

Moving forward with purpose

The 2020 Environmental, Social and
Governance Report



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Moving forward with purpose

As a global leader in total wellbeing, corporate responsibility is integral to everything we do. This 2020 Environmental, Social and Governance (ESG) Report chronicles our company-wide performance over the past year, as we move closer to our aspirational goal of improving 1 billion lives through our business, our products and services and in our communities.

In the face of the significant headwinds presented by the global COVID-19 pandemic, over the past year, we have focused our report on the ESG priorities that we believe matter the most to our business and to our stakeholders, providing a transparent account of our performance and outlining our path forward for the year ahead. We invite you to explore these pages to learn more about the continuing evolution of our corporate social responsibility strategy, the work we are doing to advance our purpose of **improving lives and improving business** and our collective commitment to total wellbeing across our business.



We are LifeWorks

LifeWorks is a global leader in delivering technology-enabled solutions that help clients support the total wellbeing of their people and build organizational resiliency. By improving lives, we improve business. Our solutions span employee and family assistance, health and wellness, recognition, pension and benefits administration, retirement and financial consulting, actuarial and investment services. LifeWorks employs over 7,000 employees who work with more than 24,000 client organizations that use our services in more than 160 countries. LifeWorks is a publicly traded company on the Toronto Stock Exchange (TSX: LWRK). For more information, visit lifeworks.com.

Our purpose

Improving lives. Improving business.

Our values

We value long-term relationships.

We treat others the way we want to be treated.

We are innovative and entrepreneurial.

Our vision

To optimize the health and productivity of people—the heart of every successful organization.

160+

Countries

Delivering services in
more than 160 countries

24,000+

Clients

Largest EFAP solution
provider in world

26+

Million

LifeWorks supports over
26 million people

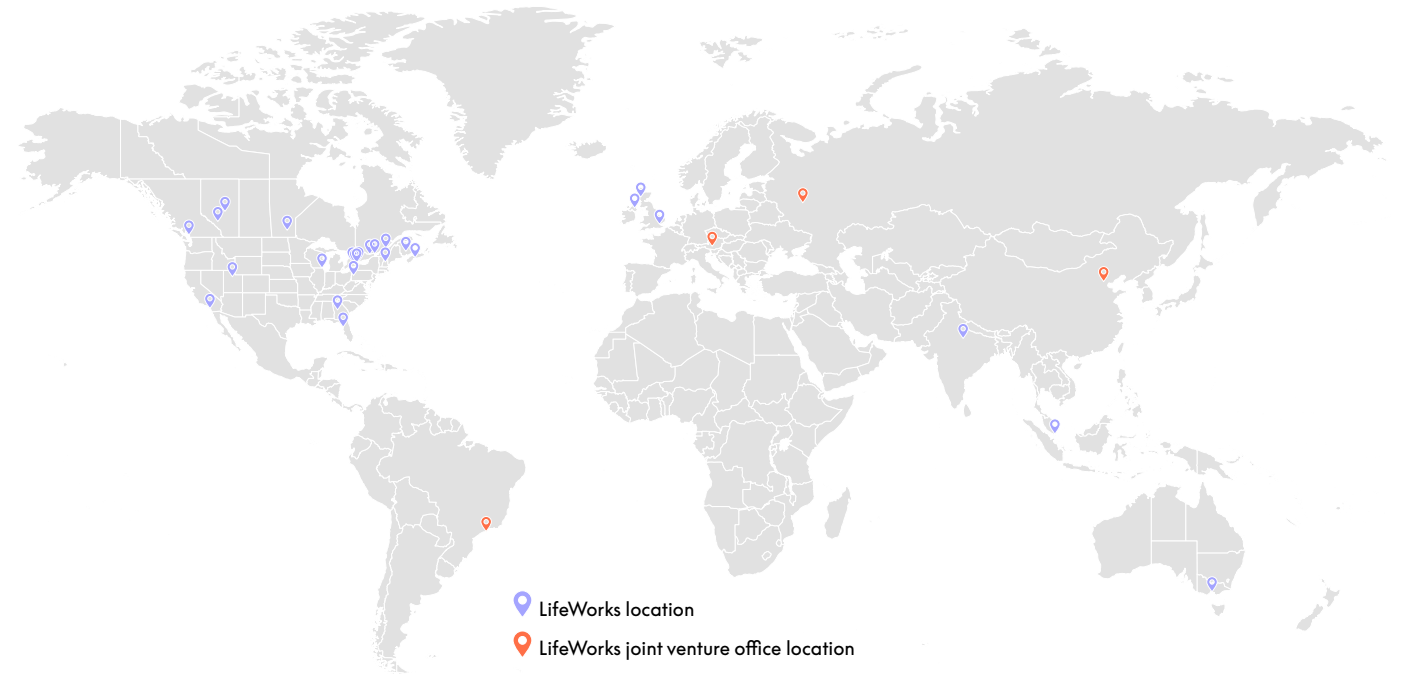
7+

Million
members

1,100 benefit plans managed
for seven million members

About this report

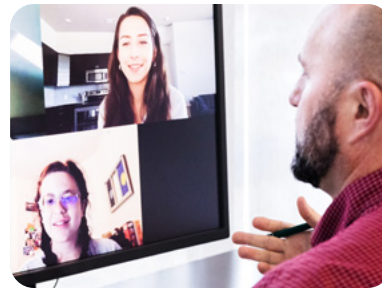
The 2020 Environmental, Social and Governance Report reflects all of the entities reporting in the Company Financial Statements dated December 31, 2020. As of May 14, 2021 and following shareholder approval, Morneau Shepell Inc. is now operating as LifeWorks Inc., a new name for our Company. As a result, this is our first ESG report published under the LifeWorks name. We have focused this report on those areas of performance that we believe are most material to our business and investors. It has also been prepared to support greater alignment with the Sustainability Accounting Standards Board (SASB), Professional & Commercial Services Standards (Version 2018-10). Read our first [SASB Content Index](#). In the preparation of this report, we have also considered the Global Reporting Initiative Principles of balance, transparency and completeness, as well as the Global Reporting Initiative (GRI) Standards for guidance in some areas of performance. For inquiries regarding this report, email info@lifeworks.com.



LifeWorks global reach serves more than
24,000 clients in over 160 countries

The financial information in this document is reported in Canadian dollars unless otherwise noted.

Performance highlights



Pandemic
response

33,500

distinct users

of our pandemic support
toolkit for individuals in 2020

Performance highlights

Making progress on our ESG priorities

We continued to advance our corporate responsibility strategy over the past year. In support and recognition of our global growth, we became a supporter of the United Nations Global Compact (UNGC) affirming our Company's commitment to the Ten Principles of the UNGC, spanning human rights, labour, environment and anti-corruption.

WE SUPPORT

CSR governance

- Recognized for leading corporate governance by *The Globe and Mail's* Board Games, ranking third out of 211 Canadian-based public companies assessed
- Met our Board diversity target of 30 per cent women directors and 30 per cent men directors and approved an updated Board Diversity Policy to broaden diversity beyond gender-based targets (March 2021)
- Maintained record of zero substantiated cases of corruption or bribery
- Achieved 100 per cent sign-off on the Code of Business Conduct and Ethics
- Reported zero substantiated cases of discrimination received via our Whistleblower Policy
- Achieved 100 per cent cybersecurity training compliance across our workforce and reported zero data breaches that materially impacted our clients
- Launched the [Mental Health Index by LifeWorks™](#) and the [Financial Wellbeing Index by LifeWorks™](#) to advance global understanding of total wellbeing

Social

- Achieved employee engagement scores three points higher than the prior year based on a participation rate of 81 per cent
- Accelerated progress against our Inclusion and Diversity (I&D) three-year strategy
- Embedded our commitment to anti-Black systemic racism by pledging support for Canada's BlackNorth Initiative and the CEO Action for Inclusion and Diversity in the United States
- Launched a LifeWorks Disaster & Hardship Employee Relief Fund to provide financial support to employees who qualify for financial assistance
- Conducted a [Mental Health Assessment and Total Wellbeing Assessment](#) of our global workforce and benchmarked against global findings
- Supported the mental health and wellbeing of Canadians during the COVID-19 pandemic through the creation of WellCan™ to support Canadians who do not have employee assistance and our Living Well podcasts
- Helped over 30,000 Canadians through our AbilitiCBT® internet-based Cognitive Behavioural Therapy

Environmental

- Upheld our record of compliance with zero incidents of non-compliance with environmental laws and regulations and zero fines and non-monetary sanctions across our operations
- Eliminated all single-use plastics at the corporate office including water bottles and cutlery
- Conducted a preliminary review of the [CDP climate response](#) to understand the scope and data requirements for LifeWorks reporting
- Committed to initiate a review and benchmarking against the Task Force on Climate-related Financial Disclosures

Employee wellbeing is driving how we support our people, our clients and communities

Over the past year, the global COVID-19 pandemic has challenged all corners of society in new ways. From illness, loss of life and livelihoods, to poor mental health, COVID-19 has impacted people on a global scale while also putting the spotlight on the strength and resilience of people, businesses and governments to rise to extraordinary circumstances.

In the face of these challenges, we have maintained business continuity, sustained the uninterrupted delivery of our products and services to our 24,000 clients and their people, and kept focused on the total wellbeing needs of our people and their families through this difficult time.

Our priorities are steadfast:

- protecting the health, safety and wellbeing of our people
- supporting the health, safety and wellbeing of our clients' employees and their families
- deploying resources and our expertise to help the broader community deal with social, mental, physical and financial impacts

Our approach is guided by the advice of public health authorities across all of our regions. As the details of our early 2020 pandemic strategy have been [previously reported](#), the following overview provides an update of core initiatives to support our business, our clients and our people, and that contribute to the wellbeing of the broader community.



Maintaining business continuity

Heading into the second year of the pandemic, we continue to rely on our comprehensive Business Continuity Plan (BCP) and our cross-functional Pandemic Working Group to inform our actions. Our BCP spans all aspects of our business: operational readiness and reliability, a robust and secure IT infrastructure,

managing potential risks in our supply chain, a governance framework to help ensure accountability, information sharing and transparency, and a priority focus on protecting and supporting the health and wellbeing of our people.

The working group, comprised of executive leadership and regional representation, meets regularly to ensure that we can respond quickly should situations change. At all times, we have aligned our planning and preparedness activities with the level of impact and range of circumstances across our regions, which have varied significantly over the course of the pandemic.

In keeping with public health measures across our regions, the majority of our people continue to work remotely, ensuring that our clients and their employees can continue relying on us to deliver our portfolio of products and essential services when they need them most. In regions where the numbers of COVID-19 cases are extremely low, offices have started to slowly reopen with low employee density and some people have elected to return to the office. Health and safety protocols are followed in all offices. Throughout this period, our business has remained resilient, and we have not utilized any government subsidies in the regions that we operate in, leaving those supports to those truly in need.

Protecting the health, safety and wellbeing of our workforce

Employee wellbeing continues to be at the centre of our pandemic response. Supported by an intensive program of regular and ongoing communications, we have kept a sharp focus on wellbeing and engaging our people as they work from home for such an extended period of time. Early in the pandemic, we extended to our people our internet-based cognitive behavioural therapy program, AbilitiCBT®, and our LifeWorks mobile platform with its multiple modules and resources such as Health and Wellness Coaching, LIFT training sessions for physical fitness, CareNow™ for self-directed mental health support, and, separate from LifeWorks, AvaFinance™, to support financial health. Through most of 2020, we also provided access to telemedicine support to our North American employees, transitioning our Canadian employees to our LifeWorks telemedicine product in early 2021. At the same time, we introduced our [Disaster and Hardship Employee Relief Fund](#). While we did not implement salary reductions or furloughs during the pandemic, the fund is providing support for those employees where family income has been adversely affected by the pandemic and they face the possibility of catastrophic situations. We have also intensified our employee communications through more regular all-employee

calls, additional webinars and a bi-weekly *In-Touch* newsletter, as an additional channel to regularly share news and engage our people. To learn more, see [Employee engagement and Health, safety and wellbeing, 2020 performance](#).

Return to office: Taking a regional approach

We are continuing our Return to Office (RTO) planning in the context of COVID-19 developments around the world. While COVID-19 infection numbers remain high across many of our geographies and vaccination continues to ramp up, all public health authorities are unanimous in their guidance that infection risk remains high, variants are a serious concern, and that, even with rising vaccination rates, safety precautions such as masking and physical distancing will remain for some time. While select offices are open, we are anticipating a RTO on a regional basis dictated by the local public health situation across much of the Company, guided by our commitment to protecting the health and safety of our people and support for personal flexibility and choice. All of our people are offered paid time off to get the COVID-19 vaccine.

We are anticipating a return to office on a regional basis dictated by the local public health situation.

Supporting the health, safety and wellbeing of our clients and their people

Throughout the pandemic, the wellbeing of the people we serve has been paramount. We applied our mental health expertise and focused our attention on sustaining and growing the services for our clients and their employees as well as many students enrolled at our client universities, to support the added pressures of life during the pandemic.

Alongside our continued delivery of Employee and Family Assistance Programs (EFAP) counselling and AbilitiCBT® cognitive behavioural therapy, we developed new tools and resources to support the mental health of our clients and their people as they faced massive disruption at work, at home and across society. Our unified telemedicine portfolio was also rolled out across North America, providing direct virtual access to medical staff.

We developed new tools and resources to support the mental health of our clients and their people.

As our clients and their people faced new pressures working from home—social isolation, family demands, job loss and financial stress—we focused our work on providing organizations and individuals with the information and support tools they

needed to navigate the pandemic crisis. Throughout, we have provided HR professionals with the tools and services they need to manage their business and support the health, safety and overall wellbeing of their workforce. Programs include our Heartbeat webinar series, communications resources to support employee outreach, EFAP, new services and variations on existing services, ad hoc support to non-clients, virtual roundtables and an extensive library of resources to help our clients support their people. We further developed and offered the WellCan™ mobile and web app for individuals who do not have the benefit of an employer-sponsored EFAP. In the midst of the pandemic, and as many of us continued to operate under lockdown conditions, we virtually held our 10th annual Employers Connect 2021 Mental Health Summit, underscoring the mental health impact of the pandemic on working populations. The virtual summit attracted a record 3,073 attendees from across our global client base.

Deploying our resources and expertise to help society during the pandemic

The COVID-19 pandemic has brought added stress to all corners of society. For many people without access to the tools and resources needed to help them cope, the mental and physical strain arising from the pandemic has left them especially vulnerable. In March 2020, we mobilized by quickly applying our expertise in key areas of mental health and wellbeing, opening

up resources to help individuals cope with the unprecedented stresses and anxieties of the pandemic.

Early in the pandemic, our [Toolkit for individuals](#) provided information and support in times of crisis. With a focus on building individual resilience, the toolkit provided a wealth of information on COVID-19, such as strategies to cope with outbreaks, talking with children, working from home, and tips for people leaders in managing teams under COVID-19. Originally developed by our subject experts for our clients, the toolkit was also made available to the general public on our website. Throughout 2020, over 33,500 distinct users have accessed the Toolkit and there have been over 7,600 engagements with users accessing the webinars on wellbeing.

33,500

distinct users

in 2020 of our pandemic support toolkit for individuals

We also launched our [Mental Health Index by LifeWorks™](#) (MHI) in April 2020. Published each month, the MHI™ is playing a critical role in raising awareness of the ongoing impact of the pandemic on deteriorating mental health. The results are contributing to greater understanding and awareness of mental health considerations among working populations and informing decision-making and wellbeing strategies among governments and business.

AbilitiCBT® government partnerships

We partnered with the provincial governments of Manitoba and Ontario in Canada to deliver internet-based Cognitive Behavioural Therapy (iCBT) at no cost to residents aged 16 or older, to help them manage their anxiety and depression symptoms related to the COVID-19 pandemic. Launched in March 2020, during the first month of living under pandemic restrictions, and continuing into 2021, AbilitiCBT® has been playing a key role in these governments' efforts to address the mental health impacts of the COVID-19 pandemic. In keeping with our strategic focus on mental health and total wellbeing, these partnerships have allowed us to provide accessible and meaningful mental health support to Manitobans and Ontarians throughout the pandemic.

Our [AbilitiCARES](#) program has played an important role in raising public awareness about free and easy access to AbilitiCBT® to Ontarians and Manitobans, generating over seven million impressions and over 100,000 visits to the website since its launch. Thousands of people have been helped through this service. Public feedback received underscores the important role of accessible, online and user-friendly mental health tools in helping individuals develop the coping strategies they need to support their mental health and wellbeing in the face of the pandemic.

Living Well podcasts

We launched our podcast, [Living Well](#), in June 2020.

An introspective listening series, Living Well came at a time when mental health was never more crucial. Through an array of wellbeing topics, thought leaders and subject matter experts explore the physical, mental, social and financial aspects of living well through authentic, guided conversations. Twenty-five episodes aired in 2020, and are ongoing in 2021, spanning a broad range of topics such as pandemic parenting, financial wellbeing, digital healthcare, and music and mental health.

25
Living Well
podcast episodes
aired in 2020

Almost 8,000 podcasts have been downloaded, with over 310 people listening per episode. Hosted by internationally recognized mental health advocate and top TEDx speaker Mark Henick, the podcast episodes are available for free on Apple iTunes, YouTube, our website, through the WellCan™ app and website and more. Each podcast features in-depth, one-on-one conversations between the host and featured guest, along with a panel discussion. To learn more and listen to the podcast, [click here](#).

