



GREEN SHIELD CANADA

CSR REPORT

WE MAKE **GIVING BACK**
A TOP PRIORITY.

It's just who we are.

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and Chair of the Board of Directors
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ABOUT GSC

PURPOSE

We make it easier for people to live their healthiest lives.

VISION

To enable a sustainable future for health and well-being across the communities we serve.

MISSION

Deliver meaningful solutions to improve health and well-being.

OUR VALUES

AS A SOCIAL ENTERPRISE, WE ARE UNIQUE.
WE MAKE A DIFFERENCE BY:

- Putting our clients' needs first
- Positioning our people for success
- Committing to a culture of excellence, innovation and agility

WE MAKE IT EASIER FOR PEOPLE TO LIVE THEIR HEALTHIEST LIVES.

As Canada’s only national not-for-profit health and dental benefits provider, GSC offers group and individual health and dental benefit programs and administration services. From coast to coast, our service delivery includes drug, dental, extended health care, vision, hospital, and travel benefits. With innovative cost containment strategies, advanced technology, and an exceptional client experience, our customized benefit programs support more than three million plan participants nationwide.

But we’re about more than just benefits. Our values reflect our founding roots in social responsibility and charitable giving. Fundamental to our approach is our philosophy of enhancing the common good by seeking out innovative ways to make health care more accessible. In the end, while we have grown and changed as an organization over the decades, we still continue to speak out, spark change, and give back to the communities in which we work.

2018 GSC BY THE NUMBERS





AS A SOCIAL ENTERPRISE COMMITTED TO SUPPORTING THE COMMUNITIES WE SERVE, IT WILL COME AS NO SURPRISE THAT **CORPORATE SOCIAL RESPONSIBILITY (CSR)** IS A TOPIC WHICH IS CLOSE TO OUR HEARTS, AND PART OF OUR DNA.

MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS AND PRESIDENT & CEO

In reflecting on 2018 at GSC, it was another year of innovative thinking, dedicated service and support for the greater good. Through it all, our commitment to helping people live their healthiest lives was front and centre. As a not-for-profit organization and health leader, GSC is uniquely placed to make corporate social responsibility (CSR) an integral part of our day-to-day work. As this report outlines, we did just that in 2018.

Across each of the pillars in our CSR framework, we developed significant initiatives, from new solutions that protect and empower plan sponsors and plan members alike to health-focused activities for our employees and the launch of the Six 4 Six giving program. The results speak for themselves.

As we look ahead to 2019, we will be looking at what we measure and how we measure it, as we integrate creating shared value into our DNA.

The GSC story is deeply rooted in giving back to the community and developing solutions which change the health care status quo, and it goes without saying that CSR and shared value will be at the heart of many of the strategies we will be rolling out in the months ahead.

As always, we invite a two-way conversation on CSR. While reviewing the 2018 report, please do not hesitate to share your thoughts by contacting GSC directly at csrfeedback@greenshield.ca.



Sherry Peister
CHAIR, BOARD OF DIRECTORS



Zahid Salman
PRESIDENT & CEO

OVERVIEW

At GSC, CSR is about the way we integrate economic, social, and environmental considerations into our decision-making processes and day-to-day operations.

THE GSC CSR FRAMEWORK CONSISTS OF FIVE PILLARS...



OUR CLIENTS

PUTTING THEIR NEEDS FIRST.

Listen and act on client feedback to deliver an outstanding client experience.
Focus on innovation to create next generation solutions for plan sponsors and members.



OUR EMPLOYEES

THEY ARE CRITICAL TO OUR SUCCESS.

Foster a culture of engaged employees who see their ideas and efforts as key to our success.
Promote employee health management.



OUR COMMUNITY

ENHANCING THE COMMON GOOD AS IT RELATES TO HEALTH.

Invest in communities and build capacity of stakeholders to be catalysts for change in the health care system.
Advocate for the improvement of access to better health.



OUR ENVIRONMENT

MINIMIZING OUR FOOTPRINT.

Minimize the impact of our business operations on the environment.
Consume less resources to operate our business.



