Double Materiality Assessment Report

SECTION 1 – BACKGROUND

GreenShield completed a Double Materiality Assessment in 2025–2026 to better understand how its activities affect people and the environment, and where sustainability-related issues may reasonably create impact, risk, or opportunity over time. As an integrated health care and insurance organization wholly owned by GreenShield Association, the organization has no external investors and is committed to using this assessment to inform strategy, risk management, and impact reporting across its insurance, health, pharmacy, and social impact activities.

SECTION 2 – METHODOLOGY

GreenShield collaborated with an independent third party to complete a double materiality assessment. The following sections outline the process followed, including who was engaged and how.

2.1 Materials, environment, peer, and stakeholder review

The assessment began with a review of existing internal materials (including strategic plan, benefits studies, ORSA assessment, Financial Condition Testing report), an environmental scan, a peer review, and a review of international reporting standards (SASB, ESRS, GRI, B Corp). This review informed a longlist of 32 relevant and potentially material subtopics. Following the review, GreenShield's full value chain was mapped, and stakeholders affected by, or influencing, GreenShield's operations were identified.

2.2 Engaging Stakeholders

To ascertain the relevance and actual and potential materiality of the 32 subtopics, 21 interviews were conducted with employees from across the business, including Insurance, Health, Medical Affairs and Health System Innovation, Pharmacy, Corporate Strategy, Risk Management, IT, GreenShield Cares, Customer Experience, People & Culture, GreenShield Ventures, Government & Public Affairs, Capital Management & Treasury, and Privacy & Compliance, as well as with partners, local communities, and suppliers representing Indigenous peoples, Black women and youth, and local health networks. Several interview participants are experts in insurance, health, and purpose.

In addition to interviews, a desk-based review of GreenShield's environmental impact was conducted to assess its environmental risks and opportunities. GreenShield clients and members were not engaged directly; instead, they were represented through interviews with GreenShield's Customer Experience lead, Client Council lead, partners, and local health networks. As Green Shield Holdings is wholly owned by the non-profit Green Shield Association and does not have investors, no investors were engaged in interviews.

2.3 From Longlist to Shortlist

From the longlist of 32 potential material topics, eight ESG topics were identified for the shortlist. Shortlisted topics were then assessed for impact and financial materiality. Median impact and financial materiality scores were calculated, and topics were assessed against the median scores. Six topics were deemed to be well above the median materiality scores; the final material topics were identified. Impact and financial materiality were then validated in a workshop attended in person by key GreenShield employees.

2.4 Assessing Impact Materiality

The actual/potential impacts of the shortlisted topics were determined by assessing the severity (scale, scope, irremediability) of the impact, as well as the likelihood of occurrence. Severity was given greater weight than likelihood, ensuring high-severity impacts are prioritized. These terms were defined as follows:

- **Scale:** The scale of the negative impacts or how beneficial the positive impacts are for people or the environment.
- **Scope:** The scope of the negative or positive impacts. In the case of environmental impacts, the scope may be understood as the extent of environmental damage or a geographic perimeter. In the case of impacts on people, the scope may be understood as the number of people affected.
- **Irremediability:** Whether and to what extent the negative impacts could be remediated, i.e., restoring the environment or affected people to their prior state.
- **Likelihood:** The likelihood of occurrence of potential positive or negative impacts.

Types of impact (positive or negative, actual or potential) were assessed using the factors checked in the table below.

Type of Impact	Factors Assessed			
	Scale	Scope	Irremediability	Likelihood
Actual Negative	✓	✓	✓	
Potential Negative	✓	✓	✓	✓
Actual Positive	✓	✓		
Potential Positive	✓	✓		✓

2.5 Assessing Financial Materiality

Each of the shortlisted topics was then assessed for financial materiality of the risks and opportunities. This was calculated as the product of the financial magnitude of each event and the probability of that event occurring.