WellCan™

In early April 2020, in the first few weeks of the pandemic lockdown, we also created and launched [WellCan™](#).

As Canadians faced unprecedented stress and uncertainty arising from the COVID-19 pandemic, WellCan™ was created to bring a new and free service offering of tools and resources to support Canadians in need who may not have the benefit of an employer-sponsored Employee Assistance Program. Supported by over 50 corporate, community and public-sector partners, WellCan's hub of mental health resources has helped Canadians develop coping strategies and build resilience to deal with the uncertainty during the pandemic. Since the launch, more than 6,500 people have accessed the tools available via the app.

CEO Message to our stakeholders

ESG
priorities

CEO **ACT!ON** FOR
DIVERSITY & INCLUSION



Moving forward with purpose: The ESG opportunity

These uniquely challenging times provide compelling evidence for why environmental, social and governance (ESG) issues need to be and remain at the top of the agenda in public companies.

In 2020, the COVID-19 pandemic and its economic fallout, combined with the intensifying societal focus on anti-racism and systemic forms of discrimination, came together in a question confronting all corporate leaders today: what can we do—or keep doing—to make a real difference in the world?

From our perspective at LifeWorks, given our presence in global wellbeing markets, we experienced 2020 through the eyes of our 24,000 clients on the front lines of what can justifiably be called a growing mental-health pandemic in the workplace that owes much to COVID-19. The decline in the mental health of the global working population isn't an inconsequential matter. It involves fighting a different but powerful form of climate change—the impairment of our psychological climate.

I've never been prouder of our own people who, in 2020, pushed their own limits to support the wellbeing of our clients and their people through difficult and uncertain times.

Today, workforce mental health—and employee wellbeing generally—is increasingly recognized as a strategic business issue. We view it as an opportunity to act on the time-tested principle that happy, healthy and engaged people are essential to building a high-performing workforce. It's also an opportunity for us at LifeWorks to keep moving forward in the spirit of our purpose as a company: "Improving lives. Improving business." And by focusing on that, we believe, we will continue making a meaningful contribution to the resilience and wellbeing of our communities.



Stephen Liptrap, President and CEO

2020 ESG highlights

From an ESG perspective, a signature milestone achieved in 2020 was our Company becoming a signatory to the [United Nations Global Compact](#). This involves a commitment to its “[Ten Principles](#)” that cover key areas of ethical conduct, human rights, labour rights and the environment. Our 2020 ESG highlights offer compelling evidence of that commitment in action:

In 2020, we rolled out new digital solutions and community programs to address the wellbeing challenges surfacing in the pandemic. Usage of AbilitiCBT®, our iCBT solution, grew significantly in the year, supporting over 30,000 Canadians in managing their anxiety and depression symptoms related to the pandemic. We also rolled out our unified telemedicine portfolio across North America, which is designed to provide people with better access to medical services delivered virtually, and is proving to be an essential public service in a lockdown environment.

In 2020 LifeWorks became a [UN Global Compact](#) signatory.

Similarly, by ensuring business continuity early in the pandemic, we were a great source of stability for our clients and their people. Last year, we achieved strong client satisfaction scores with our Top 100 clients (representing 50 per cent of revenue) and our Top 400 clients (representing 75 per cent of revenue) by providing wellbeing services to their people and their families during an especially stressful time. This is proof, we believe, that serving our clients and their people is also, directly, a way of improving the greater community good.

Last year, we launched our monthly [Mental Health Index by LifeWorks™](#) (MHI), a new global benchmark for measuring the mental health of the working population in the four key jurisdictions where we operate (Canada, the United States, United Kingdom and Australia). The Index is positioned to support mental health strategies on a larger scale, providing insights to help formulate policy decisions about public health and helping organizations with their employee wellbeing strategies.

Last year, we also launched the WellCan™ app to support Canadians who may not have EFAP and website that provides free mental health resources to Canadians. In a similar vein, our Living Well podcast, launched last July, continues to build an audience for its thought leadership content on total wellbeing.

In 2020, we continued to support several long-standing community impact investments and programs. We continued our financial support for the Kakuma girls school in a Kenyan refugee camp and remained the official mental health partner to the Canadian Olympic Committee.



Long recognized as a preferred employer, we're living up to our commitment to employee wellbeing as our top operating priority. In a year like no other, we have strong levels of employee engagement, with scores above the prior year. This indicates that our people feel supported by their company and managers in prioritizing their health and safety in the pandemic.

We made strong progress on the implementation of our three-year inclusion and diversity (I&D) strategy. We were recognized last year by respected voices in the media and the public sphere for the high percentage of women in our leadership cohort, which at the time of assessment stood at 43 per cent. We made pledge commitments to best practices in I&D as they've been articulated by the [BlackNorth Initiative](#) and the [CEO Action for Diversity & Inclusion initiative](#). We are making progress toward our goals.

3rd
out of 211

Received top-tier ranking in
The Globe and Mail annual
assessment of leaders in
corporate governance

For a corporate enterprise with our global reach, LifeWorks has a small eco-footprint, given that we are a technology-enabled solutions company in the wellbeing space with no manufacturing or consumer packaging impacts to mitigate. We continue to optimize our operations from an environmental perspective. This includes moving—as leases expire—into LEED-certified buildings and minimizing our eco-impacts wherever possible.

Finally, and very importantly, 2020 was a year in which our board governance continued to evolve in line with global best practices. We were pleased to receive a top-tier ranking in *The Globe and Mail's* annual assessment of leaders in corporate governance, placing third among 211 organizations with a score of 96 out of 100. Today, our Board is 100 per cent independent, with the exception of the CEO. At the end of 2020, we also met our Board diversity target—30 per cent of our Board were women and 22 per cent were from diverse communities, including Black, Indigenous People and People of Colour.

Board is
100%
independent,
with the exception
of the CEO

2021 ESG priorities

Our Company has long been recognized for its consistency in delivering business results that meet the expectations of our shareholders. Likewise, you can expect consistency in our progress in areas of our ESG performance.

While our corporate social responsibility (CSR) strategy and initiatives are important in the overall mix of our activities, it is well to remember that our business model—focused as it is on total wellbeing—is by definition a positive force that supports community wellbeing.

In 2021, our ESG priorities include:

Employee wellbeing—this includes strategic support to ensure the mental, financial, physical and social wellbeing of our employees. Supporting the mental wellbeing of our employees is a critical priority given the impacts of the pandemic over the past year and the continued intensity of the impact of the pandemic in many of our markets. When public health authorities deem appropriate, a return-to-office process will begin that prioritizes everyone's safety. We believe an important aspect of employee wellbeing is also supporting our people in their volunteer work, which should start to increase once lockdowns are lifted or diminish.

Client wellbeing—as we have been doing, our commitment is to keep supporting our clients through the solutions we offer today and the new ones coming off the drawing board, which enable us to be there for them and their people when it matters.

Diversity, equity and inclusion—continuing to advance our program to support the critical connection between inclusive work environments and the mental wellbeing of our employees, reinforce our commitment to our clients to support their I&D priorities and live up to the commitments and pledges we've made, building on our progress in recent years.

Environment—even while recognizing the relatively small size of our eco-footprint, we expect in 2021 to begin assessing our performance in the context of the recommendations of the Task Force on Climate-related Financial Disclosures.

Vendor risk management—enhance our oversight and due diligence across our supply chain with the development and introduction of a supplier code of conduct and supporting vendor risk management system.

Global dialogue on employee wellbeing—support the rising focus on employee mental health and wellbeing as part of the evolving ESG agenda. With this effort, we are collaborating and communicating with employer groups such as One Mind@Work, and the investment standards community, including the Sustainability Accounting Standards Board (SASB), in support of emerging standards that are practical and meaningful.

Making a real difference in the world

During a time of crisis, as our communities are experiencing today, companies like ours have a responsibility to step forward for the greater good. As this ESG report clearly indicates, our Company is and will continue to move forward, with purpose, in turning our ESG commitments into strategic advantages and, in the process, benefit all our stakeholders. On behalf of our entire leadership team, I would like to thank our people, partners, clients and stakeholders for their support and resilience through an incredibly challenging year for so many.

Stephen Liptrap

July 2020

Our corporate responsibility strategy



Our corporate responsibility strategy

Where our business and our values come together

Corporate responsibility is fundamental to our business. As a purpose-driven company focused on improving lives and improving business, we are committed to enhancing the wellbeing of our clients and their employees, our people and our communities.

Our purpose drives every part of our business strategy and the nature of the products and services we deliver. We rely on our values to guide our interactions with our people, our clients and our stakeholders. Working in tandem, these elements are the foundation of corporate responsibility at LifeWorks. They define the way we work, guide our behaviours, inform our strategy and programs and help us manage our Company with a steady focus on ethics, compassion, inclusivity and professionalism across all areas of environmental, social and governance performance and potential risk.

How we work

Our commitment to responsible business conduct is manifest in everything we do. With a focus on total wellbeing across all parts of the Company, our work by its very definition supports a strong environmental, social and governance orientation.

We take a cross-functional approach to advancing our corporate responsibility agenda, driving performance and mitigating risk across those areas of ESG that we believe are most important to us and to our stakeholders, including:

- **Ethical conduct** through adherence to our [Code of Business Conduct and Ethics](#) from our Board of Directors through to every employee
- **Compliance and a long history of responsible business conduct** across all areas of our business, which includes an excellent track record of regulatory compliance spanning ethical conduct, anti-corruption and bribery, competition and fair dealing, human rights, non-discrimination, labour, health and safety and the environment

- **ESG risk management** through an enterprise-wide risk management program to identify, analyze and mitigate potential and emerging ESG risks to our business
- **Crisis management and business continuity** via a crisis response protocol that ensures critical products and services are available to our clients and their people. When needed, we mobilize our cross-functional crisis leadership team and initiate the LifeWorks business continuity plan
- **An employee experience centred on total wellbeing** and a people strategy informed by best-in-class human resources programs and policies to provide our people with a healthy, safe, inclusive and respectful workplace that supports total wellbeing, and where human rights are protected
- **Responsible procurement** as we continue to evolve our vendor risk program, procurement standards and green purchasing program

- **Thought leadership and critical research** to advance our understanding of important topics related to total wellbeing, including mental health, financial wellbeing and social wellness. We look to our MHI™, Financial Wellbeing Index by LifeWorks™ and Total Wellbeing Index by LifeWorks, as well as our Employers Mental Health Summits, our annual Human Resources Trends Reports, and Workplace of the Future partnerships
- **Responsible investment** through our subsidiary LifeWorks Investment Management Ltd. and its support for, and adherence to, the [United Nations Principles for Responsible Investment](#), a signatory since 2018
- **Community partnerships, employee volunteerism and donations** focused on contributing to the wellbeing and mental health of communities, as well as being there with support through products and services in times of crisis and trauma
- **Environmental stewardship** through a company-wide framework of policies and practices to guide our behaviours and engage our people in mitigating environmental impacts where we can make a difference, such as reducing waste, consuming responsibly, informing employees and conserving natural resources

Where we are

2020 marks the third year in the implementation of our three-year CSR strategy. We have made significant progress delivering on our goals. Among our achievements: we have strengthened ESG governance; established a foundation of CSR policies that set clear expectations for responsible behaviour across the Company; enhanced our reporting; and increased awareness and understanding of our priorities among our stakeholders.

Throughout this report, we provide insights into our commitment and strategic approach to managing these ESG priorities, our performance and future direction.



Our 2021 Mental Health Summit was held virtually, drawing record attendance of 3,073 participants from our global client base. The summit was hosted by Paula Allen, LifeWorks, Senior Vice President, Research and Total Wellbeing.

Governance



Governance

Leading corporate governance critical to business success

LifeWorks corporate governance practices ensure a high level of accountability to all of our stakeholders—**our clients, employees, investors, regulators, and our communities.**

Why it matters

Good corporate governance, confidence and trust in our company go hand in hand. A commitment to good corporate governance helps to ensure that our business strategy and actions are carried out ethically, responsibly and in keeping with our policies in the best interests of investors, our employees, our clients and their people, as well as the many partners and suppliers that we engage with through our business and in the broader community.

What we are doing

A strong corporate governance framework is essential to our business. We look to our leading corporate governance practices to meet evolving stakeholder expectations for good governance, ethical conduct, diversity and accountability, including our corporate social responsibility strategy and management of ESG risks.

Our Board of Directors is responsible for oversight of all parts of the Company. Responsibility for the Company is delegated by the Board to our Chief Executive Officer, while responsibility for day-to-day management resides with our Executive Leadership Team. We strive to embrace best practices across all aspects of corporate governance, including board independence, board diversity and rigorous risk oversight at the Board committee level. To learn more, read [Schedule “C”, Mandate of the Board of Directors](#).



CSR governance and management

Governance of our CSR program and oversight of ESG risks are the responsibility of the Risk Committee of the Board. The Committee reviews our corporate responsibility program and ESG risks annually at a minimum, and as material developments arise. This governance framework helps ensure that ESG risks are accounted for in the same manner as all business risks.

At the executive level, leadership in the area of ESG is the accountability of the Executive Vice President and Chief Corporate Officer. Responsibility for overseeing the development and execution of our corporate responsibility program and ESG reporting resides with the Senior Vice President, Corporate Communications and Marketing.

ESG advisory group

To help drive the evolution of our corporate responsibility strategy, we look to our cross-functional ESG advisory group. Comprised of senior leaders representing legal/compliance, human resources, procurement, environment and facilities, data security, communications and marketing, as well as community donations, the group is an advisory and oversight body. It plays a key role in strengthening our CSR program and policies, tracking current and emerging ESG risks and opportunities, and driving continuous improvement in performance and transparency.

ESG risk and reporting oversight



2020 performance

Over the course of the past year, we continued to follow best practices in corporate governance and further enhanced our strong governance framework. For the second consecutive year, our efforts were recognized when our Company received a top tier ranking in *The Globe and Mail's* annual corporate governance assessment of Canadian companies, achieving a third-place ranking out of 211 companies and a score of 96 out of 100, up from a seventh-place ranking in 2019. We also progressed our program in other areas, including:

- Becoming a supporter of the [United Nations Global Compact \(UNGC\)](#), affirming our Company's commitment to the Ten Principles of the UNGC, spanning ethical conduct, labour and anti-corruption, human rights and the environment
- Maintaining a 100 per cent independent Board of Directors, except for the Chief Executive Officer
- Ensuring that all Board Committees were comprised of independent directors who met in camera, independent of management
- Meeting our Board diversity target of 30 per cent women directors and 30 per cent men directors



Board gender diversity target met:

30% female  / 30% male 

- Maintaining 22 per cent representation of ethnic and/or racial minorities on the Board
- Approving and publishing an amended Board Diversity Policy to broaden diversity beyond gender-based targets (March 2021)
- Identifying and acknowledging the important contribution of ESG experience to the Board and the Company, adding ESG experience to the "Key Skills and Experience Matrix" and recognizing five of nine directors with competency in this area
- Providing continuing education to the Board on critical topics including ESG trends and Inclusion & Diversity



For additional information see our [2021 Management Information Circular dated March 19, 2021](#).

Where we are heading

Looking ahead, we remain committed to advancing CSR governance in key areas, including:

- Introducing a new ESG measure to further align performance and objectives with executive compensation, effective beginning in 2021
- Enhancing the ESG risk metrics monitored and reported on to the Executive Team and to the Board Risk Committee
- Reviewing our key corporate policies to ensure they reflect best practices for the Company
- Enhancing our oversight and due diligence across our supply chain with the development and introduction of a supplier code of conduct and supporting vendor risk management system.
- Showing leadership in our focus on workplace mental health and wellbeing in our ESG performance and disclosures

Ethical business conduct

Working with integrity

Why it matters

From our Board of Directors to our front-line employees, our success as a trusted business and respected corporate citizen depends upon an unwavering commitment to ethical conduct and integrity in all its forms. Across our global company, we are accountable for our behaviours and for meeting the expectations of our investors, employees and customers that we will conduct ourselves in good faith and in compliance with the laws in every jurisdiction where we operate.

What we are doing

The LifeWorks Code of Business Conduct and Ethics (Code) is the foundation of responsible and ethical business conduct for our Company. We meet expectations for ethical conduct through strict adherence to the tenets of our Code and related policies, and have a zero-tolerance policy for failure to comply. The Code sets forth the basic principles that guide all of us—our Board of Directors, officers, managers, employees and independent contractors—in the conduct of our business globally.

The Code is a comprehensive framework that addresses a wide range of topics, among them:

- Compliance with the law
- Avoiding conflicts of interest
- Professional integrity
- Anti-corruption and bribery policies
- Competition and fair dealing
- Prohibition of improper payments to domestic and foreign government officials
- Modern slavery

The Code, along with our Respectful Workplace Policy, also embeds our commitment to ensuring that all of our employees and independent contractors are treated with dignity, protected from discrimination and harassment, and provided with a safe and healthy workplace. Together, they play a vital role in preventing discrimination.

We require everyone at LifeWorks, from the Board of Directors to all front-line employees, to read and reaffirm their commitment to the Code annually. Training plays a critical role in supporting compliance. Compliance with our annual sign-off process is carried out and tracked via our LifeWorks Fundamentals online training portal, and completion is linked to employee compensation.

Our General Counsel provides the highest level of executive oversight, with results reported by management to the Board.