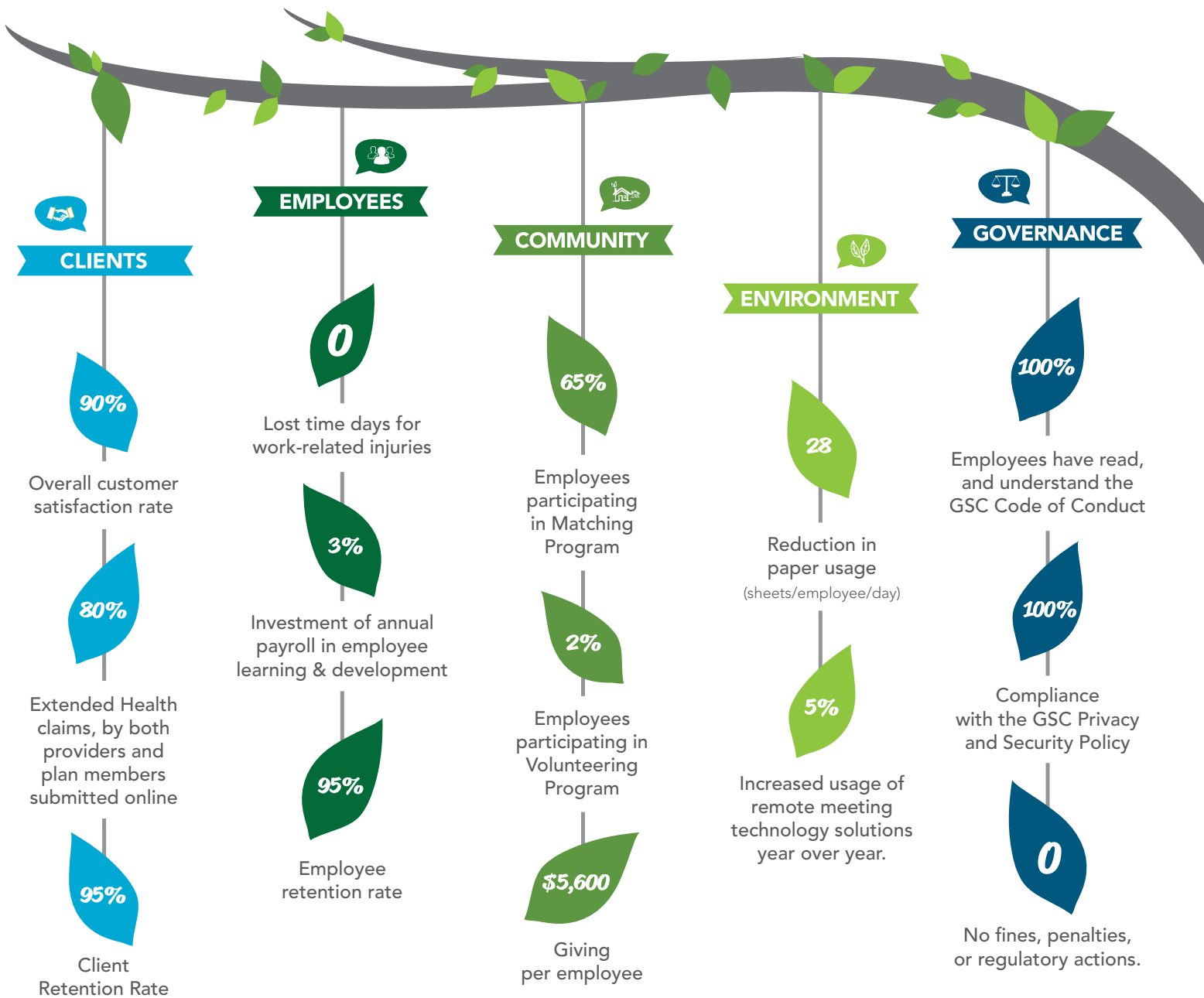
OUR GOVERNANCE

OPERATING WITH INTEGRITY, FAIRNESS AND RESPECT.

Ensure that transparency, integrity and accountability are embedded in our operations.
Promote human rights throughout our organization.
Make social and environmental values part of our decision-making process.

RAISING THE BAR: OUR CSR TARGETS

Here are GSC's CSR targets. Please refer to our dedicated sections for each pillar to see how we stacked up against these targets in 2018.



SOME CALL IT
**CORPORATE SOCIAL
RESPONSIBILITY...**

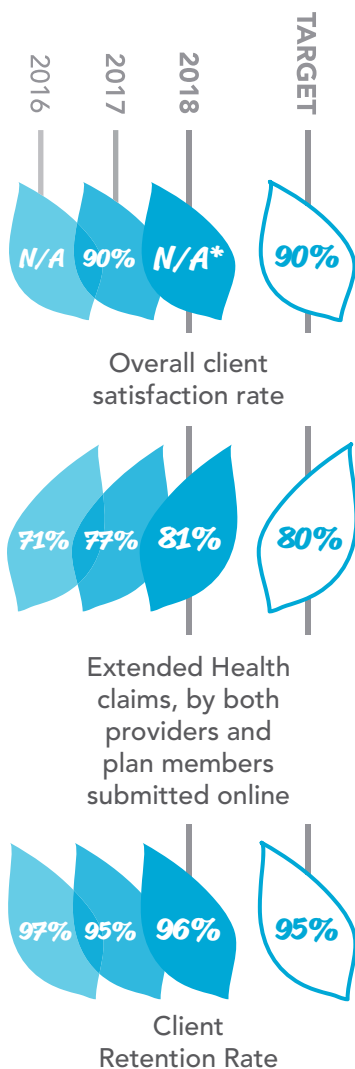
We call it Green Shield Canada.