The scales for these two factors were based on GreenShield's internal risk management framework. Importantly, the magnitude and probability were considered from the perspective of inherent risk rather than residual risk. Financial materiality of the shortlisted topics was discussed and validated with appropriate members of GreenShield's finance and risk teams. The scales used to assess probability and financial magnitude are included below:

Probability

Scale for Probability	Description
Almost Impossible	May occur only in exceptional circumstances
Not Likely	Not expected but possible
Moderate	Might occur at some point
High	Will probably occur in most circumstances
Very High	Expected to occur in most circumstances

Financial Magnitude

Scale for Financial Magnitude	Financial Impact
1	< $25K
2	$25k–$500K
3	$500k–$1M
4	$1M–$5M
5	> $5M

2.6 Validating the Material Topics

The validation session was attended by members of senior management, including People & Culture, Risk Management, Finance, Marketing, Corporate Affairs, and GreenShield Cares. The session first reviewed the process to date and shared the six material topics. Through a facilitated dialogue, the impact and financial materiality of each topic were reviewed, discussed, and amended where necessary to reach final materiality scores for each material topic.

SECTION 3 – RESULTS

The following six material topics represent the areas where we can drive the most meaningful positive change and where sustainability-related risks and opportunities are most significant for GreenShield's business:

- Data privacy, cybersecurity and responsible use of data/AI
- Climate resilience and environmental impact
- Sustainable and responsible investment
- People, culture, DEI and labour relations
- Access to appropriate care and health equity
- Quality of care and clinical outcomes

SECTION 4 – TARGETS

Following the identification of material topics, GreenShield has set strategic targets. Targets translate the outcomes of our Double Materiality Assessment into concrete commitments, ensuring that the issues identified as most significant are actively managed and measured over time. By setting clear, time-bound targets for each material topic, GreenShield integrates sustainability priorities directly into business strategy, capital allocation, and performance management.

4.1 Data privacy, cybersecurity, and responsible use of data/AI

Our data privacy, cybersecurity, and responsible use of data and artificial intelligence (AI) baseline and strategic investments ensure we meet our duty of care, while our focus areas reflect how we protect people, uphold transparency, and manage technology responsibly.

By 2028, GreenShield will establish a quantified baseline for the environmental impact of its artificial intelligence (AI) use in order to inform future carbon-neutral objectives and support the ethical governance of AI.

4.2 Climate resilience and environmental impact

We recognize the impact that our actions can have on the environment and the communities we serve, and we're committed to fostering a sustainable future for all. GreenShield is guided by three core commitments related to climate and environment:

- Reduce our impact
- Educate and empower
- Be transparent and accountable

Using 2025 as the baseline year, GreenShield will reduce Scope 1 and 2 emissions by 42 per cent and measured Scope 3 emissions by 25 per cent by 2030, and achieve net-zero emissions by 2050.

These internally adopted operational targets reflect our commitment to meaningful climate action and provide a roadmap for guiding operational decisions, resource planning, and long-term sustainability efforts. These targets have yet to be submitted to and validated by the Science Based Targets initiative (SBTi) and may be refined as additional data becomes available.

4.3 Sustainable and responsible investment

GreenShield believes that environmental, social and governance (ESG) issues can affect investment performance. By 2028, GreenShield will validate 95 per cent compliance with its GSCI Statement of Investment Policies through annual ESG portfolio review meetings with investment managers.

4.4 People, culture, DEI and labour relations

By 2030, GreenShield aims to achieve top-quartile employee engagement, fostering a culture of inclusivity and belonging.

4.5 Access to appropriate care and health equity

GreenShield will continue to evolve and expand with a focused commitment to democratizing access to culturally-appropriate, patient-centred care. Through Signature Initiatives in mental health, essential medicines, and chronic disease management, we are working to reduce barriers and close persistent gaps in the health system.

We prioritize supporting populations that face systemic barriers within health and insurance systems, including women, low-income workers, youth, racialized communities, and 2SLGBTQI+ communities. By directing resources and programs toward these groups, we aim to ensure care is accessible, relevant, and responsive to diverse lived experiences.

From 2025 to 2030, GreenShield will leverage $200 million in to positively impact the health and well-being of at least 3 million Canadians.

4.6 Quality of care and clinical outcomes

GreenShield will reinforce quality of care and clinical outcomes by achieving accreditation with Council on Accreditation by the end of 2026 and Accreditation Canada by the end of 2027.

These accreditations provide independent validation of our clinical governance, evidence-informed practice, and continuous quality improvement systems, ensuring safe, consistent, and high-quality care for the populations we serve.