Anti-corruption and bribery

The Company has zero tolerance for corruption and bribery of any kind. Our Anti-Corruption and Bribery Policy prohibits bribes or other improper or unauthorized payments, or acts that create the appearance of promising, offering, giving or authorizing such payments. We expect all Company personnel and contractors to adhere to both the spirit and the letter of this Policy with respect to the Company's business anywhere in the world.

Suspected violations of the Code, as well as other policies, including our [Anti-Corruption and Bribery Policy](#) and [Human Rights Policy](#), are reported through our Whistleblower Policy, which provides our employees with a confidential, third-party reporting mechanism via internet or by phone, without fear of reprisal or retaliation. Confidential Whistleblower reports of all concerns and complaints are received by our General Counsel and reported to the Audit Committee of the Board. We expect all directors, officers, employees and independent contractors to communicate with their supervisors and managers, or other appropriate personnel, about suspected illegal or unethical behaviour, and when in doubt, to make inquiries about the best course of action for any particular situation.

Political donations

The Company does not donate to any political party or individual candidates, either monetarily or in-kind. We do uphold the democratic right of our employees to participate in the political process by providing support to a political candidate or their political party of choice. While we will not interfere in the political activities of our employees, we do require them to abide by all relevant regulations and legislation, in addition to ensuring that their actions do not impact the Company's reputation or impede our business and operations in any way.

2020 performance

We made strides in advancing our compliance program over the past year, launching a new online compliance training program focused on critical topics such as privacy and data protection, anti-bribery and harassment prevention across our global workforce. The Board also approved amendments to our [Code of Business Conduct and Ethics](#), strengthening provisions to boost security protocols pertaining to work from home. Across our workforce, we also maintained our strong record of ethical conduct, including:

Zero
substantiated
cases of corruption
and bribery

- Reporting zero substantiated cases of corruption or bribery. 100 per cent of our employees received communication and training on anti-corruption and bribery over the past year
- Achieving 100 per cent employee sign-off on the Code, meeting our compliance target
- Receiving zero substantiated complaints of employee discrimination via our Whistleblower Policy
- Maintaining a strong compliance record and zero reported incidents and zero fines pertaining to anti-competitive behaviours
- Reporting zero dollars spent on political donations in all jurisdictions in which we operate

Where we are heading

We will continue our annual review of the Code and our key corporate policies to ensure they reflect best practices for the Company. We also plan to review and enhance training relating to the Code and the related corporate policies, including in the area of anti-trust/competitive behaviour for select employees where the risk is the greatest.

Managing ESG risk

Company-wide risk management approach

Why it matters

Risk oversight is critical to our business. Alongside the financial and daily business risks facing our Company, our investors and stakeholders expect us to have the systems in place to identify, manage and mitigate the current and emerging ESG risks we face. Given the nature of our business, risk in traditional areas of risk such as health and safety, environment, labour and community remains low. Our priority focus is on the management and protection of potential material risks pertaining to information systems (IT), data privacy and cybersecurity, which are integral to the services we offer and the trust in our business.

What we are doing

We assess and manage risks through our LifeWorks enterprise risk management program (ERM). A standardized risk management process, ERM provides the tools we require to identify and analyze potential risks and mitigate situations that could potentially jeopardize a project or service.

Risks are identified, categorized, mitigated and tracked. We use extensive checklists to identify potential areas of risk, along with a company-wide risk management framework that supports our Lines of Business (LOB) and our growth strategy, and also enhances our overall due diligence.

Risks are reported quarterly to our management Risk Committee, as well as to the Risk Committee of the Board (comprised entirely of independent directors). Each committee meets quarterly and independently.

Given the nature of our business, risk in traditional areas of risk such as health and safety, environment, labour and community remains low.

Data privacy and cybersecurity

Maintaining the integrity, reliability and security of information systems is integral to our business. As we deliver our products and services to our clients, we collect and use sensitive personal and financial information pertaining to our corporate, institutional and government clients, as well as individual users. Our collection, use and protection of such data is governed by data privacy laws in multiple jurisdictions including The Personal Information Protection and Electronic Documents Act (PIPEDA) and other legislation governing the protection of personal health information in Canada, the Health Insurance Portability and Accountability Act (HIPAA) in the United States, the Privacy Act in Australia and the General Data Protection Regulation (GDPR) in Europe.

We continue to enhance our efforts to mitigate the potential risks associated with IT systems, in particular cybersecurity, through the following:

- Ongoing investments in technology and security initiatives to better identify and address potential vulnerabilities
- Third-party internal and external vulnerability assessments and audits of our privacy and security programs

- Third-party code reviews, systems monitoring, data monitoring and assessments
- Internal security testing across our internal teams
- Investments in technology in order to remain current and effective in the area of security controls
- Ongoing communication to maintain employee awareness programs on security policies and procedures
- Mandatory monthly employee training on privacy and cybersecurity via our Advanced Cybersecurity Learning Platform and through LifeWorks Fundamentals

We are committed to protecting the confidentiality, security and accuracy of the personal information of our clients and their people, and LifeWorks employees. As stewards of personal information for many people, we adhere to a strict [Privacy Policy](#), which provides clear guidance across the core areas of:

- Data collection, use and disclosure
- Consent regarding the use of personal data

- Safeguards used in the protection of personal information
- Use by and disclosure to third parties
- Privacy and the internet
- Personal health information collected via our Employee Support Solutions and Absence Management Services
- Accuracy and access to personal information collected by the Company
- Enforcement, amendments and privacy concerns addressed under the leadership of our Privacy Officer

Responsibility for adherence to our Privacy Policy and practices resides with our Privacy Officer and falls within the mandate of our Board of Directors.

At the executive level, our Chief Data and Technology Officer and Senior Director, Security are responsible for establishing, monitoring and maintaining the enterprise technology and security processes and policies. Board-level oversight resides with the Risk Committee.

To ensure compliance with our controls and to continually improve our performance, we:

- Engage with third-party experts to perform regular assessments and audits of our privacy and security programs
- Align our security program with the ISO 27001 standards and NIST cybersecurity framework
- Require external auditors to conduct annual System Organization Controls (SOC) audits covering security, availability and confidentiality controls for our main client-facing systems

Aligned to
ISO 27001
Information Security
Management standards

- Expect all LifeWorks employees to complete and pass online cybersecurity training in order to preserve their individual access to our IT network

Protecting the security of personal information entrusted to our care is critically important. While LifeWorks has not experienced any data breaches that have materially impacted our clients, we follow strict protocols and procedures to manage the issue of a suspected data or privacy breach should one occur.

Protecting the security of personal information entrusted to our care is critically important.

Our incidence readiness and response protocol, where applicable, consists of the following:

- Internal investigations using both internal and third-party resources as required
- Mitigation strategies and potential remediation steps to reduce the risk of an incident occurring in the future
- Notification of our clients and impacted individuals in a timely manner, as well as relevant privacy commissioners and regulatory agencies, of a suspected breach, depending on the particular circumstances.

In our [Privacy Policy](#) and its applicable user terms, policies may change from time to time, enabling us to keep current on privacy matters, keep our policy updated, and ensure that the security of personal information is a top priority. To track and ensure compliance with our Privacy Policy, we annually conduct a self-assessment to verify that the Policy accurately reflects our practices, meets our corporate guiding principles of privacy and protection of personal information, and keeps pace with increasingly stringent regulatory and societal expectations for personal privacy. It is our policy to comply with the privacy legislation of each jurisdiction where we provide our services.

2020 performance

Protecting employee health and safety is our number one priority as we build out our return to office policies and procedures related to the ongoing global pandemic. With the majority of

100%

**cybersecurity
training compliance
across our global
workforce**

our workforce and our clients and their people working from home, ensuring their safety while maintaining continuity of our services digitally has remained paramount. Alongside our regular training and compliance program, we provided employees with

Security Guidelines for the Home to mitigate cybersecurity and privacy risks and raise employee awareness of the continuing need to meet privacy and security-related obligations under our corporate policies and governing legislation. Topics include phishing and social engineering, keeping data secure and privacy guidelines for the home.

Throughout the pandemic, we have maintained a robust and secure information system (IT) and taken steps to help ensure the protection of the information entrusted to us, including:

- Updating and strengthening our Privacy Policy to better align our policy and corporate standards across the multiple jurisdictions where we do business

- Launching additional privacy and data protection training to all employees, including a zero-tolerance policy for missing training and achieving 100 per cent compliance for employee training
- Achieving 100 per cent cybersecurity training compliance across our workforce
- Implementing enhanced additional privacy and data protection training for employees as part of our Code training
- Maintaining alignment with ISO 27001 information security management standards
- Reporting zero data breaches that materially impacted our clients, their people or our ability to provide services, including zero material data breaches involving a client's business information or personally identifiable information
- Registering zero complaints from regulatory bodies regarding privacy matters
- Enhancing security tools and guidance for employees working from home, including email protection using Safe Links and Safe Attachments, Endpoint Detection and Response in a move towards a "Zero Trust" concept.

Where we are heading

We will remain vigilant, updating our policies and protocols and keeping abreast of emerging ESG risks, with a specific focus on the protection of our IT systems from cybersecurity threats. We expect to complete a project to further our progress towards the Zero Trust concept, including implementation of network security tools for remote access by our employees.

We are also focused on enhancing our Corporate privacy program to include additional focused training for our employees in different geographies and lines of business. The privacy and security teams will also continue to support our SOC 2 protocols and reporting.

Managing responsible procurement

As a global company with over 13,500 suppliers providing us with products and services, vendor risk management is vital to our business. We expect our suppliers and contractors to share our values for ethical and responsible business conduct, including our expectations for green procurement. In turn, as a company supplying valued services to our clients and their people, it is critical that we meet the high standards for supplier due diligence that our clients require of us in order to do business with them.

Supplier diversity

We encourage inclusion and diversity in our supply chain practices as we endeavour to include small and socio-economically diverse suppliers in sourcing sub-contracting activities and asking our vendors to do the same, if possible.

We encourage inclusion and diversity beyond our workplace through our supply chain, which directly supports our purpose of “Improving lives. Improving business.” Aligned with our core

Our supplier diversity program expands opportunities for businesses owned and operated by diverse racial and ethnic groups, women, variously abled people, veterans, and the LGBTQ2+ community.

We continue to work on implementing a comprehensive vendor risk management program, including the development and approval of a Supplier Code of Conduct in 2021. The new program will focus on those areas of greatest risk across our supply chain, including anti-corruption and bribery compliance, security, high-risk, privacy and sanctions list.

values, LifeWorks embraces and promotes diversity and inclusiveness among our business partners. Our supplier diversity program expands opportunities for businesses owned and operated by diverse racial and ethnic groups, women, variously abled people, veterans, and the LGBTQ2+ community. Our commitment to supplier diversity is supported at all levels of the organization and is an integral part of our business strategy. In the United States, which represents approximately 36 per cent of the total revenue for the Company, we meet a range of certification requirements depending upon the needs and requirements of our client base.

Our supplier diversity program includes:

- Continued relationships with existing diversity suppliers
- Offering diverse suppliers the opportunity to be a part of our network and assisting in the certification process
- Providing technology (software and hardware) for suppliers’ staff
- Partnering with organizations to identify and gain access to large networks of diversity suppliers
- Annual review of the Company’s diversity supplier program and suppliers
- Ongoing commitment to continue to grow our supplier diversity program

Read [Our partnerships with minority/women-owned business enterprise certified businesses.](#)

Our partnerships with minority/women-owned business enterprise certified businesses

Since 2014, our US Administrative Solutions business has spent approximately US\$17.3 million with M/WBE partners in the United States.

We have formed partnerships with a broad range of Minority/Women-owned Business Enterprise certified businesses (M/WBE) to build diversity across our supply chain, enhance competitiveness and promote our growth, while supporting the diversity needs and objectives of our clients and our firm. Our M/WBE-certified partners have established track records of employing robust recruiting processes with expertise to ensure M/WBE compliance and to drive collaborative partnerships.

Since 2014, our US Administrative Solutions business has spent approximately US\$17.3 million with M/WBE partners in the United States. As an integrated part of the LifeWorks ecosystem, these providers and partners are important to our delivery of services to our clients. For example, one of our most successful M/WBE partnerships was with a number of U.S.-based public-sector clients, including collaboration with our M/WBE print partner to improve delivery time for participant communications and incorporate a tracking system. Our M/WBE print partner exceeded our clients' expectations with its ability to deliver creative communication solutions on a large scale, supporting approximately 250,000 participant enrollments including kits, plan guides, marketing collateral and more for our clients' healthcare programs.

In addition, we have contracted with one of the largest school districts in the U.S. and built partnerships with three M/WBE-certified vendors. Through these partnerships, we provide deep integration of support in the day-to-day delivery of our services and customer service with an added US\$800-900,000 annual spend over the targeted M/WBE commitments.

Human rights

Respect for the dignity of every person

Why it matters

Protection and respect for human rights is a fundamental tenet of LifeWorks. Across our global workforce and within the communities where we operate, it is critical to our business and to our people that we provide a work environment where fundamental human rights are upheld and protected, ensuring that our people are free from any form of harassment or discrimination based on applicable laws and other human rights legislation where we have a presence.

What we are doing

LifeWorks is a supporter of the [United Nations Global Compact \(UNGC\)](#), including the Global Compact's [Ten Principles](#), underscoring our commitment to uphold and respect the protection of internationally proclaimed human rights, including the Universal Declaration of Human Rights. Our commitments are also entrenched in our LifeWorks [Human Rights Policy](#) and in our support of the [UN Guiding Principles on Business and Human Rights](#).

We have a zero-tolerance policy for any conduct that is discriminating or harassing, or that otherwise compromises an individual's human rights.

Our Human Rights Policy reaffirms our respect for the dignity of every person and our commitment to ensuring that employees have access to equal opportunities in the workplace to contribute fully. For our employees and contractors, as well as third parties, including clients, service providers and suppliers to the Company, our Human Rights Policy provides guidelines and prohibits discrimination, whether intentional or not, on the grounds of race, ethnicity, political affiliation, religion, gender, sexual orientation, age, marital and family status or disability.

We have a zero-tolerance policy for any conduct that is discriminating or harassing, or that otherwise compromises an individual's human rights.

Accountability and oversight of human rights is a shared responsibility of our most senior legal and human resource executives, and all employees share in the responsibility to help us maintain a work environment that reflects respect for human rights and is free from discrimination and harassment.

Labour rights

As a supporter of the UNGC, we have affirmed our commitment to the [International Labour Organization \(ILO\)](#) core conventions including support for freedom of association, no forced labour and no child labour. The Company does not have any collective agreements at present. At the end of 2020, zero per cent of our workforce was represented by independent trade unions. There is no risk of child or forced labour across our workforce, including contractors.

2020 performance

Over the past year, we continued to strengthen awareness of our commitment to human rights, and our Human Rights Policy, including:

- Strengthening our commitment to uphold and respect the protection of human rights and to ensure that our business activities do not contribute to any human rights abuses
- Integrating human rights training into our online Code training for employees

Where we are heading

Looking ahead in 2021, we will continue to evolve our understanding of LifeWorks role in the protection and promotion of human rights, including strengthening the integration of human rights as part of ESG risk oversight and strengthening the connection of our Human Rights Policy with other corporate policies and programs including vendor risk management. We are looking to enhance and update our Human Rights Policy in 2021 as well.

Stakeholder engagement

Building meaningful relationships based on trust, integrity and transparency

Why it matters

Stakeholder engagement is core to our business. In our role as an employer, in our delivery of products and services to our clients, as a publicly traded company, and as a member of broader society, our stakeholder relationships must be rooted on a foundation of trust, integrity and transparency. We intersect with these stakeholders who are affected in some measure by LifeWorks and, in turn, our Company and our people are potentially impacted by them. The success of our business depends upon these relationships and a shared commitment across all of our stakeholders to meaningful engagement and open dialogue.

What we are doing

We intersect with a wide range of stakeholders through our business activities each and every day, both corporately and individually. Our approach to engagement takes many forms, reflecting the broad range of LifeWorks stakeholders, including:

- Employees, current and prospective
 - Clients, current and prospective
 - Employee/individual end users of our services such as Employee and Family Assistance Programs
 - Affiliate network (independent counsellors, and other professionals and service providers to whom we refer services)
 - Shareholders/investors
 - Regulators and elected officials
 - Financial community
 - Strategic partners (academic and research community, resellers of our services)
 - Suppliers and service providers
 - Communities, including partners, charitable groups and beneficiaries
- While our relationships with all of our stakeholders are critical, engaging and communicating with our shareholders is a Board priority and an important mechanism for providing timely and meaningful feedback on our business performance and areas of interest. The Chair of the Board and the Chair of the Human Resources Committee are available to meet with various corporate governance stakeholders and shareholders. The CEO and CFO are also available and regularly have discussions with various corporate governance stakeholders and shareholders to listen to their opinions and concerns. These meetings often involve a dialogue on a variety of topics, including the Company's strategy as a primary focus, executive compensation, corporate governance, disclosure practices, shareholder engagement, risk management (including ESG risks) and corporate operating results.