OUR CLIENTS

PUTTING THEIR NEEDS FIRST.

GSC is known in the health and dental industry as a **client-centric** organization offering **leading-edge technology** and **innovative strategies** to manage benefit plan costs. We're committed to delivering a great client experience in our everyday interactions with plan members, plan sponsors and plan advisors, ensuring they stay our number one priority.



NEXT LEVEL FRAUD PREVENTION AND DETECTION

As a long-standing leader in fraud prevention and detection, GSC is staying a step ahead with a multi-layered strategy centred on artificial intelligence (AI) and housed under the new Claim Watch banner.

In 2018, in partnership with Daisy Intelligence, we implemented a data-driven and learning-based method of fraud detection to combat increasingly sophisticated benefit fraud schemes.

While today's range of claims data—which comes in a huge volume in all forms and from all directions—can be extremely time consuming to analyze, the new AI platform not only finds and compiles all kinds of data at tremendous speeds, but also identifies patterns and less obvious outliers at a deep enough level to unearth suspicious activity earlier than in the past.

This AI platform is just part of GSC's Claim Watch fraud prevention story but plays a key role in protecting plan sponsors' benefit plans and driving the maximum value from their benefit spend.

SPARKING A PLAN DESIGN RE-THINK

With the rise of chronic diseases, the spotlight on mental health challenges, and the impact of new expensive drugs, the realities of today's health benefits landscape have increased the strain on traditional plan designs.

Last October, against this backdrop, GSC's launched the SMARTspend™ plan design to present plan sponsors with another path. By embracing the concepts of health research and the best available clinical evidence, we are providing much-needed options for plan sponsors seeking more tangible employee health outcomes from their benefits spend.

GSC's intent behind the SMARTspend plan design is to drive meaningful conversation around "wants vs. needs" and provide a host of ideas for employers, benefits consultants and insurers to start a collective journey towards health benefits plans that better embrace concepts of health research and evidence, clinical outcomes and ultimately, value.

*We measure client satisfaction every two years.

HELPING PLAN MEMBERS MAKE AN INFORMED PHARMACY CHOICE

In late 2017, you may recall that we launched phase one of Value-based Pharmacy, an initiative under the SMARTspend banner. Concentrating on quality in pharmacy care, GSC became the first payor (public or private) in Canada to measure individual pharmacy performance and provide feedback to help pharmacies gain insight into what they're already doing well and areas where there's room for improvement.

We took that a step further in 2018 by rolling out phase two: making the Pharmacy Quality Rating available to plan members to help them make an informed choice of pharmacy provider. As part of this effort, we built a brand new, modernized health provider search tool (available on GSC's Plan Member Online Services and mobile app) that now includes information about pharmacies' star ratings.

OTHER NEW FEATURES FOR PLAN MEMBERS

- **BEACON** – a proven digital mental health therapy program that uses the evidence-based cognitive behavioural therapy (CBT) form of psychotherapy to treat many different mental health conditions. As a key component of our mental health strategy, GSC includes the BEACON program as an eligible benefit for plan members and their dependents (age 16 and over) as an option under their existing mental health/counselling coverage.
- **Online submission for all claim types** – plan members do not need to mail a claim to GSC again!
- **Claim upload peace of mind** – a new "My Web Uploads" page provides confirmation that claims were uploaded successfully. The claims will

remain listed until the claim is processed, and the plan member is sent an automated email confirmation as well.

CONTACT CENTRE UPGRADES

We are always on the lookout for ways to enhance our client service and we made some valuable upgrades in 2018, including combining telephone and email communications in one spot for contact centre agents. This helped to maintain our high first call resolution score and drove an efficiency gain of 12% in the number of calls answered in 2018.

