability Bond of the Year award reflecting our sustainable investment strategy, and we continue to consider ESG factors in all of our investment decisions. I encourage you to review our 2020 Sustainability Report, available at sunlife.com.

2020 also saw social and civil unrest erupt around the world, bringing issues of racism and social injustice to the forefront. Sun Life is committed to equality, social change and justice for underrepresented communities. To drive lasting change,



we increased our leadership and investment in: Clients and communities, talent and culture, and learning and development to remove systemic racial barriers.

Sun Life will experience a leadership transition when CEO Dean Connor retires this August. Dean is an outstanding leader and champion for the company. Under his leadership, Sun Life established its winning four pillar strategy focused on strong Client outcomes underpinned by prudent risk management. He also nurtured a high-performing, caring and collaborative culture.

On behalf of the Board, thank you Dean for your vision, passion and leadership. We wish you well in the next phase of your life.

The Board and I are thrilled that Kevin Strain will be Sun Life's next President and CEO. After undertaking a comprehensive CEO succession process, we are confident Kevin's leadership, character, innovative spirit and experience will continue to drive Sun Life's growth and success well into the future. Kevin has our full support. We look forward to working with him in his new role.

I also want to sincerely thank two exceptional Directors who will not stand for re-election. Hugh Segal has reached his 12-year term, and Sara Grootwassink Lewis is retiring after six and a half years. We will miss the valuable contributions and insights they brought to all of our Board discussions.

On behalf of Sun Life's Board, a heartfelt thank you to our Clients and shareholders for your continued confidence and trust. To our employees and advisors, we recognize this past year brought many personal and professional challenges caused by the pandemic. The Board and I are inspired by how you pulled together to achieve great outcomes under extraordinary circumstances. Thank you for being there for our Clients and each other.

A handwritten signature in blue ink that reads "William D. Anderson". The signature is fluid and cursive.

William (Bill) D. Anderson
Chair of the Board