2020 performance

While 2020 and the onset of the COVID-19 pandemic shifted our stakeholder engagement initiatives to an entirely virtual environment, we remained focused on delivering on our program of proactive engagement with the many people whose activities intersect with LifeWorks. While there is no “one size fits all” approach to stakeholder engagement, notable achievements and initiatives include:

- Engaging our shareholders through our annual shareholder meetings, CFO and CEO participation in investor conferences and one-on-one meetings
- Achieving strong client satisfaction scores with our top 100 clients (representing 50 per cent of revenue) and our top 400 clients (representing 75 per cent of revenue) by providing wellbeing services to their people and their families during an especially stressful time with continued high levels of customer satisfaction, reporting year-over-year improvement in Net Promoter Scores for the Company’s top 400 clients
- Hosting our 10th annual workplace mental health summit, Employers Connect 2021. Held virtually for the first time in January 2021, the summit attracted a record 3,073 participants from across our global client base, research partners and the media. The Mental Health Index by LifeWorks™ research findings were presented and focused on the important connection between employee mental health and employer supports. Guest panelists included Cara Beck, Vice President, Partner Resources, Starbucks Canada; Leslie Adair, The Hazelden Betty Ford Foundation, US, Jack Green Olympian and Mental Health Advocate, Great Britain, and Katherine Newton, CEO of R U OK Australia among others.
- Holding virtual CEO-Employee Town Halls in 2020, as well as multiple all-employee webinars to support and engage our people on critical topics related to our business. Read [Employee Engagement](#)
- Working with our corporate, community and public-sector partners to create WellCan™, bringing free wellbeing resources to help Canadians develop coping strategies and build resilience to deal with the challenges of living during times of pandemic. Since its launch in April 2020, over 32,000 people have visited the site and 6,500 people have downloaded the app
- Maintaining a telephone investor line and an investors@lifeworks.com mailbox to encourage shareholders and the public to contact the Company with questions or concerns
- Launching a program of outreach to leaders in the ESG, sustainability and reporting standards communities with a focus on human capital to improve understanding of the critical role of mental health and total wellbeing measures as areas of risk to productivity and organizational performance. LifeWorks has provided commentary to the Sustainability Accounting Standards Board’s (SASB) Human Capital consultation project launched in early 2021, as well as work underway with the World Economic Forum.

3,073

record attendance
of our global
workplace mental
health summit

Supporting reconciliation in Australia through cultural awareness

“I’m really enjoying the cultural training. As a Singaporean... living in Melbourne, I’m going to start referring to this lovely country as Unknown southern land to my peers back home rather than keep calling it land down under.” *LifeWorks Employee*

Our Australia team is taking important steps to advance understanding of Aboriginal Australians and support reconciliation efforts in their country. In September 2020, we rolled out a compulsory cultural awareness training for all Australian staff. Aboriginal Australians are one of the oldest continuous civilizations on Earth, and have inhabited Australia for ~60,000 years. The history of treatment of this community has been chequered since British colonization in 1788 and still continues. Today, major steps are required to achieve full recognition and reconciliation. Within our own LifeWorks community, we knew that we could do more to foster greater awareness and understanding of how our thoughts and actions can contribute to improved relationships and reconciliation. We partnered with Evolve Communities, an Australia-based organization with expertise in Indigenous cultural awareness training. Conducted by accredited Indigenous facilitators, the employee training was dedicated to improving cultural awareness of Aboriginal & Torres Strait Islanders through Evolve’s The 7-Steps to Practical Reconciliation™. Building upon the success of the program, our goal is to continue to advance our work in this area to help ensure that we are sensitive and supportive of the unique needs of our clients, their people and the broader community.

Where we are heading

Pandemic conditions are expected to continue to shape our stakeholder engagement program over the next year. Our reliance upon engagement through virtual means will continue to safeguard the health and safety of stakeholders and the broader community. In other areas of our business, our continuing focus will be on:

- Maintaining and building upon high levels of customer satisfaction through our products and service delivery across our global client base
- Contributing to the work of the ESG standards, ratings and reporting community to advocate for the importance and inclusion of sound and comparable workplace mental health and total wellbeing metrics as an essential indicator of social performance
- Continuing collaboration with our community partners to support mutual goals relating to inclusion and diversity, mental health and total wellbeing.



Wellbeing leadership

Mental health, wellbeing and organizational success

Heading into the second year living in the shadow of the COVID-19 pandemic, people across all sectors of society are suffering under the weight of heightened anxiety, stress and uncertainty in their daily lives. Across working populations, mental health as measured by the [Mental Health Index by LifeWorks™](#) (MHI) has deteriorated significantly. Long before the onset of the global pandemic, mental health research clearly pointed to a growing anxiety epidemic across working populations. Today, alongside the added pressures of pandemic life and the known risks of COVID-19 to physical health, we are facing a parallel pandemic of mental health.

Our understanding of the connection between total wellbeing and organizational performance continues to evolve. Through the lens of our clients and their employees, we have a first-hand view of employee wellbeing, mental health and how the health of the workforce affects their organization. We look to our comprehensive research program across all facets of

total wellbeing to benchmark and track performance and measure trends.

Employee wellbeing has many dimensions, all of which impact organizational performance. A workforce composed of happy, healthy and engaged people is more productive, while a workforce challenged by poor mental health performs less well. The mental health of a workforce directly impacts a broad range of business success factors, including creativity and innovation, daily ability to problem solve, customer service, internal collaboration, employee turnover, as well as costs relating to health benefits and absence costs.

Our research over the past several years has also shown that the mental health of working populations is becoming increasingly strained in line with the increased demands of the workplace. Rising customer service expectations, the fast pace of change due to frequent industry disruption, and the changing nature of the work environment such as more unstructured work situations have increased the mental demands of work itself.

A workforce composed of happy, healthy and engaged people is more productive.

Mental health is influenced by many factors and has a clear connection with financial, social and physical health and wellbeing. Financial health is a significant driver of mental health, even more so as people face the pressures of job loss and reduced income arising from the pandemic. To better understand the state of financial wellbeing in the working population and the relationship between financial and mental health, we launched the Financial Wellbeing Index by LifeWorks™ (FWI) in early 2021. The results put the spotlight on the essential role of an individual's financial health to overall wellbeing and work productivity.

The Financial Wellbeing Index™ report

Canada | Summer 2021

LifeWorks



See [The Financial Wellbeing Index](#) for more information.

Together with the MHI™ launched in April 2020, we are helping businesses, governments and individuals gain a better understanding of mental health and the need for action.

The pandemic has clearly put the spotlight on mental health. Increasingly the impacts of mental health and wellbeing are also being recognized as a factor in business resilience and

performance by the investment community. For example, the Sustainability Accounting Standards Board (SASB) is considering the inclusion of mental health metrics in its reporting standards.

Through our MHI™, FWI™ and Total Wellbeing Index by LifeWorks (TWI), LifeWorks is well positioned to meet emerging expectations for measurement and transparency in this critical area of human capital performance and ESG reporting for our business and for our clients. As a strategic driver for us and a cultural cornerstone, we published our first [Employee Wellbeing Report in 2020](#), benchmarking the mental health and wellbeing of our global workforce against the global MHI™ and TWI™ benchmarks. This report, along with the results of our [Total Wellbeing Audit](#) provide a transparent account of our performance. We plan to carry out a total wellbeing assessment of our global workforce and benchmark the mental health of our people in the coming year.

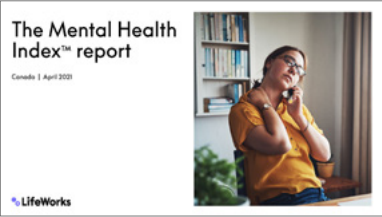
Wellbeing leadership: LifeWorks research

The Mental Health Index by LifeWorks™ and Financial Wellbeing Index by LifeWorks™ are making a meaningful contribution to enhancing our collective understanding of wellbeing. As a global leader in employee wellbeing, our work in this area is an essential part of our overall corporate responsibility strategy, and our contribution to the wellbeing of the broader community.

The Mental Health Index by LifeWorks™

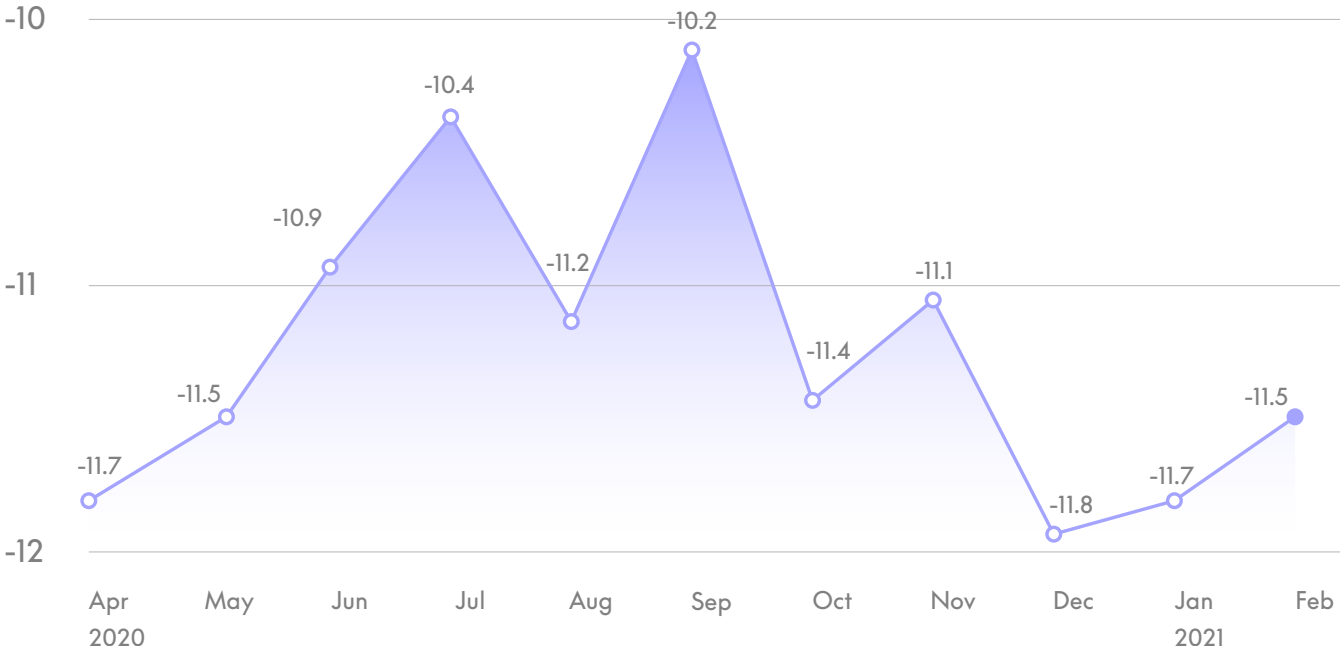
Our Mental Health Index by LifeWorks™ (MHI), launched in April 2020, helps businesses and governments better understand the state of mental health. A new global benchmark for measuring the health of the working population in the four key jurisdictions (Canada, United States, United Kingdom and Australia), the MHI™ compares key measures of current mental health status and changes over time against the baseline results collected from 2017 to 2019.

Since the MHI™ was launched, it has become a vital resource and measure of mental health across the broader community, in particular, given the global COVID-19 pandemic, helping to inform decision makers and organizations in their employee wellbeing strategies. Concerning results each month since the start of the pandemic underscore the prolonged impact and continued strain on the mental health of Canadians arising from the pandemic.



See [The Mental Health Index reports](#) for more information.

Canada



February 2021

-11

January 2021

-12

The Financial Wellbeing Index by LifeWorks™

First published in January 2021, the new report includes the Financial Wellbeing Index by LifeWorks™ (FWI), a comprehensive measure of the current financial health status of employed adults in Canada, compared to the benchmark data collected pre-2020. Surveying the same 3,000 people who are representative of the working population every quarter, the FWI™ is an important companion to our MHI™ and the Total Wellbeing Index by LifeWorks (TWI) and relies upon a similar online survey methodology.

Financial wellbeing is defined by the knowledge, behaviours and perceptions of individuals relative to their personal financial situation. It includes a measure of financial risk but is much broader. Higher income does not guarantee financial wellbeing; neither does lower income preclude it.

To date, the FWI™ results demonstrate that financial wellbeing remains top-of-mind for many Canadians. Since the beginning of the pandemic, almost twice as many individuals surveyed believe that they are doing worse in terms of their financial

The Financial Wellbeing Index by LifeWorks™ underscores the importance of financial health as a risk to overall wellbeing and productivity.

situation (27 per cent) than those who indicate they are doing better (15 per cent). And, the situation is not improving. As a result of rising concerns, many Canadians are exploring strategies to strengthen their financial wellbeing, including educating themselves more on financial matters than they had previously and prioritizing contingency planning. Importantly, the findings revealed that Canadians' perception of their financial situation appears to be impacting their wellbeing. Among the findings, gender disparity in key financial measures is notable. Of those surveyed, women (-5.1) have notably lower financial wellbeing scores than men (0.6), and significantly lower scores in all key measures of financial knowledge, financial behaviours and financial perception, and experience a greater negative impact on their productivity related to finances.

The FWI™ underscores the importance of financial health as a risk to overall wellbeing and productivity. The COVID-19 pandemic has underscored the many facets of individual wellbeing and has also highlighted the importance of overall wellbeing to organizations and governments.

Together with the MHI™ and the TWI, the new FWI™ highlights the impacts and risks associated with overall wellbeing, and one that merits ongoing measurement and organizational attention as businesses and governments navigate their way through the pandemic and post-pandemic in the months and years ahead. Read the [Financial Wellbeing Index by LifeWorks™](#).

Tax governance

Meeting our obligations with integrity and transparency

Why it matters

As in all areas of our business, LifeWorks is committed to compliance with both the letter and the spirit of the laws regarding taxation. Our approach to taxation, including our governance practices, financial controls and reporting practices, helps reassure our stakeholders that LifeWorks is meeting its tax obligations with integrity and transparency while managing potential risks.

What we are doing

With a presence in 12 countries, LifeWorks is subject to various taxes determined by the laws where we operate. Our approach to tax governance consists of:

- Complying with all applicable tax laws, rules and regulations
- Executing our financial tax obligations based on economic factors relevant to our business in each jurisdiction
- Effectively managing risks related to taxation

- Working cooperatively and transparently with government authorities
- Seeking the expert advice of legal and accounting taxation experts on tax matters, as needed

Oversight of the Company's financial reporting, including the review of tax and tax planning matters that are financially material to the financial statements, resides with the Audit Committee of the Board of Directors.

We follow the Organisation for Economic Co-operation and Development (OECD) Guidelines and all relevant tax codes. We work transparently with Canada Revenue Agency and other tax authorities as required.

2020 Performance

Taxes we pay

LifeWorks pays corporate income taxes, as well as various taxes incurred in our business operations, the majority of which reside in Canada and the United States. In 2020, 87 per cent of the

taxes we paid were in these two jurisdictions. In 2020, we paid total corporate income taxes of \$7.6 million to all jurisdictions.

Taxes we collect

LifeWorks collects a range of taxes on behalf of governments in the jurisdictions where we operate. These taxes range from sales taxes to employee taxes collected. We do this in compliance with the law.

Tax transparency

Given that the majority of LifeWorks taxes are paid in Canada and the United States, we do not report on a country-by-country basis. For details regarding taxes paid, see our [2020 Annual Report, Management's Discussion and Analysis and Financial Statements and Notes](#).

Where we are heading

We will continue to maintain compliance with the letter and spirit of the tax laws in the jurisdictions where we operate.

Social



Our
workplace

Our workplace

Successful organizations depend upon an engaged, stable and productive workforce supported by an inclusive, safe and healthy workplace. Our employees are the backbone of our Company.

Only by delivering a great employee experience and supporting the total wellbeing of our people so they feel well, cared for and ready to perform at their best, can we rely on an engaged workforce to live our values, support our purpose and advance our business strategy. Our short- and long-term success is determined by our ability to provide our people with meaningful work, support opportunities for learning, development and innovation, and uphold a workplace culture of respect and inclusion.

Our people strategy

We strive to embrace leading human resources programs and initiatives across the Company while supporting our global growth. While the COVID-19 pandemic has challenged our people and our Company in unforeseen ways, our people strategy continues to provide an essential foundation for our employees and our business. Despite these hurdles, we continued to focus on implementing our strategy over the past year across our five people priorities.

Our framework of workplace policies, ongoing programs and practices is designed to support the wellbeing of our people and meet the evolving needs of a contemporary workforce. It starts with an unwavering commitment to an ethical, respectful and inclusive workplace across our Company, which is embedded in our [Code of Business Conduct and Ethics](#), our Respectful Workplace Policy and our [Occupational Health and Safety Policy](#). Our Respectful Workplace Policy articulates our commitment to create and sustain a workplace that is free from bullying, harassment and all forms of discrimination. Our [Occupational Health and Safety Policy](#) is focused on respect for the safety of all our people. We expect everyone in the Company to support these policies, to report issues and complaints through our confidential reporting mechanism, including the Whistleblower Policy, without reprisal, and for our people leaders to respond accordingly.