VOICE OF THE CLIENT – CHECKING IN WITH PLAN ADVISORS

GSC participated in an independent Group Benefits Advisor Survey conducted by NMG Group, where consultants, brokers and third party administrators were asked to answer 100 questions about benefit carriers. The results revealed that Plan Advisors positively recognized and valued GSC for:

- Being ranked as #1 for innovation, seminars & training
- Having strong claims management
- Providing top tier client service
- Displaying strength in Pharmacy Benefits Management (PBM)

GSC also received high scores on our products; technology; and flexibility and responsiveness to client issues.

Survey results also indicated that GSC provides high value to our clients at a competitive price. Relationships, service, ease of doing business, technology, underwriting and pricing were shown to be top drivers of our success as well.

37M CLAIMS PROCESSED

52K MOBILE SUBSCRIBERS



OUR EMPLOYEES

THEY ARE CRITICAL TO OUR SUCCESS.

Our fundamental belief is that **people are the key to achieving our mission and meeting our business goals**. As a result, GSCers (what we call ourselves) see their ideas and efforts as central to the company's success, and are applying their skills and dedication **to make great things happen**.



TAKING ON THE GSC MOVES CHALLENGE

With the goal of promoting physical health to all GSCers on a national level, we introduced the GSC Moves Challenge in 2018. This was a month-long physical activity challenge that aimed at engaging and motivating all GSCers – whether they were currently active or not – to get moving.

With many gift cards and GSC swag up for grabs, the challenge rewarded participation and consistency – you didn't need to run marathons to win!

Participants were asked to log into the Change4Life portal and track their activity during the challenge period, in order to be eligible for prizes.

100% of those who participated in the 2018 program said they plan on joining the Challenge again in 2019!

STAYING CONNECTED



At GSC, we understand the importance of having the ability to strategically manage our workforce, and ensure that all GSCers are given the opportunity to continuously enhance their existing skills, and/or acquire

new knowledge that is key to our ongoing success.

In early 2018, GSC launched the STRIVE learning management system, which STRIVE is a modern learning strategy that engages our employees for higher adoption of new skills, personalized learning with a strong connection to learning outcomes.

STRIVE is an all-in-one solution tool that:

- Manages scheduled courses and special events like the annual Think-A-Thon
- E-vites participants to learning sessions with details that outline the date, time and location
- Houses and administers the delivery of electronic learning modules
- Maintains employee educational transcripts;
- Provides amazing reporting capabilities...and more

GIVING EVERYONE A VOICE



GSC pride and talent came together for the 3rd annual Think-a-thon which took place over the first weekend of November in our Windsor office.

Approximately 70 GSCers attended this event, with nearly every department represented.

A range of ideas were presented to our panel of judges, and our innovation and corporate analytics teams are now digging into the winning entries. We look forward to implementing several of the suggestions in the months ahead.

ENGAGING EMPLOYEES



GSC's success has been built with a strong foundation of belief that if you want to know the truth... always go to the source. We make a practice of checking in

with GSCers on a regular basis to get their feedback, perspective and ideas on how things are going overall within the organization.

After three years of growth, it was time to once again reach out to GSCers, and ask them to share their opinions. The survey generally focused on questions that would tell us what we were doing well and want to celebrate, as well as areas where we can enhance or improve upon.

The survey results indicated an impressive 70% engagement score, and we were pleased to see 95% participation.

We plan to continue to monitor engagement through pulse surveys in 2019.

GORD SMITH AWARD

The **Gord Smith Healthy Workplace Awards** program formally recognizes local organizations in the Windsor-Essex County area that provide comprehensive workplace wellness programming for their employees.

Winners are determined based on their ability to demonstrate a strong commitment to improve health outcomes by promoting and supporting wellness programs for their employees and families.

The following two programs were highlighted as part of the GSC application for the award:

1. **New Mindfulness Program** available to all GSCers through our Change4Life portal via the My Health Advantage Program. Employees were encouraged to complete six self-paced electronic video sessions that were complemented by on screen educational materials.
2. **Mental Health "Toolkit"** – a handy easy to read guide that keeps mental health resources all in one place.

The outcome? GSC was the proud recipient of the **2018 Silver Level Award**.

3%

**VOLUNTARY
EMPLOYEE
TURNOVER**

3,527

**HOURS INVESTED
IN LEADERSHIP
TRAINING**

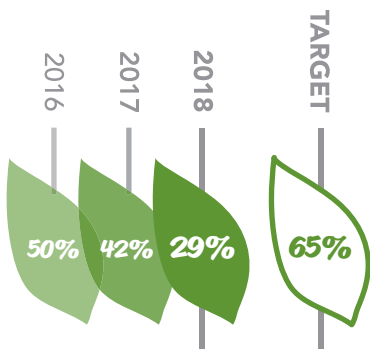


OUR COMMUNITY

ENHANCING THE COMMON GOOD AS IT RELATES TO HEALTH.

Giving back to the communities where we live and work is in our DNA, and... we're really good at it. GSC has a long history of supporting many health-related causes. We are proud of the variety and depth of our giving! In 2018 we decided to go one step further and establish a greater focus on improving the mental health and oral health of Canadians.

LAUNCHING SIX 4 SIX



Employees participating in Matching Program



Employees participating in Volunteering Program



Giving per employee

Throughout the past 60 years, GSC has always looked to fund initiatives or programs aimed at improving the health care for all Canadians.

In June 2018, GSC announced a new corporate philanthropic journey, which involves donating \$6 million to six communities across Canada – in a granting initiative called "Six 4 Six".

Through this new program, GSC will be partnering with local Community Foundations from selected Canadian communities to identify needs and priorities, based on research and stakeholder input, and fund the initiatives that will have the greatest impact.

The funding will support priority projects that have both immediate and longer term impact across six Canadian communities, beginning with **Hamilton, Windsor/London region, Calgary and the Atlantic Provinces (Halifax)**.

We have identified two areas of focus for our funding:

1. **Oral health** – to bridge the gap in available and affordable dental care, ensuring access to dental services for underinsured and uninsured Canadians.
2. **Mental health** – to align with GSC's strategic advocacy related to the issue of reducing reliance on medications and ensuring a broader spectrum of supports and services are available and utilized

Here's what we're hoping to achieve:

- **Legacy** – develop and assess the impact of a new collaborative corporate philanthropic model that partners a corporation with local community foundations and other key local stakeholders.
- **Collaboration and engagement of partners** – strengthen connections, build capacity to collaborate, and attract additional partners like health service providers, academic, or business partners.
- **Cross-Canada reach** – potential for change across the country.

With the future in mind, the new Six 4 Six grant program reinforces GSC's ongoing commitment to making it easier for people to live their healthiest lives.

GSC TEAMS – MAKING A DIFFERENCE IN CANADIAN COMMUNITIES

GSC employees are passionate about making a difference in the communities where they live and work. In 2018, many GSCers donated money and volunteered their time where it matters most.

Here are just a few of the causes that employees supported:

- Street Help Homeless Centre of Windsor
- Centre for Addiction and Mental Health (CAMH)
- Windsor-Essex Children's Aid Foundation
- Yonge Street Mission, Toronto
- Caesars Windsor Cares Community Kitchen
- Home Instead Senior Care
- United Way
- You Opportunities Unlimited (YOU), London

SPIRIT OF GSC – GIVING SUPPORT TO COMMUNITY AWARD

GSC endorses, supports and applauds employees who display the true potential of volunteers to make a positive impact in their communities.

To celebrate the contributions of time, energy and passion that GSCers give to their communities, we were pleased to present the sixth annual Spirit of GSC, Giving Support to Community Award to Suzanne Steiner at the GSC Annual General Meeting.

Suzanne demonstrates a significant sustained commitment to helping others through her ongoing volunteer work for:

- The Sacred Heart Youth Group
- Easter Seals
- Downtown Mission of Windsor

Suzanne was awarded \$1,000 to be donated to the charity of her choice. She elected to donate her prize to The Sacred Heart Youth Group.

Congratulations were also extended to the other nominees for this award, who each received a \$100 gift card to donate to their favourite charity.

RECOGNITION FROM CNIB



The Canadian National Institute for the Blind (CNIB) Foundation is a volunteer agency and charitable organization dedicated to assisting Canadians who are blind or living with vision loss. In March 2018, they awarded GSC with the

"CNIB Century of Change Award" in recognition of GSC donating over \$100,000 during the last decade.

These funds were instrumental in the development and provisioning of the *"Readasaurus Literacy Kit"*, focused on literacy skills for children who have sight loss conditions.

DAVID GARNER GSC FOUNDATION LEADERSHIP SCHOLARSHIP

In 2010, GSC established a leadership scholarship at the University of Windsor to annually recognize a student who demonstrates leadership capabilities and strong community involvement. The recipient of the D. Garner Green Shield Canada Foundation Scholarship for 2017/18 was Ms. Julie Josee Pharand.