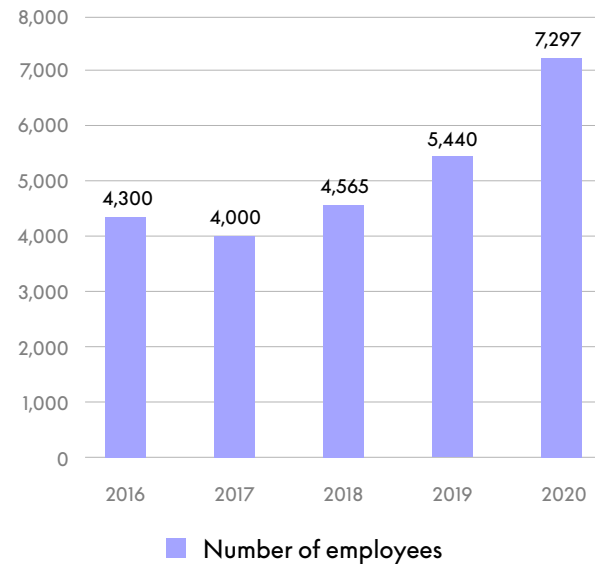
Our five people priorities

1. **Delivering an employee experience rooted in total wellbeing** so that our employees feel well, cared for, and ready to perform at their best
2. **Making the engagement, attraction and development of diverse talent** a priority for every LifeWorks leader
3. **Designing great employee experiences leveraging our own best-in-class products**, which we help shape and adopt in a manner that makes us role models for our clients
4. **Building a strong foundation for global growth by investing in technology** for efficiency, simplifying core HR processes and modernizing programs and policies to support our people and our business
5. **Challenging paradigms concerning ways of working, communicating and collaborating** in this new environment to enable breakout performance

Human Resources (HR) is a centralized function at LifeWorks, and our Chief Human Resources Officer leads our people strategy. HR partners across our four Lines of Business (LOBs) ensure that our corporate policies and programs are followed while being applied in a manner that recognizes the characteristics of each LOB and the nature of its workforce.

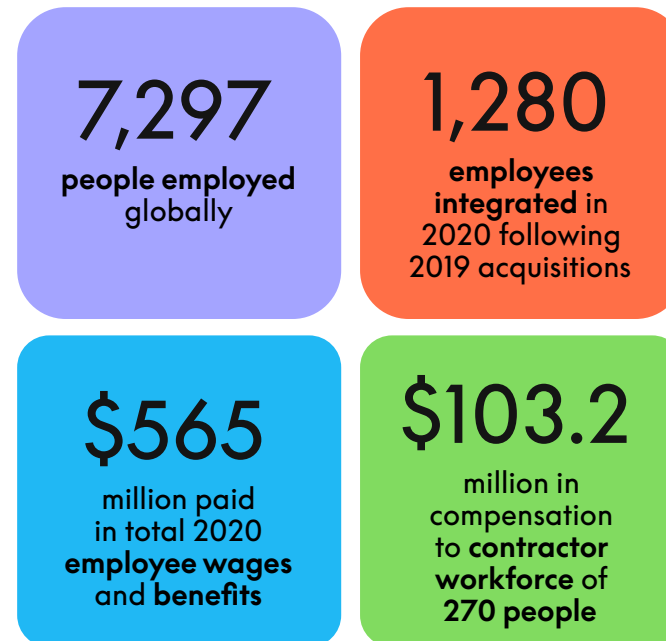
Five-year total workforce

(as of December 31, 2020)



Over the following pages, we provide insight into our efforts to deliver on our strategic priorities in key areas of social performance pertaining to our workforce.

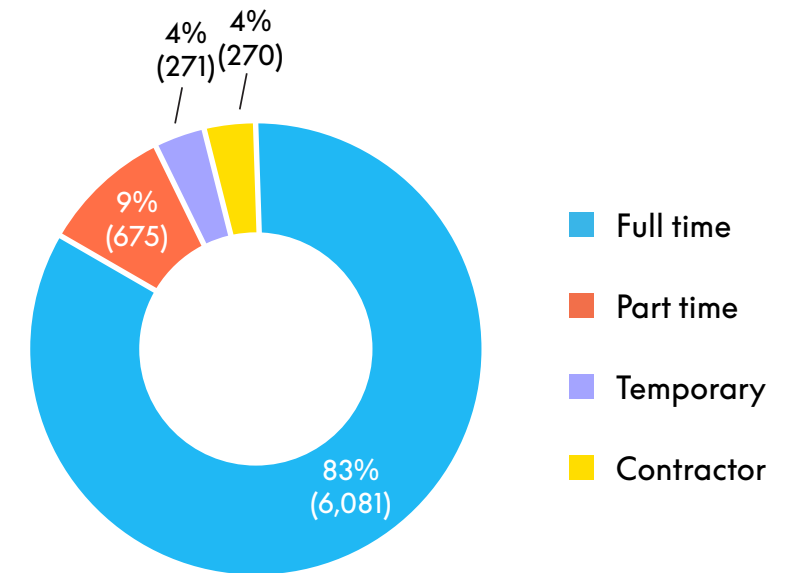
2020 workforce overview



2020 global workforce

(As of December 31, 2020)

2020 workforce by employment type



Employee experience

A central pillar of our people strategy

Why it matters

As an industry leader in total wellbeing, we understand the important relationship between employees who are well and business productivity. A workforce that feels respected, valued and cared for, working in a culture where total wellbeing is encouraged and enabled, performs significantly better and contributes constructively to the goals of the organization.

What we are doing

Delivering an employee experience differentiated on wellbeing.

A central pillar of our people strategy is delivering an employee experience differentiated on total wellbeing. As role models for our clients, we strive to provide our people with an employee experience that advances total wellbeing so that our people feel

well, cared for and ready to perform at their best. We continue to adapt our workplace policies and practices to align with the evolving needs of a contemporary workforce, recognizing the critical connection between meaningful work, work-life harmony, total wellbeing and overall productivity.

Contributing to our purpose of improving lives and improving business through meaningful work resonates with prospective and current employees. They value the opportunity to contribute to improving the lives of people and to be a part of a purpose-driven culture and organization. We know that flexibility is critically important to our people and we see a flexible work culture as an essential component of a fulfilling employee experience. Our Core Working and Flexible Arrangement Policy and guidelines provide a robust framework for supporting flexible work arrangements across our organization.

We do our utmost to provide our employees with the support they need to balance their work and family responsibilities, including dependent care such as eldercare and maternity/parental leave.

While there is no one size fits all approach to dependent care given the range of needs and jurisdictions where we operate, at a minimum we meet, and in some instances exceed, the legal requirements for maternity and parental leave, including providing supplemental financial benefits through our EFAP.

Our EFAP support for our employees helps them balance their caregiving responsibilities. Through our empathy circles, our "Care Givers" circle also provides additional support.

We further recognize the importance of workplace culture to employee wellbeing, and actively promote equity and inclusion, challenge stigma regarding mental health and provide managers with training and policy that supports all areas of wellbeing for their teams.

Leveraging our products and services

Providing our employees with access to LifeWorks leading products and services is integral to our people strategy. As users of our own products and services, our people have access to a suite of leading and innovative programs to support total wellbeing, and we look to our people as “clients”, using their important feedback to evaluate and evolve our products into best-in-class.

We provide our people with access to leading offerings such as our AbilitiCBT®, internet-based cognitive behavioural therapy, and our telemedicine service, which enables users to speak directly with a doctor over the phone. By the end of 2020, 100 per cent of our eligible workforce was benefiting from access to our LifeWorks mobile-first digital platform to foster total wellbeing.

Traditional Employee and Family Assistance Programs (EFAP) are also available to all of our employees worldwide. Through EFAP, employees have access to the same telephone and face-to-face counselling that are available to our clients.

Retirement savings plans are also available to help employees in achieving their financial wellbeing by supporting them as they work toward their financial security and retirement goals.

We also leverage learning solutions offered by our Workplace Learning Solutions group. These include monthly webinars on topics aligned to social, financial, physical and mental wellbeing, Diversity, Equity and Inclusion training, Cross-Cultural Awareness training and Anti-Racism training, to name a few.

“Speaking to a doctor over the phone to help with my concerns was an immense help, in that I did not have to go back to emergency to wait and try to hunt down my initial doctor while I’m still recovering and in pain.” *LifeWorks Employee speaking about telemedicine*

2020 performance

By March 2020, the global pandemic had rapidly altered the physical nature of our workplace, with approximately 97 per cent of our people working from home. With the added strain of the pandemic affecting all of us, we heightened our focus on supporting and enhancing the total wellbeing of our people. Over the ensuing twelve-plus months, we have relied upon our supportive and flexible workplace culture and comprehensive framework of essential policies, practices, guidelines and systems to provide a strong and effective foundation to support our remote workforce. Throughout, we have continued to utilize our regular engagement pulse surveys to monitor and respond to employee sentiment and needs. We made strides in key areas, including:

97%
of workforce
working remotely
in March 2020

Supporting work from home:

- Ensuring employees of our continued commitment to supporting people with the flexibility to balance work-life commitments while meeting the added requirements of working virtually, despite the transition to a largely remote workforce.

- Delivering a series of webinars on strategies for working virtually, ergonomics for working from home, and leading remote teams, to name a few.

Fostering total wellbeing:

- Achieving a LifeWorks mobile app adoption rate of approximately 90 per cent by the end of 2020, underscoring the role of LifeWorks as an employee tool to support individual overall wellness, as well as the added value of wellbeing resources during the pandemic.
- Deploying our LifeWorks Total Wellbeing Assessment to provide employees with feedback on how they are doing and what they could be doing to improve their total wellbeing, and providing us with aggregate data on the wellbeing of our workforce so we could take steps to give support where needed.
- Expanding our LifeWorks offering to employees to help our people in the face of the ongoing pandemic. In addition to a dedicated COVID-19 Toolkit and a New Normal in the Pandemic Toolkit, as well as our Health and Wellness Coaching Program, we also extended LifeWorks telemedicine to our Canadian employees through the mobile platform. The program has attracted widespread employee support since it was extended in late 2020. Within the first week available, over 1,000 of our Canadian-based employees had registered

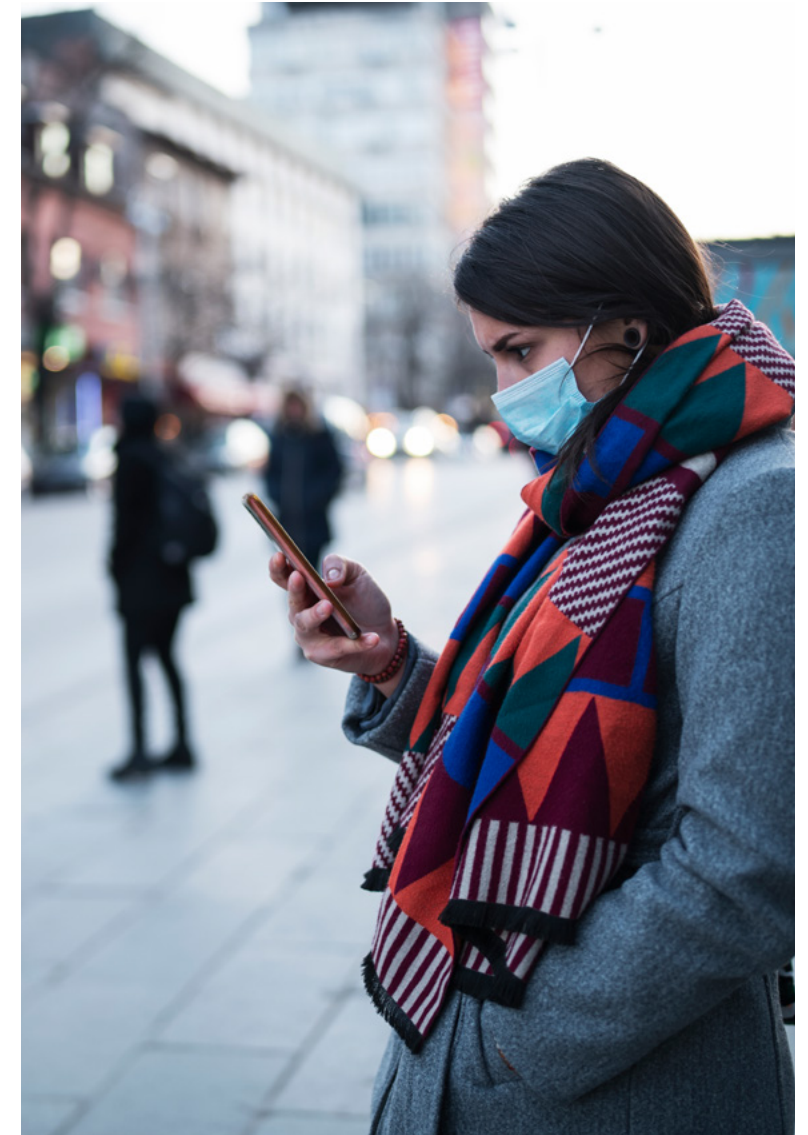
to use the telemedicine service. Our U.S.-based employees also have access to telemedicine support.

- Enhancing employee access to other total wellbeing resources, including AvaFinance, LIFT session Fitness Platform through LifeWorks and CareNow, a module focused on nine programs spanning topics of anxiety, communication, stress, coping, separation/divorce, depression, substance abuse, grief and nicotine cessation. By the end of 2020, at least 82 per cent of our global workforce was accessing at least one activity through the LifeWorks mobile platform.
- Providing Canadian-based employees with access to internet-based cognitive behavioural therapy (iCBT), reinforcing our commitment to employee mental health and access to industry-leading resources.
- Initiating a number of steps challenges through our LifeWorks platform to get our people moving as a way to encourage a focus on physical and mental wellbeing through the various lockdowns imposed as a result of the pandemic.
- Launching a **LifeWorks Disaster and Hardship Employee Relief Fund** to provide financial support to employees who qualify for financial assistance. Read [Helping Employees in Need](#).

Where we are heading

Providing our employees with an employee experience differentiated on total wellbeing will remain front and centre. As innovations to foster wellbeing lead us to create new tools and resources for our clients and their people, we will continue to identify additional opportunities to support our people, where it makes sense to do so. As we transition to a post-pandemic world, our aim is to:

- Identify additional needs and opportunities to enhance the employee experience focused on wellbeing, engagement, inclusion and diversity and continue to implement initiatives identified in our people strategy.
- Develop and implement a “Return to Office” plan that protects the health and safety of our people and advances our business strategy, while supporting personal flexibility and choice for our employees, to the greatest extent possible.
- Support our Toronto corporate office employees in their transition to our new corporate office, anticipated to begin in the second half of 2021 with possible adjustments to timing given the impacts of the pandemic on office readiness and our return-to-work program. Wellbeing and inclusive design principles were incorporated in the construction of this new office space and we are looking forward to employees and clients enjoying this new space.
- Complete the Phase 1 implementation of our Workday human capital management system, which will provide a single source of enterprise-wide workforce data, strengthening our people analytics to support strategic workforce planning.



Helping employees in need: Disaster and hardship relief support

With a focus on total wellbeing at the heart of our Company's strategy, care and compassion for one another is a cornerstone of our culture. And, our caring culture is never more important than when any of our team members and their families are going through unusually difficult times. To help our employees in times of need, we launched our **Disaster and Hardship Employee Relief Fund** in January 2021. Delivered through E4E Relief, a third-party administrator, the relief fund supports employees in the event of catastrophic disasters, personal financial hardships and personal crisis such as domestic abuse and physical abuse, death of an immediate family member, or loss of child support. Employees affected by COVID-19, such as those suffering increased expenses pertaining to quarantine, can also apply to the fund. LifeWorks covers the funding and the expenses required to maintain the fund.

Accessible to eligible full- and part-time employees with a demonstrated emergency, the relief fund is available to those in need. Successful applicants receive grants through the fund, which do not need to be repaid. Confidentiality between the employee applicant and the administrator is ensured and participation is anonymous. In the first three months since launch, the support provided has been very well received and 44 employees have benefited.

Employee engagement

LifeWorks engagement scores at their highest during a difficult year

Why it matters

Employee engagement is integral to our people strategy and to our Company. Successful organizations rely upon a stable, engaged workforce composed of people who feel valued and supported. In turn, a highly engaged workforce comprised of people who share our values and support our purpose has an overall positive impact on business productivity. For our Company and our stakeholders, a steady focus on employee engagement is essential to delivering on our business strategy, increasing organizational strength and driving future growth.

What we are doing

One of the five pillars of our people strategy, employee engagement is the shared responsibility and priority of every LifeWorks people leader. Our engagement commitment is led by our CEO, who holds every member of the Executive Team accountable for improving engagement across the Company. A relentless champion of engagement, the CEO regularly recognizes leaders, directly and via our LifeWorks mobile platform, for high and/or improving engagement scores among their teams and for high scores on items related to manager commitment to employee wellbeing, ensuring ongoing visibility of the importance of engagement to our strategic success.

People leader accountability

Our vision is to be a leader in employee engagement. To get there, we not only hold our leaders accountable for engagement, but we also provide them with the measurement, analytical tools and training they need to deliver on this responsibility. Working with a technology-leading vendor, we ensure that our people leaders have rapid access to the data enabling them to analyze and digest the results quickly, extract critical insights and take meaningful action fast. With the closing of each survey, we provide training to people leaders on how to interpret their data, narrow in on what matters most to their teams and take meaningful action to enhance the experience of their teams.

Our CEO holds every member of the Executive Team accountable for improving engagement across the Company.

Measurement is timely and aligned with strategy

We recognize that today's world changes rapidly. As our employees face complex and evolving environments, both within the workplace and outside, we believe in continuously listening to them to learn more about how the changes our people are experiencing are affecting them. To measure and track changing perceptions and needs, we conduct pulse surveys three times a year and carry out special additional surveys as significant events arise. For example, in 2020 as the COVID-19 pandemic was declared, we conducted a special survey to take the pulse of our people as they coped with new and fast-changing circumstances and the rapid transition to remote work. Special surveys may also be conducted following an acquisition, divestiture and/or a major restructuring affecting changes in leadership.

While we have a core set of survey items, we use each pulse survey to consider elements key to our strategy on which we wish to hear from our employees. These have included specific items to help us understand how we are doing with: integrating acquisitions; our response to the pandemic; our part in fighting racism; and, on our progress on inclusion and diversity commitments.