Ms. Pharand was a rather obvious choice for the award as she has a decade's worth of leadership through volunteerism in the Windsor–Essex County area. Here are a few highlights that stood out on her application for the scholarship:

- She mentors for the Windsor-Essex Children's Aid Society at their weekly Homework Program, and supports "Cops Care for Kids" Fashion Show; the "Enchanted Garden Gala"; the "Fill the Bus" event and their Holiday Program.
- She works with the Canadian Mental Health Association as an on-site ambassador and volunteering at annual events like the "Ride Don't Hide"; "Light the Way"; and the "Suicide Prevention Awareness Walk".
- She has also worked closely with the Ontario Provincial Police for the past nine years raising funds for "Special Olympics"; "Golden Helmets"; at the "Veterans Day BBQ's"; and is presently working with a Sergeant on the "Response to Sexual Violence & Harassment" through a grant program.

VERNON CHILES "CPhA" PATIENT CARE ACHIEVEMENT AWARD

The CPhA Patient Care Achievement Award for Innovation is given to a pharmacist who has embraced exemplary innovation in patient care. It is an annual award in honour of Vernon Chiles, former Vice-Chair of our Board of Directors.

While attending the 2018 CPhA Conference in Fredericton, New Brunswick, the Chair of the GSC Board of Directors, Sherry Peister, had the honour of presenting the 2018 CPhA Patient Care Achievement Award to **Jaris Swidrovich**.

Jaris is the first "First Nations PharmD" in Canada and has dedicated his career to providing exceptional patient care to marginalized populations, and changing the way we teach, learn and practice pharmacy. His boundless energy and excitement

in forging new opportunities to benefit Indigenous people and to empower non-Indigenous as allies have made him a true leader and agent of change in his community.

He has been instrumental in indigenizing the pharmacy curriculum at the University of Saskatchewan. In addition to his role as lecturer at the University of Saskatchewan, Jaris is an active volunteer and community leader, working hard to make Saskatoon a more welcoming and inclusive place.

"I see my role as an 'emulsifier' growing even stronger as we continue to weave together Indigenous and Western views and approaches."

— Jaris Swidrovich

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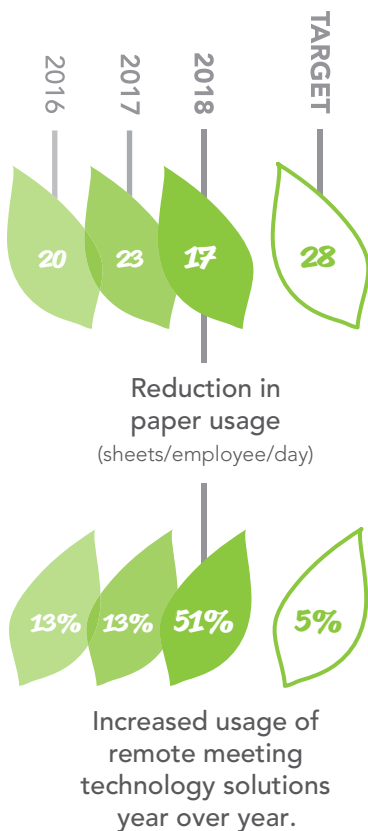
**NUMBER OF ORGANIZATIONS
IMPACTED BY GSC EMPLOYEE DONATION
MATCHING AND VOLUNTEERING**



OUR ENVIRONMENT

MINIMIZING OUR FOOTPRINT.

GSCers are conscious of the ways we affect the environment, and we work together to minimize our collective footprint. We look for new ways to make a difference through small changes at our workplace, or larger-scale operational initiatives.



A BRIGHT IDEA FOR REDUCING OUR FOOTPRINT

GSC has always had a focus on intentionally reducing our ecological footprint. In 2017, we initiated a project that involved the reduction of energy consumption in our Head Office in Windsor, and at that time completed 30% of the project.

In 2018, we completed the remaining 70% of the project.

The most significant modifications were made to both our internal and external lighting systems, where existing fluorescent light tubes were replaced with energy efficient Light Emitting Diode (LED) tubes.

The primary benefits of the new lights were:

- They provide the same amount of light.
- They last eight to 15 times longer than traditional fluorescent light tubes.
- They are durable, and provide a cleaner alternative to fluorescent options as they do not contain mercury and can be recycled.
- They provide the lowest energy consumption of any other lighting solution currently available.

Additional changes to our office environment are planned in the upcoming years.

Each year, we make conscious decisions to further reduce our ecological footprint in other areas too. Here are some examples of our 2018 accomplishments:

CUTTING BACK ON PAPER

- Overall reduction of 22% in the number of sheets of paper used internally when compared to 2017
- Exceeded our 2018 target of reducing paper usage from 28 sheets per GSCer per day to 17 sheets per GSCer per day.