Communicating results

Engagement and communication go hand in hand. Our CEO launches each survey to our workforce and reports back directly to employees on results and actions. Our LOB leaders also communicate their LOB-specific results and actions to their team and cascade such communications through their respective organizations. People are well-informed about the results and the actions being taken and are often involved in identifying and prioritizing the actions that will have the greatest impact.

Using the same survey tool, we also survey our new hires and departing team members to provide us with additional insights on the experience of our employees. In 2021, we will also begin to survey employees when they return from leaves.

2020 performance

Our updated people strategy, with an enhanced focus on employee total wellbeing, is contributing to consistently higher overall levels of employee engagement and also having a positive impact on productivity. With 93 to 97 per cent of our employees working remotely from March 2020 through to March 2021 due to the COVID-19 pandemic, we have invested in the wellbeing of our people, helping them feel supported and respected. We have also intensified our internal communications, keeping our people abreast of developments across our business and helping them feel connected to our organization and respected by our leaders.

We conducted three pulse surveys in 2020 as part of the regular cycle. We also conducted an additional COVID-19-related pulse survey in April 2020 to better understand the early impact of the pandemic on our employees and to move quickly to address their needs. Here are several highlights from 2020:

- Achieving a consistent improvement in employee engagement scores over the past two years and a three-point increase over the past year. Our significant focus on communicating effectively with employees, our genuine interest in employee wellbeing and our caring culture continue to differentiate our employee experience, resulting in strong scores in a difficult year.
- Implementing a proactive executive communications program, delivering six CEO-hosted all-employee town halls, each call attracting an average of one-third of our workforce. Our CEO also participated in 21 small group virtual employee calls.
- Increasing the frequency of Global Leadership Team (GLT) calls to 22, as well as holding dozens of regional and business forums and virtual town halls for employees at the LOB and regional level during the year
- Enhancing communications across several channels, including launching a new *In-Touch* bi-weekly newsletter



Around the globe, people have faced previously unknown challenges due to the COVID-19 pandemic. From the toll on physical and mental health, to the financial pressures arising from lockdowns and economic disruption, the impacts on individuals and society as a whole have been immeasurable. For over a year, our employees themselves have experienced unprecedented strain, balancing the pressures of working from home, juggling work-life balance, coping with loss, and managing the isolation brought on by a range of pandemic restrictions and the ongoing anxieties of pandemic life.

At the centre of our pandemic engagement strategy is an ongoing focus on overcoming the obstacles associated with COVID-19 isolation. For our employees who are accustomed to a sociable face-to-face workplace culture, our LifeWorks platform has enabled them to share their own stories and to keep the human element front and centre.

Despite this shift to a virtual workplace, regular pulse surveys conducted between February 2020 and February 2021 demonstrate high levels of employee engagement, and continued the upward trend since the launch of our updated people strategy in 2019. The results underscore the positive impact of putting employee experience and wellbeing at the centre of our people strategy. Combined with our intense focus on direct support and consistent and frequent communication with our employees, our people are feeling increasingly

For our employees who are accustomed to a sociable face-to-face workplace culture, our LifeWorks platform has enabled them to share their own stories.

supported and valued over the pre-pandemic period.

Engagement scores strengthened in those areas of strategic differentiation related to our culture of wellbeing, with notable recognition for manager communication, respect and inclusion.

Survey item	vs. global benchmark
People at our company take a genuine interest in each other's wellbeing.	+5
At our company I am treated with respect and dignity.	+3

Building upon the improved levels of engagement in 2020, our February 2021 survey highlighted the greatest year-over-year improvement in four critical areas of communication (up 11 points), leadership (up 7 points), recognition (up 6 points), and collaboration (up 6 points). Improvements in these areas demonstrate that in spite of the pandemic and working remotely, our people are feeling positive about the organization, attributed to our steady focus on fostering a culture of wellbeing and belonging across the Company.

Where we are heading

Moving ahead, our goal is to maintain the steady improvement in engagement scores achieved over the past three years, and continued progress in moving towards higher levels of above-benchmark engagement. To measure and track our progress, we will continue our regular program of pulse surveys, with three surveys planned for 2021, and will consider additional surveys as the need arises. Early in 2021, we launched *Panorama*, a new platform within our modern digital workplace—to help our team members navigate tools, resources, departments and other information they need. While Microsoft Teams remains our enterprise collaboration and communication platform, *Panorama* will complement it as our source for news, resources and information. Our goal is to use this platform as a stand-alone internal website to access many of the tools and resources our team members need to do their work, to share Company and regional news, and to enhance the employee experience.

Human capital development

Supporting employee growth a key goal

Why it matters

Successful businesses rely upon the ongoing development of a skilled and engaged workforce. We have a responsibility to provide our employees with meaningful opportunities for learning and personal growth to help every employee develop to their fullest potential.

By supporting the training and development of our people, we help to ensure that our Company has an able, knowledge-based, future-ready workforce to advance our business strategy and fulfill our purpose of improving lives, improving business.

What we are doing

Developing our employees is one of the five priorities of our people strategy. We offer opportunities for learning and personal development, and encourage every people leader to make the attraction, engagement and development of their talent a priority. This commitment, embedded in our Learning and Development Support Policy, articulates our belief that the key to our success is meeting and exceeding our clients' expectations by investing in our people and enabling them to experience more and grow with us. At an enterprise level, we identify short- and long-term skill requirements and adjust our learning and recruiting requirements accordingly.

We believe that professional growth and development is a shared responsibility between employees and their managers. We enable our employees to take control of their careers, set personal goals and achieve them.

1. Delivering an employee experience rooted in total wellbeing

2. Making the engagement, attraction and development of diverse talent a priority for every LifeWorks leader

3. Designing great employee experiences leveraging our own best-in-class products

4. Building a strong foundation for global growth by investing in technology

5. Challenging paradigms concerning ways of working, communicating and collaborating

Performance and development objectives

All of our employees participate in regular performance discussions. Working with their managers, employees establish annual performance goals and Individual Development Plans (IDP). Our review process provides our employees with opportunities for informal and formal feedback to understand their progress against their performance and development objectives. For managers and their direct reports, this review process provides a mechanism to share perspectives about individual performance and to align development objectives with personal career aspirations and business needs.

Employee learning

Supporting employee growth is one of our key goals and we provide development opportunities to achieve them. Over the past two years, we have made significant strides, successfully transitioning our learning and development offerings to a robust eLearning platform, especially important given the impact of the COVID-19 pandemic in preventing face-to-face learning. Key learning opportunities include:

- **Access to an immersive learning platform**, where employees can access role-based and skill-based learning paths with hundreds of micro-learning modules designed for the modern learner. Through an engaging interface, employees can access

learning anywhere, anytime and on any device, making developing and future-proofing skills more accessible, easier and more effective.

- **Monthly webinars** developed by our Workplace Learning Solutions (WLS) team for our clients are also made available to our own employees. Each year, we select a series of workshops aligned with our wellbeing strategy and informed by the outputs of our Total Wellbeing Assessment and employee engagement surveys. Topics are selected with a view to supporting mental, financial, social and physical wellbeing, and have included special topics to help support our people working remotely and managing the stresses of the pandemic.
- **LifeWorks Fundamentals**, a series of mandatory compliance training modules—including code of conduct, anti-bribery, cybersecurity, privacy and anti-harassment and violence—required of all employees.

- **Inclusion & Diversity** through our immersive leadership development program started with our Executive Team and is now cascading down to our global leadership, all people leaders and employees. Topics include: diversity, equity and inclusion fundamentals, unconscious bias, anti-racism, allyship and inclusive leadership.

Training our leaders

We work closely with our leaders, managers and emerging leaders to provide them with the professional training, managerial skills and development tools they need to be successful. Development discussions with rising leaders also help identify targeted individual development plans to help them realize their potential and career aspirations while aligning with corporate needs. We offer a broad range of programs, including leadership and management skills training, leadership coaching, assessments, peer-to-peer learning and mentoring, where appropriate, to help our leaders deliver outstanding client and employee experiences.

Supporting continuing education

We strive to create a work environment that supports continuous learning. In addition to the formal training programs offered at work, many employees are also working on professional accreditations and advanced education to keep abreast of developments in their respective fields. Our Learning and Professional Development and Support Policy commits us to provide support for tuition and related expenses at recognized educational institutions. We provide a broad range of support to help employees achieve degrees and certifications. Our Actuarial Support Policy provides our employees pursuing actuarial accreditations with a broad range of resources, such as facilitating training hour requirements, monetary support to cover fees and tuition and time away from work for exam preparation. We also provide a similar level of support to employees pursuing certifications such as the Certified Financial Analyst (CFA) and Certified Employee Benefit Specialist Designation (CEBS).

Our EFAP counsellors also have access to a range of training and education programs to keep current with research practices and professional skills. We reserve five paid days for them annually per full-time equivalent (pro-rated to match the number of days worked) to dedicate for training, including internal and external courses.



2020 performance

We delivered on our learning and development priorities, despite the pressures of COVID-19 on both our business and our people over the past year. We worked to ensure that training and professional development opportunities were promoted and encouraged as our employees working remotely successfully transitioned to our virtual learning environment. We met our learning and development goals in key areas, including:

- A commitment to looking at internal candidates first when new roles come open
- Providing employees with access to an immersive learning platform with hundreds of online courses designed for the modern learner. Courses are available to employees to help them build skills aligned with their individual development plans. During the year, 2,750+ learners completed over 11,000 unique courses for a total of 4,000+ learning hours.
- Offering over 165 wellbeing webinars aligned to cover 12 topics and attracting over 3,700+ attendees. Topics were carefully selected to support our people as they transitioned to working remotely and managing the stresses associated with

11,000+
unique courses for
employees

the global pandemic, and included: Working Mobile, Building Resilience in Uncertain Times (COVID-19), Managing Remote Teams, Road to Resilience: Practical Life Strategies for Life's Challenges, Ergonomics and Wellness for working from home.

- Designing and completing the first cycle of mandatory compliance training through our online LifeWorks Fundamentals, which included Code of Business Conduct and Ethics, Privacy and Security, and Anti-Harassment and Violence topics
- Providing approximately 10 hours of Inclusion & Diversity assessment, coaching and training for our executives. For more, see [Inclusion and Diversity](#)
- Delivering Building Brilliant Careers and Performance Conversations sessions to people leaders and employees who joined our team through an acquisition
- Conducting cross-cultural awareness training for colleagues in North America who would be working with colleagues in India
- Providing our 384 actuarial candidate employees with 45,745 hours of training

In early 2021, we expanded our LifeWorks Fundamentals with the launch of a new mandatory anti-bribery module to support our compliance program, and a "Return to Office" module. As part of the same fundamentals training platform, we also introduced a mandatory COVID-19 occupational health and safety training requirement for all employees, including remote workers.

Where we are heading

Looking ahead, our continued focus will be on providing meaningful opportunities for learning and development for all of our employees, ensuring ongoing alignment with our business strategy and supporting our shared values. Alongside continuing our support of existing training and development tools, we expect to leverage Phase 1 of our Workday platform to strengthen training and development data collection, tracking and reporting.

Inclusion and diversity

Our goal is a workplace where everyone feels respected and they belong

Why it matters

As a global total wellbeing company serving clients in over 160 countries, it is imperative that our workforce reflects the diversity of our clients and our communities. Inclusion and Diversity (I&D) is a source of competitive advantage, one that offers access to top talent, higher employee engagement, deeper client insights, better decision-making and greater innovation, all of which fuel sustainable growth. We rely upon a diverse workforce that both reflects and understands the needs of our global client base and their people. When workplaces are free from discrimination and micro-aggressions, and where progress is made in eliminating unconscious biases, employees are able to expend the mental energy required to perform at their best. We also know that acts of racism are experienced as trauma and have a significant negative impact on mental health and total wellbeing. Our business success depends upon a culture of inclusion and diversity where the voice of every employee is heard and their contributions are respected, valued and recognized.



Our I&D goals are to:

- Have an inclusive workplace where all of our people are valued and celebrated
- Have a diverse workforce that is empowered through structural and behavioural inclusion
- Be a market leader in inclusive practices that foster employee wellbeing
- Engage with community partners in creating a more inclusive world

What we are doing

We continue to advance I&D through the progressive implementation of our corporate I&D strategy and accompanying three-year plan. Launched in 2019 and further strengthened in 2020, our I&D strategy begins with a commitment to support the wellbeing of our people, clients and communities by embracing our uniqueness as individuals and ensuring everyone belongs.

We have a dedicated full-time Senior Director, Global Inclusion and Diversity to advance the implementation of our global I&D strategy and to help ensure alignment with our clients' I&D needs. We also have a [Global I&D Council](#) comprised of senior leaders from across our LOBs and geographic regions. The Council is responsible for shaping and evolving our I&D strategy, for providing oversight of its execution and for helping secure resources to support key initiatives. Supported by a high level of engagement and commitment from the CEO and Executive Committee, the I&D Council is currently focused on advancing our enterprise-wide plan to fight racial injustice and inequality, and advance gender diversity. While all leaders are accountable for fostering a culture of inclusion, we look to our I&D Council, including our regional I&D chairs, country leads and employee participants as I&D champions and role models to advance I&D at LifeWorks.

We also look to our framework of policies, including our Code of Business Conduct and Respectful Workforce Policies, to support inclusion in the workplace. In parallel, we create opportunities to build awareness through various speaker events and panel discussions, and support learning for employees globally.


Through our employee engagement surveys, we solicit employee perspectives on our I&D performance, continuously receiving strong scores in areas pertaining to “respectful treatment” and on “teams having a climate where diverse perspectives are valued”, key measures of an inclusive culture. These employee insights inform the evolution of our I&D strategy and shape our actions to create an inclusive culture for all.

LifeWorks Global I&D Council


Executive Sponsor:




Nigel Branker
Executive Vice President,
Health and Productivity Solutions
(Toronto, Canada)




Paula Allen
Global Leader and Senior Vice President, Research and Total Wellbeing
(Toronto, Canada)




Jason Billard
Senior Vice President, West Region Leader
(Vancouver, Canada)




Sherri Look Yan
Senior Vice President, Strategy, Product and Global Operations, IHS
(Toronto, Canada)




Kate MacDonald
Senior Vice President, Strategic Accounts, North America
(Toronto, Canada)




Carey McKenzie
Senior Vice President, U.S. Region Leader
(Atlanta, USA)




Tejash (TJ) Modi
Vice President & Practice Leader, Retirement Solutions
(Toronto, Canada)




Lynn Pyke
Vice President, Contact Centers and US Clinical Network
(Chicago, USA)




Phil Mullen
Managing Director, EU and UK,
(London, England)




Radhika Nijhawan
Vice President, Administrative Solutions
(Gurgaon, India)




Thushyan Kayilas
Senior Director, Global Inclusion and Diversity
(Toronto, Canada)



Helen Reeves
Senior Vice President, Corporate Communications and Marketing
(Toronto, Canada)




Gillian Whitebread
Executive Vice President, Chief Human Resources Officer
(Toronto, Canada)




Jane Yeretsian
Vice President, Global Talent and Leadership
(Toronto, Canada)


Regional I&D committee structure



Carey McKenzie
Americas Regional Chair




Phil Mullen
Europe Regional Chair




Radhika Nijhawan
Asia Pacific Regional Chair

Thania Cadet
Vice President, Customer Success, Integrated Health Solutions




I&D Champions

Christine Ganeshan
Senior Director, Client Relations



I&D Champions


Zainab Olaibi
Director, DevOps Engineering



I&D Champions

Deepika Kamboj
Senior Consultant – Talent Management

Lee Wong
Client Care Counsellor



I&D Champions

LifeWorks

59

Board diversity

Our Board continues to make diversity a priority when considering Director candidates. The Board believes that diversity leads to a wide array of perspectives that promote innovation and business success and is important in maintaining the Company's competitive advantage. The Board also believes that diversity can enhance decision-making and strategic planning and that a diverse Board can enhance corporate governance.

To support the Board objectives, the Governance Committee will, when identifying candidates to recommend for appointment or re-election to the Board: first, only consider candidates who are highly qualified based on their expertise, experience, knowledge, skills and background; and secondly, consider diversity criteria including gender, ethnicity, geographic background, Indigenous identity, age and disabilities.

The Board's [Diversity Policy](#), updated in March 2021, embeds our commitment to diversity and establishes a target of maintaining at least 30 per cent women and 30 per cent men on the Board. We are also a member of the [30% Club Canada](#).

Executive and global leadership team diversity

In alignment with the Board, the Executive Officer and Global Leadership team talent management processes are designed to be inclusive and support the development and advancement of a diverse pool of talent. The Company is committed to achieving

gender-balanced leadership at the Board, executive and senior leadership levels. As per our [Enterprise Diversity Statement](#), the Company has set a target representation of least 30 per cent women and 30 per cent men at the Executive and Global Leadership Team levels. When the CEO and the Board seek out potential Executive leadership candidates, due consideration is given to the experience, skills and qualifications required for the role, as well as the different dimensions of diversity, including gender, ethnicity, age, sexual orientation, disability and experience. As part of our commitment, we are a long-standing signatory to U.S.-based Women in Technology, an organization dedicated to advancing women in technology.

2020 performance

We have made significant progress in the advancement of our I&D strategy across the Company over the past year. In the aftermath of the murder of Black American George Floyd and the worldwide call to address anti-Black racism, we mobilized quickly, establishing an Anti-Racism Task Force to support our employees (see [Addressing racial injustice and equality](#)). We have intensified our work to advance gender parity, address racial discrimination of all kinds and combat systemic inequality, and introduced new initiatives to support progress against our I&D goals. Above-average gender diversity rates also continued to be a hallmark of our global workforce in 2020.

Gender diversity recognitions

Our ongoing efforts to advance the role of women in leadership recently received recognition from two leading Canadian-based organizations. In March 2021, the Company received the Women in Governance 2020 Parity Certification, distinguishing our commitment to gender parity in the workplace and our work to close the gender gap across our workplace.

For the first time, we have also been included on [The Globe and Mail's 2021 Women Lead Here list](#). The assessment, conducted in November and December 2020, was based on the percentage of women executives among the companies surveyed. With 43 per cent women executives, as defined by the award criteria at the time of the assessment, in line with the survey average of 44 per cent, we join the ranks of the top 71 companies for gender parity out of the hundreds of companies evaluated. Companies with fewer than 30 per cent of overall executive roles held by women were excluded, along with companies with only one women-identifying executive.



Key I&D achievements include:

Board

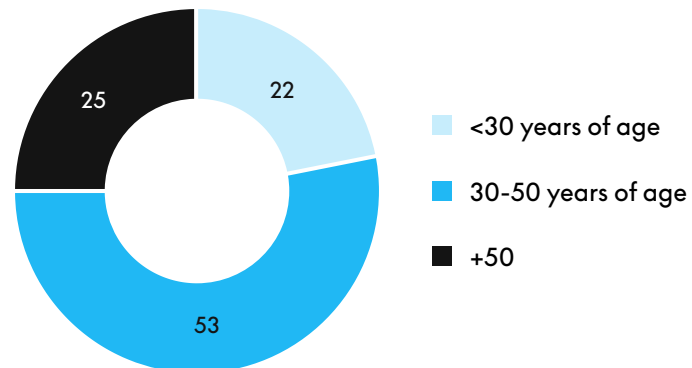
- Meeting our Board diversity target. At December 31, 2020, three out of 10 Board members were women representing 30 per cent of the Board. Women also represented three out of nine, or 33 per cent, of independent Board members. At year-end, 22 per cent of independent Board members were members of racial or ethnic minorities.

Leadership

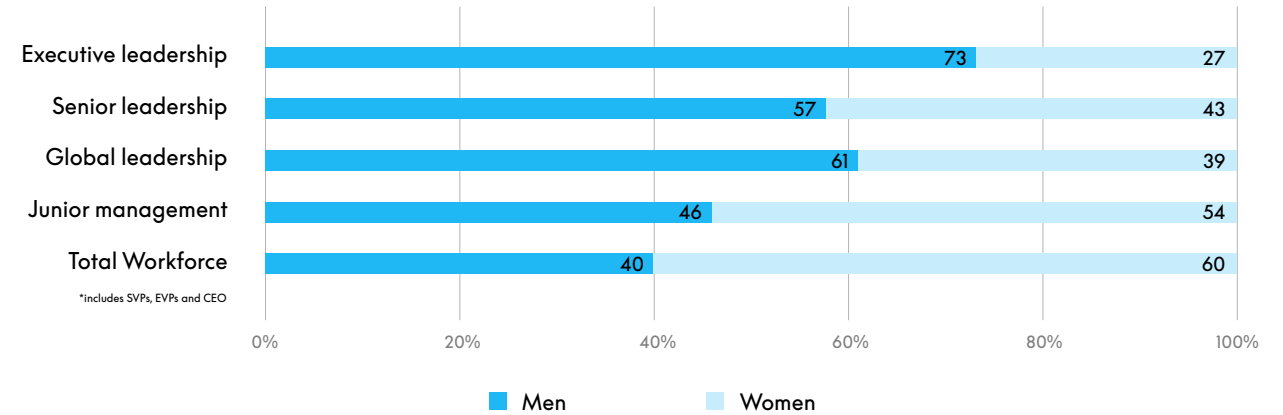
- Achieving 27 per cent women representation in executive roles (Executive Committee) and 39 per cent women in all Global Leadership Team (GLT) roles, defined as Vice Presidents and above. We were recognized in the top tier of publicly traded Canadian companies for gender diversity by *The Globe and Mail's Women Lead Here*.

- Strengthening and expanding our organizational structure to support I&D across the Company by acquiring a dedicated I&D leader, supported by our Global I&D Council, three Regional I&D Committees, six country leads and approximately 50 I&D champions across all of our jurisdictions.

2020 workplace diversity by age (As of December 31, 2020) (%)



2020 workplace diversity by gender (As of December 31, 2020) (%)



- Engaging our Executive Committee in an I&D learning journey, including individual inclusive leadership assessments and a series of facilitated sessions, culminating in individual and collective action plans.
- Developing a learning journey for the Global Leadership Team, which will be launched in 2021. Training topics will include diversity, equity and inclusion fundamentals, anti-racism, unconscious bias, allyship and inclusive leadership. This same training will then be cascaded to all people leaders.
- Completion of mandatory anti-harassment and violence training by all employees, including the Executive Committee, Global Leadership Team and all people leaders.
- Building awareness of I&D by marking Global Diversity Awareness Month (October 2020), to celebrate the diversity of our people and build collective awareness and skills through training, listening and dialogue. Celebrations included an all-employee webinar updating people on I&D initiatives, and a webinar on “Inclusion, Belonging and Mental Health.”
- Updating our Respectful Workplace Policy providing clarity around unacceptable behaviours and making the process for bringing concerns forward clearer for employees.
- Launching “Running the Race” I&D webinar with Olympian Brandon McBride and a training-oriented seminar “How to Have Difficult Conversations.” Both were well attended by employees.

Fostering a sense of belonging

- Engaging employees through the integration of I&D topics in all employee meetings and regional town halls, as well as recognition and celebration of diversity such as Black History Month, Mental Illness Awareness Month, International Women’s Day, and Pride celebrations.
- Launching an Anti-Racism Speaker Series to increase employee awareness and engage in discussions on equity, inclusion and diversity in the workplace and in society. The inaugural event featuring guest speaker Wes Hall, founder of Canada’s BlackNorth Initiative, was attended by approximately 1,000 employees.
- Developing a LifeWorks empathy circle program to bring our communities together to build awareness, empathy and allyship. The program was launched in the first quarter of 2021. See [Fostering a Sense of Belonging: Empathy circles](#).

Reviewing client programs

- Working with our clients to enhance the availability of counsellors who are representatives of Black, Indigenous People and Persons of Colour communities and integration of I&D into service offerings.
- Creating eight e-learning modules for LifeWorks on a variety of I&D topics including unconscious bias.

Partnering externally to drive change

- Advancing our work to support the [United Way of Greater Toronto Inclusive Local Economic Opportunity \(ILEO\)](#) initiative, including working with community partners and providing access to products and services, such as AbilitiCBT®.
- Embedding our commitment to anti-Black systemic racism by pledging support for Canada’s BlackNorth Initiative and the CEO Action for Inclusion and Diversity in the U.S. The work underway to meet our pledge commitments includes exceeding our goal of five per cent Black representation among our student hires. For those students who disclosed, over five per cent self-identified as Black or African American. We have also implemented diverse interview panels to support our senior leader search process.
- Achieving 2020 Women in Governance Parity Certification. For more, see [Gender diversity recognitions](#).

Fostering a sense of belonging: Empathy circles

The power of belonging is critically important to our Company and to our people. We know that when our employees feel included and valued, they are happier, more engaged and better able to contribute positively to the work we do. Through an innovative approach to building inclusive communities, we identified a fundamental skill set required to help us shift mindsets and change behaviours: Empathy.

Our inaugural program, called "empathy circles", is helping to empower our employees while also building a sense of belonging¹. In February 2021, we launched five new empathy circles that will help us build meaningful, safe spaces for all of our employees where they can be heard, valued and engaged.

Through the circles, we seek to build allyship and awareness through volunteer communities of employees and leaders that share their lived experiences and unique stories to build an inclusive culture and a sense of belonging for all. Based on the interests of employees, each circle has a specific vision, designed around our unique differences.

“Until the empathy circles were introduced, I felt alone. I am an employee with a disability and feel that disability is something to be hidden or recovered from. I think that these circles will help employees feel that they belong.”

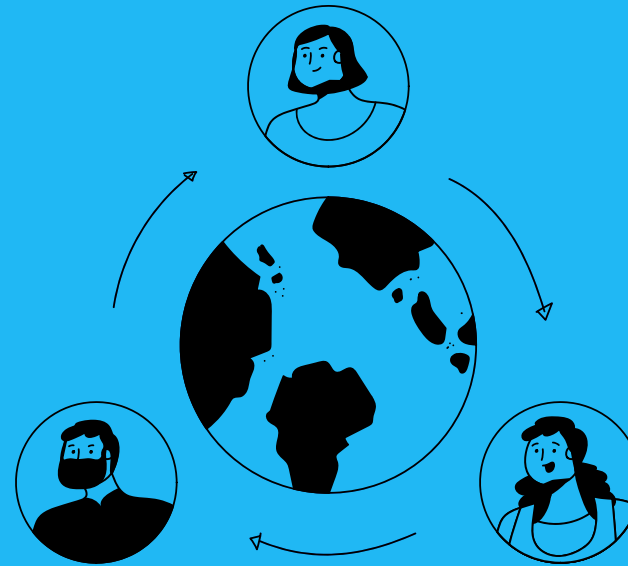
LifeWorks Employee

¹ Circles of empathy are like "affinity groups", "employee resource groups", "on diversity" or "networking groups".

Empathy circles help our people learn to be present during uncomfortable conversations with the intent of “listening first” to understand. While the current state of affairs globally requires systemic change, we look to foster empathy across our organization as a starting point to enabling such change. Empathy circles and related events will offer opportunities for our people to put themselves in someone else’s shoes and to understand their unique experiences.

“Circles” are being established in each major hub where we are located. Employee-driven with the support of a small leadership team, every empathy circle is shaping its own narrative through events and opportunities to celebrate culture. Our I&D champions are playing a hands-on role, administering discussions, ensuring ground rules, and translating insights into actions.

Going forward, we expect empathy circles will provide our people with another opportunity to engage with colleagues across different geographies who are equally committed to inclusion, and help build safe spaces for all of our employees to thrive. Empathy circles will use our LifeWorks platform for sharing success and recognizing fellow employees.



Lean In: Dedicated to building gender equality in the workplace and beyond through empowering, supporting and investing in our global community for women and their allies.

EmBRACE: To acknowledge, celebrate and foster understanding of the various cultural, national, ethnic, racial and religious diversity represented across our global organization.

Mental Health and Abilities: To enable a safe space for employees to come together to improve mental, physical, social and emotional health.

Parents and Caregivers: To engage different generations and provide an avenue for families, parents and caregivers to share resources and information to support our diverse families.

Pride: To empower employees to bring their whole authentic selves to work while uniting allies of equality in sexual orientation and gender identity.

Where we are heading

We believe that inclusion and diversity contribute significantly to our total wellbeing, and to our purpose of improving lives and improving business. Looking ahead, we will continue to advance our I&D strategy in key areas:

- Strengthen our understanding of the diversity of our global workforce beyond gender, on a self-identification basis. Leveraging Workday, we will be better positioned to identify and understand the diversity of our people and strive to close any identified gaps, in representation and employee experience.
- Continue to expand I&D educational training to all employees.
- Complete a third-party audit of our talent acquisition, talent development practices and key organizational policies and act on any recommendations resulting from the audit that would help ensure our practices and policies are more inclusive.
- Continue to move forward on our **BlackNorth Initiative** and **CEO Action for Inclusion & Diversity** pledge commitments.
- Advance our support of the United Way Greater Toronto ILEO program, including executing a direct candidate search and marketing campaign of the Greater Golden Mile residents, interview coaching to all successful candidates, and mentorship through their interview process to ensure their “soft skills” are developed. Read more in [Supporting the Inclusive Local Opportunity Initiative](#).

Celebrating Inclusion Week: LifeWorks India and Australia

We made progress advancing our I&D program in our Asia and Pacific Australia (APAC) Region in early 2021. Employees in our India and Australia offices participated in “Inclusion Week” with a specific focus on learning about gender diversity through a series of special programs and initiatives under the thematic umbrella #ChoosetoChallenge. These all-employee events included International Women’s Celebrations, with Company leaders, “Career Diaries” and guest speakers.

The “Speed Mentoring” initiative, an integral part of the week’s learning and development program, attracted an overwhelmingly positive response from employee mentees. Employee participants were provided with one-on-one mentoring sessions with corporate-level, senior LifeWorks leaders with whom they would otherwise not have had time to discuss their career paths, goals and aspirations. Mentors seized the opportunity to provide mentees with expert advice on professional growth, and learned more about LifeWorks, our business, and career opportunities across our various LOBs.

Health, safety and wellbeing

The total wellbeing of our people is a priority

Why it matters

Protecting the health, safety and wellbeing of our employees comes above all other priorities. While the physical safety risks associated with our business are low relative to more industrial workplaces, a safe and healthy workplace is critical to organizational success and productivity, and essential to attracting and retaining the best talent. As a responsible company, safety and health are integral to the total wellbeing of our people and fundamental to our core purpose of Improving lives. Improving business.

What we are doing

The health and safety of our employees is a core component of our corporate responsibility program and one of the ESG risks we manage day to day. Our goal is to provide and maintain a safe and healthy work environment for all of our employees while meeting industry workplace standards, compliance and legislative requirements in every jurisdiction where we have a presence.

Our [Occupational Health and Safety Policy](#) is reviewed annually and embeds our commitment to health and safety across the Company. It ensures that our LifeWorks management and employees equally share responsibility for reducing accidents and absenteeism by performing jobs in a safe and healthy manner. While supervisors are responsible for ensuring that the work environment is safe for everyone, safety is also every colleague's responsibility, shared equally by employees and managers.

Every colleague must ensure his or her own safety by working in compliance with the law and with safe work practices, policies and procedures established by the Company.

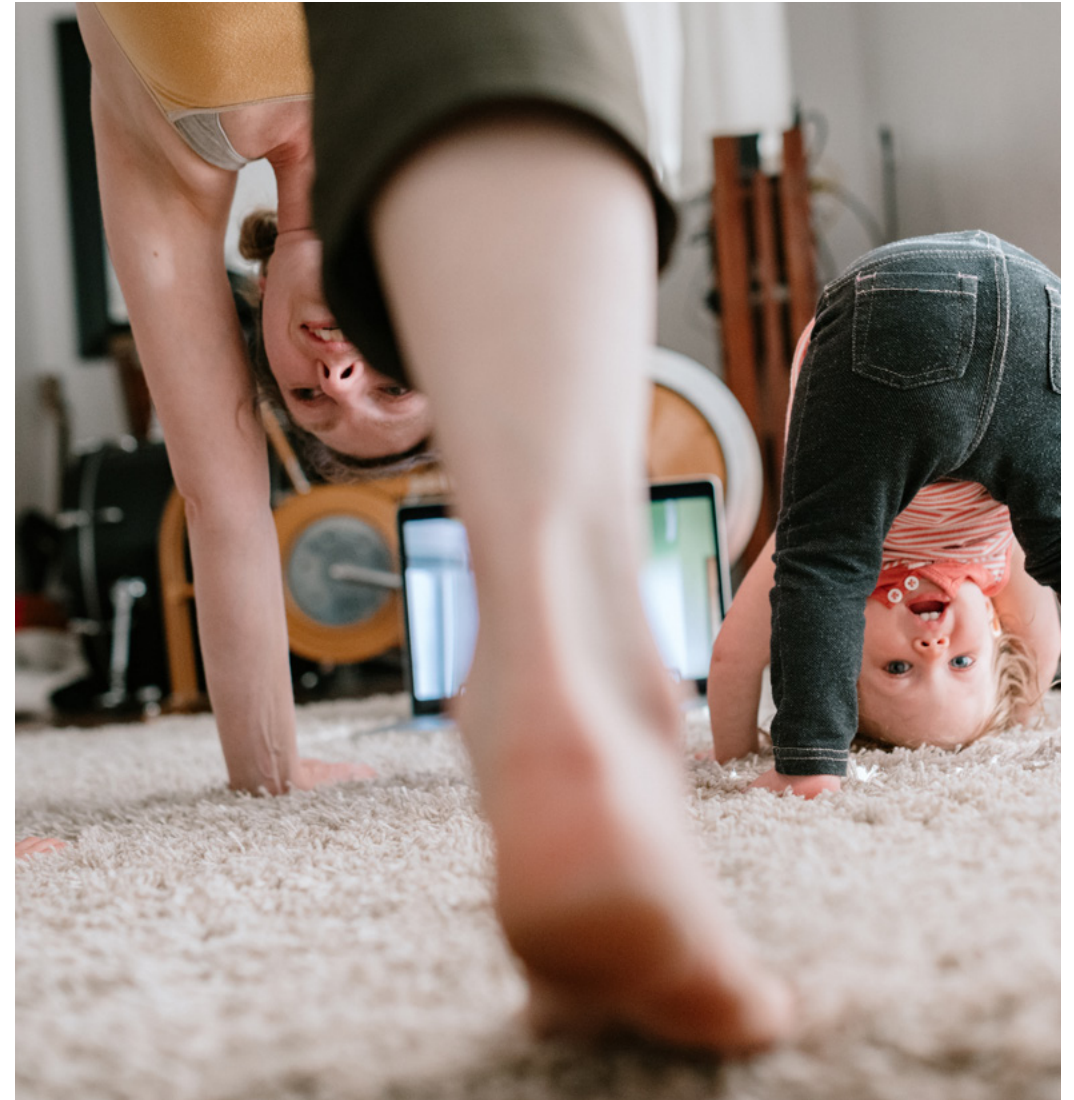
Our Joint Health and Safety Committee (JHSC) provides a forum for employee and management representatives to bring health and safety issues forward, and meets on a regular basis to deal with such issues. The JHSC promotes collaboration and cooperation among our workforce toward solving health and safety issues, and it is the responsibility of the JHSC to ensure resolution of same.