→ Continued emphasis and promotion of our online and digital services for plan inquiries and online claims submission, resulting in:

- Increased usage of email services – 16% over 2017
- Increased usage of mobile subscribers – 25% over 2017
- 81% of all Extended Health Claims by both providers and plan members submitted online in 2018

→ Through our continued focus on reducing paper and handling time for claims delivered to GSC through different mediums and to save all paperwork (claims and supporting documentation) as images, we introduced a new feature that now allows us to convert supporting documentation received electronically through PMOS, as well as claims and supporting documentation received through email and fax, to PDF and route them to Key From Image (KFI) queues for processing. This has provided significant business process efficiencies to several areas; eliminated printing and multi-handling of documents that come to us electronically.

The above initiatives translated into using 1,074,000 fewer sheets of paper in 2018.

REDUCING TRAVEL

We have made changes within our organization that have resulted in less travel for GSCers. These initiatives have had a positive impact on the environment by lowering our greenhouse gas emissions. Examples include:

- The new GSC Work/Life Integration – GSCers are making fewer trips to the office as they are now able to work from home or are working fewer days per week based on a condensed work week.
- A new video conference / teleconference upgrade has provided the ability to connect with all GSC offices simultaneously, as well as with external clients, again resulting in less travel.

RECYCLING TAKES ON NEW MEANING

“Gifts in kind” is a type of charitable giving in which, instead of giving money to buy needed goods and services, the goods and services themselves are donated.

At GSC, recycling our equipment takes on a whole new meaning when you turn it into an “in kind donation” or gift, to a charitable organization that simply can’t afford to purchase state-of-the-art equipment.

In 2018, GSC donated over 1,200 pieces of refurbished equipment to five different charitable organizations. This included items such as:

- Business telephones
- Desktop Computers, monitors, cords and mice
- Laptops
- Printers
- IT Servers

Best of all are the benefits these donations have on the environment:

1. Reduction in the manufacturing process of new equipment (e.g. waste, air and water pollutants).
2. Prevention of toxins seeping into the environment (e.g. lead, chromium, cadmium and brominated flame-retardants) realized when discarded computers end up in landfills.
3. Reduction in the amount of electronic waste.
4. Decreases demand for parts and raw materials, which translates to less mining and destruction of habitats while searching for rare raw materials.

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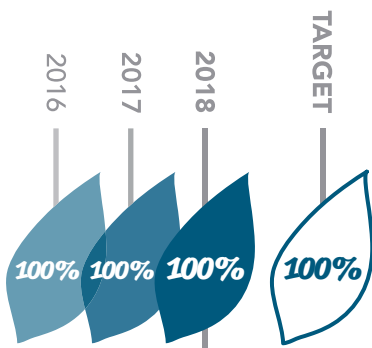
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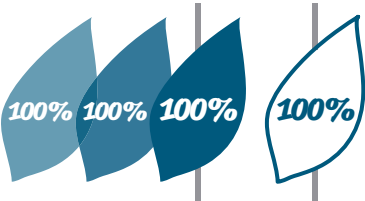
OUR GOVERNANCE

OPERATING WITH INTEGRITY, FAIRNESS AND RESPECT.

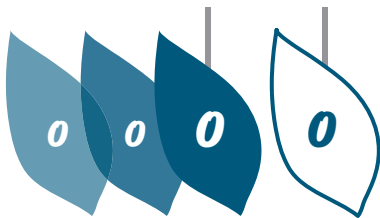
GSC operates **ethically, honestly and with transparency** with our stakeholders. As a not-for profit corporation, these qualities are central to ensuring we have the right oversight and governance practices that set the foundation for achieving our mission in a financially, socially and environmentally sustainable way.



Employees have read, and understand the GSC Code of Conduct



Compliance with the GSC Privacy and Security Policy



No fines, penalties, or regulatory actions.

CORPORATE GOVERNANCE



The Board of Directors are fundamental to the overall governance of GSC. Elected by GSC’s members to oversee the management of the company, the Board seeks to ensure an ethical culture and sustainable organization through strong corporate governance practices.

The Board actively

engages with management and establishes structures, policies and processes to achieve our mission and strategic goals.

The Board of Directors embraces diversity as a way of improving governance and strengthening our company and considers identity, skills, experience and geography in director recruitment. As at year end, our 12-member Board was a 50% balance of male and female directors; all but one Director (the CEO) was independent and the average tenure was 7.6 years.

The Board conducts annual board effectiveness evaluations and peer evaluations and adopts governance best practices appropriate to GSC. Director competencies have been established and all Directors must meet the skill and competency requirements set by the Board. The Board of Directors has established four standing committees: Audit, Risk Management and Investment Committee; Compensation and Human Resources Committee; Corporate Governance, Conduct Review and Ethics Committee; and Nomination Committee. GSC’s governance framework is available on our website.

PROMOTING RESPONSIBLE CONDUCT

GSC is committed to high standards of business conduct and all employees, Directors, officers and third party contractors are required to adhere to our Code of Conduct. All employees, Directors and officers must commit to acknowledge the Code of Conduct annually and the CEO reports to the Corporate Governance, Conduct Review and Ethics Committee of completion. The Code of Conduct clearly articulates the requirements of complying with law, avoiding conflicts of interest, and general business conduct requirements. In addition, GSC has established a Concerned Employee Policy which outlines anonymous reporting of conduct concerns through human resources or through the Chair, Corporate Governance, Conduct Review and Ethics Committee.

RISK MANAGEMENT

Under the oversight of the Board and executive management, GSC measures, monitors, and manages risk through the implementation of an extensive risk management and corporate governance framework. GSC has implemented a three lines of defense risk and control model to help establish clear accountability and ownership for risk management amongst the three lines of defense. Risk is also managed through various management committees, company policies, procedures, guidelines, frameworks, internal controls, external audits, internal audits, management information systems, management oversight and other means. GSC's Risk Appetite describes the type and amount of risk GSC is willing to engage in, to achieve its mission.

2018 HIGHLIGHTS

RECORDS MANAGEMENT

In today's business world, threats of breaches, hackers and email violations have never been greater than before, making it imperative that we continue to evolve our records retention and deletion program. To mitigate these types of risks, we conducted a comprehensive review of GSC's Records Retention Policy and Records Management Schedule with the purpose of revising both documents to better align

with Canadian Life & Health Insurance Association (CLHIA) best practices.

In 2018, an implementation plan and schedule was developed with supporting governance processes and easy job aids to guide all GSCers through the most efficient means of addressing the potential threat to the organization.

BUSINESS CONTINUITY PLAN

A Business Continuity Plan is a proactive approach to avoid and mitigate risks associated with a disruption of normal operations. It details steps to be taken before, during and after an unexpected event or crisis in order to maintain financial viability of the organization.

Led by a Steering Committee of GSC leaders from all areas of the company, we developed an enhanced, comprehensive Business Continuity Plan that provides the following key elements:

- Company-wide plan for all GSC office locations
- Integration of our existing Disaster Recovery Plan
- Plans / processes that provide structure and direction during a crisis
- Training
- Annual testing exercise / simulation
- Ongoing reviews / updates

ADVISOR LICENSING COMPLIANCE

GSC has established risk-based processes that align with the CLHIA "G8 Guideline", which specifically deals with "Advisor Suitability: Screening, Monitoring and Reports".

The overall goal of this initiative was to ensure that the consumer is treated fairly and to validate that GSC products are distributed by advisors who meet provincial and industry licensing requirements.

GSC's process focuses on the following:

1. Effective screening practices to ensure the advisor is suitable
2. Regular monitoring practices that provide a more targeted picture of the advisor's business practices and sales activities

3. Timely reporting regarding concerns about an advisor's suitability

In addition to monitoring compliance, the processes provide GSC with the opportunity to stay in touch and maintain strong relationships with advisors who distribute our products.

GSC SYSTEMS – SUITABILITY & EFFECTIVENESS

In 2018, we exercised due diligence in this area by hiring an external auditor to perform a SOC 2 IT Security Control Audit. The purpose of the SOC 2 audit is to evaluate an organization's information systems relevant to security, availability, processing integrity, and confidentiality or privacy. The audit focused on the period of January 1, 2018 to September 30, 2018.

The auditor(s) concentrated on:

1. Understanding the system and its requirements
2. Understanding GSC's service commitments
3. Performing risk assessments
4. Testing operating effectiveness and controls
5. Providing an overall evaluation

Their assessment included interviewing management and employees, inspecting documents and observing activities and operations.

We are pleased to report that GSC comprehensively passed the audit. The auditors felt our systems were well designed and operated effectively, resulting in GSC's ability to fulfill all service commitments and system requirements.

OTHER COMPANIES SAY THEY'RE **DIFFERENT...**

We really are.

12 BOARD
MEMBERS



50%

BALANCE OF
MALE/FEMALE
DIRECTORS

CONTACT US

We welcome stakeholder feedback on this report.

Please send us your comments and suggestions to help us continue to strengthen our reporting.

GREEN SHIELD CANADA

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For further information about GSC
please visit [greenshield.ca](https://www.greenshield.ca)