At any time, our employees have the right to refuse to perform tasks without penalty if they perceive the work environment to be unsafe. First aid teams and kits are available in all of our offices. In the case of a medical or safety emergency, we rely on community emergency services.

Our priority focus is on the total wellbeing of our people, which embraces the mental, physical, social and financial health of our workforce. The health and safety and wellbeing of our employees is also the driving force behind everything we do in response to the pandemic.

Employee absences are tracked and reported through our recently implemented Abiliti Reporting tool across all of our regions. We also monitor extended absences through our various short-term disability providers. Mental health monitoring as a result of workplace anxiety or stress is also tracked on a quarterly basis through our various providers. Through our regular pulse surveys, we also monitor the mental wellbeing of our people benchmarked against the Mental Health Index by LifeWorks™. The results help us track the mental health of our people relative to the scores of the working population across all regions.

We ensure the accessibility of all workplaces and that our facilities and workplaces meet the ergonomic needs of our people. Through our Total Wellbeing Assessment tools, comprised of our Total Wellbeing Index™, Total Wellbeing Audit™ and Mental Health Index by LifeWorks™, we regularly measure and benchmark employee health and total wellbeing across our workforce. Read our [Employee Wellbeing Report](#).



Enhancing employee total wellbeing

Our wellbeing strategy is a cornerstone of our commitment to delivering a great employee experience. We want to be the leader in total wellbeing—treating our people in the same way we want our clients to treat their employees. Our ultimate vision is to ensure that our workplace allows and inspires every person to be well.

We aim to lead by example across all four pillars of wellbeing.

- **Mental**—being resilient and taking care of your mental health
- **Financial**—effectively managing one's finances
- **Social**—strong social relationships in your life at work, in your personal life and the community
- **Physical**—good health and enough energy to get things done

Our goal is to keep our employees well by advancing four key objectives:

- **Education and awareness**—enhancing knowledge about the pillars of wellbeing to build understanding across our workforce and to ensure that wellbeing is valued by all
- **Policies, practices and programs**—leading the market in practices that support and foster employee wellbeing
- **Leadership**—enable our leaders to support, sponsor and demonstrate by example overall wellbeing
- **Living our brand**—ensuring that our actions internally are consistent with our external wellbeing brand

To support our strategy, we expanded the range of wellbeing tools available to our employees throughout 2020. Following our April 2020 pulse survey, which indicated rising employee concerns about their mental wellbeing, we offered more resources for all qualifying employees in Canada, the United States, the United Kingdom, Ireland, Australia and India, through the LifeWorks platform. Leveraging technology and virtual tools through the LifeWorks platform, we are providing our employees with regular updates and resources, and encouraging participation in our two “step up” challenges. Over the course of the year, our “step up” challenges have attracted close to 900 employee participants, who connected with colleagues and logged over 859 million steps during the year.

Assessing total wellbeing

As a strategic driver of our business, monitoring and assessing the effectiveness of our wellbeing strategy is fundamental. Our Total Wellbeing Assessment (TWA), launched during our 2020 “Mental Health Month,” is providing our employees and the Company with an important measure of total wellbeing at a critical juncture in the pandemic comparable to the prior year.

For our employees, the results provide real-time support and new and confidential insights into their personal wellbeing, including strengths, improvement opportunities and action plans to mitigate the risks to their overall health. For the Company, the TWA provides us with a critical measure of total wellbeing across our workforce, our position relative to the global benchmark, and where additional resources and supports might be beneficial. We also benchmark the wellbeing of our workforce against the Total Wellbeing Index™ periodically and against the Mental Health Index by LifeWorks™ with every regular pulse survey.

TWA provides us with a critical measure of total wellbeing across our workforce, our position relative to the global benchmark, and where additional resources and supports might be beneficial.

2020 performance

The COVID-19 pandemic sharpened our focus on the health, safety and mental and physical wellbeing of our employees. Throughout the year, we maintained a precautionary approach to mitigating the spread of COVID-19 in our workplace, informed by public health recommendations, thus successfully preventing outbreaks during the course of the pandemic. As most of our offices have largely remained closed to employees working on-site, our focus remains on providing our people with the resources they need to support their physical, mental and financial health rather than the physical workplace.

We are proud to report that there were zero material incidents of non-compliance pertaining to health and safety in 2020. Throughout the pandemic, we have made progress advancing our total wellbeing strategy as the global pandemic continues underscoring the value of supporting our people across every pillar of wellbeing. Supported by an extensive, proactive internal communications program, we have reached out to our

employees, directly and through people leaders, to make sure that everyone has the information they need to safeguard their health and safety, while building awareness of the tools available to support all aspects of total wellbeing.

We published the results of our first [2020 Employee Wellbeing Report](#). Benchmarked against two global indices, the Total Wellbeing Index (TWI) and the Mental Health Index (MHI), the results show overall wellbeing across our workforce is better than the working population at large. Our 2020 TWI scores were favourable relative to 2019 and above the high-performance levels for most measures. While MHI™ scores across the working population have declined since the pandemic began, our employees’ MHI™ scores were significantly higher relative to the benchmark in all four regions—by between 5.4 and 9.7 points. The results helped inform our wellbeing action plan and were presented to our global workforce.

A wide range of initiatives were underway over the past year, including:

- Expanding the mandate of our Joint Health and Safety Committee to include mental and emotional wellbeing.
- Implementing the Abiliti Reporting tool to report intermittent absences as a result of COVID-19.

- Extending all of our LifeWorks app modules, including telemedicine providing direct digital access to medical practitioners, as well as offering internet-based cognitive behavioural therapy (iCBT) to all Canadian employees, reinforcing our commitment to employee mental health.
- Providing COVID-19 resource pages on our intranet to keep employees up to date on health and safety protocols and measures to prevent the spread of the virus.
- Ongoing tracking of the mental health and total wellbeing of our workforce through our pulse surveys and benchmarked against the Mental Health Index and Total Wellbeing Index.
- Increasing eligible participants in our Employee Share Purchase Plan by allowing employees with less than one year of service to join the program.

- Updating our remote work policy to strengthen support for work-life balance and dependent care.
- Building employee awareness of total wellbeing strategies and resources through a proactive, cross-company total wellbeing campaign including 16 messages of wellbeing tips and strategies disseminated across our global workforce.

Where we are heading

Looking ahead, the health, safety and overall wellbeing of our people will remain paramount. As we continue to navigate the COVID-19 pandemic, we expect to:

- Update our Total Wellbeing Audit to confirm comprehensiveness of our total wellbeing strategy, program and measurement.
- Conduct a 2021 Total Wellbeing Assessment, including benchmarking against the TWI and MHI™.
Read [Wellbeing leadership](#).
- Develop a strategy to support a safe “Return to Office” program for all employees as pandemic restrictions are expected to ease in the second half of 2021.

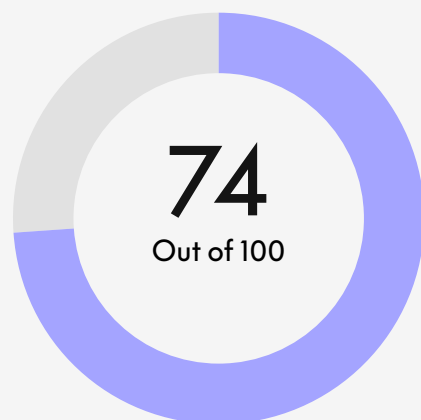
Employee wellbeing report

We believe employee wellbeing is a critical measure of social performance.

As a strategic driver of our business, we regularly assess employee wellbeing across our workforce.

In this report, we report LifeWorks scores against the available global benchmarks in total wellbeing and mental health specifically the Total Wellbeing Index (TWI) and the Mental Health Index.

Total Wellbeing Index™ – 2020



Confidence level: Very good

The level of the organization's data is representative

Recommended focus:

- Mental and physical health
- Burnout
- Sedentary behaviour
- Anxiety
- Nutrition and obesity

Driver of work stress:

- Perception of negative gossip in the workplace

Our TWI assessment scores are favourable relative to 2019 and above the high-performance benchmark for most measures.



Mental wellbeing



Prior yr 72



Social wellbeing



Prior yr 79



Physical wellbeing



Prior yr 64



Financial wellbeing



Prior yr 77



Total wellbeing

Prior year 72
Benchmark 72

Total wellbeing reflects the amalgam of all scores



Productivity

Prior year 80
Benchmark 80

Productivity reflects absence, presenteeism and discretionary effort



Work impact

Prior year 67
Benchmark 68

Work impact reflects financial measures and work experience

Mental Health Index by LifeWorks™ – 2020

Confidence level: Very good

The level of the organization's data is representative

Mental Health Index™ variance

+8.4

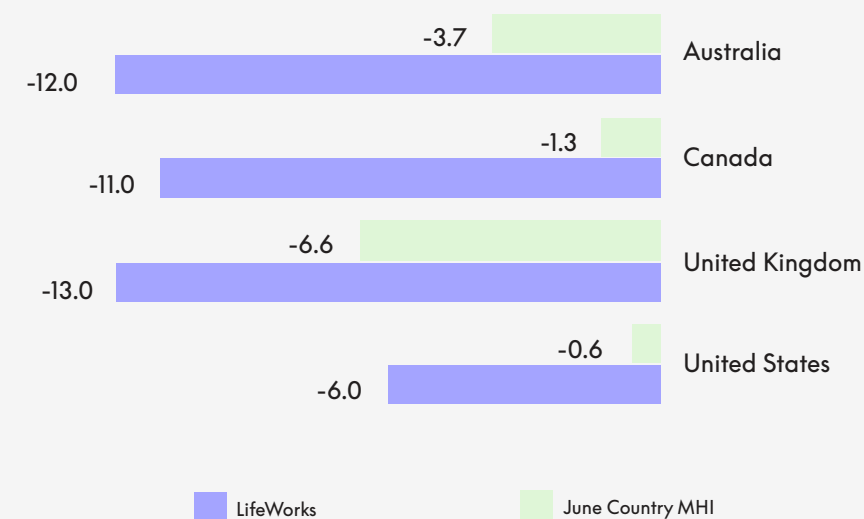
Global LifeWorks
average above benchmark

Variance from regional scores

Australia	+8.3
Canada	+9.7
United Kingdom	+5.6
United States	+5.4

While mental health scores declined in overall working population since the 2020 pandemic, LifeWorks is faring better in each region by between 5.4 to 9.7 points

The Mental Health Index (MHI) score reflects the deviation from the benchmark period of 2017-2019. The scores for the benchmark period are normalized to zero. A positive/negative score that shows the extent of improvement/decline in mental health compared to the benchmark.



The comparison chart shows the MHI™ scores for the Company, relative to the scores for the working population in each region for the noted month.

The 2020 MHI™ data for LifeWorks was collected as part of the Total Wellbeing Index assessment.

Total wellbeing audit™

The purpose of the Total Wellbeing Audit (TWA) is to assess an organization's infrastructure and investment in support of employee wellbeing. The summary reflects 16 areas pertaining to strategy, programming and measurement.

Audit results indicate the extent to which an organization has that which is required to effect positive change and sustain positive results. The Audit confirmed the comprehensiveness of our total wellbeing program.

Strategy

- ✓ A framework that defines wellbeing, which at a minimum includes mental, physical, financial and social health
- ✓ A strategic plan that is data driven
- ✓ A commitment and model of continuous review and improvement of employee wellbeing strategy
- ✓ Defined/reviewed needs and goals within the past 12 months

Programming

- ✓ Programs, services and benefits that fully align with the Company's strategic framework
- ✓ Programs, services and benefits that support a continuum of health and wellbeing needs
- ✓ A communications process and mechanism that engages employees in actions that support wellbeing
- ✓ Training for managers regarding their role in supporting employee mental health and wellbeing
- ✓ Ongoing review of barriers employees might face in accessing services (including stigma, financial barriers, availability and structural barriers etc.) and have taken action where barriers are known
- ✓ Strategic action in the past 12 months relative to Company needs and goals

Measurement

- ✓ Tools to measure the status of employees relative to benchmarks in each area of wellbeing
- ✓ Mechanisms to assess the drivers of positive/negative wellbeing outcomes for our population
- ✓ Understanding risks of specific groups (personal demographics and work groups)
- ✓ Mechanisms to determine emerging risks
- ✓ Awareness of the drivers of mental health disability in the employee population and are taking action to address them

16

out of 16
TWA score
confirms full compliance

Community

Improving one billion lives is our shared aspiration

Why it matters

Advancing the wellbeing of communities is core to our values, our brand and our business. Our inherent focus on the social and economic prosperity of our regions and local communities supports our purpose of improving lives and improving business. While the very nature of our business helps improve the lives of our employees, our clients and their people, as a responsible member of civil society, we also believe that fostering wellbeing in the broader community is important to our employees, our broad community of stakeholders and our business.

What we are doing

Our approach to community engagement is multifaceted. Focused on all aspects of wellbeing, our corporate citizenship strategy continues to evolve, with a specific focus on mental health for children, youth and vulnerable groups.

At the national, regional and local levels, our support takes many forms. We contribute broadly to our communities through strategic corporate partnerships, employee volunteerism, grassroots projects and initiatives, as well as direct monetary support and in-kind donations.

Engaging our employees is important to our citizenship efforts.

We encourage our people to support our flagship corporate initiatives, such as Kakuma, and are committed to matching employee monetary contributions. Through our *Improving1BillionLives* employee volunteerism program, we also provide our employees with one paid day annually to contribute their time in the community at the grassroots level.

As a responsible member of civil society, we also believe that fostering wellbeing in the broader community is important to our employees, our broad community of stakeholders and our business.

Responsibility for our community programs resides with our Executive Vice President and Chief Corporate Officer, who is also accountable for our community donations strategy and corporate program. For the local communities and regions where we have a presence, community initiatives are the responsibility of our regional leaders.

2020 performance

With the onset of the global COVID-19 pandemic, we sharpened the focus of our community investments to support the mental health and overall wellbeing of communities through difficult times. Corporately, we took on new initiatives and partnerships, particularly in light of the heightened need for support generally and among vulnerable groups, while maintaining support of long-standing programs as a trusted, reliable community partner.

In Canada, through community contributions and new strategic partnerships, we began providing free access to and extending the reach of our products and services to support mental health and wellbeing in the broader community.

Due to the pandemic, most of our community programs and the majority of volunteer-based initiatives at the regional and local level were postponed or cancelled in line with public health measures and corresponding pandemic restrictions across all of our geographies. In the face of these barriers, and along our path of *Improving1BillionLives*, we maintained and renewed support for our long-standing partnerships and began supporting new initiatives to address critical needs.

An overview of our major 2020 community initiatives follows.



AbilitiCBT® mental health partnerships

We partnered with the provincial governments of Manitoba and Ontario in Canada to deliver free internet-based Cognitive Behavioural Therapy (iCBT) to help residents aged 16 or older manage their anxiety and depression symptoms related to the COVID-19 pandemic. Launched in March 2020, during the first month of living under pandemic restrictions, AbilitiCBT® has been playing a key role in these governments' efforts to address the mental health impacts of the COVID-19 pandemic. In keeping with our strategic focus on mental health and total wellbeing, these partnerships have allowed us to provide accessible and meaningful mental health supports to Manitobans and Ontarians throughout the pandemic.



Supporting the UNHCR, The UN Refugee Agency: The Kakuma Project

Together with the contributions from our employees, we maintained our long-standing commitment to the UNHCR, The UN Refugee Agency to provide support for the girls and young women attending The Secondary School for Girls in Kakuma. We have also renewed our commitment to UNHCR Canada for an additional five years. While the future of the Kakuma Refugee Camp is uncertain given recent government announcements, our support for UNHCR and belief in the importance of the Kakuma Project are steadfast. Read [The Kakuma Project: Improving the lives of girls and women through education](#).



Living Well podcasts and WellCan: Supporting the wellbeing of Canadians

Since the early days of the pandemic, the added pressures and stresses of daily life have challenged the mental health and wellbeing of Canadians in unprecedented ways. To help provide Canadians with the support and resources they need as they navigate pandemic life, we launched two new initiatives in 2020, WellCan™ and Living Well, available for free to the broader community. The WellCan™ app and website were launched in April amid the high levels of uncertainty and anxiety while most of the country was in “lockdown.” With the support of more than 50 corporate, community and public-sector partners, it brings together a range of curated articles and toolkits to help Canadians of all ages maintain positive mental, physical, social and financial wellbeing. Since it was created, more than 6,500 Canadians have accessed the free mental health resources available on WellCan™. To learn more, see [WellCan™](#). Our Living Well podcasts, launched in July, provide information on an array of wellbeing topics. To date, approximately 8,000 podcasts have been downloaded as Living Well, with host Mark Henick, continues to grow their audience across all aspects of total wellbeing. Listen to [Living Well](#).



Supporting Jack.org and BeThere

Our partnership with [Jack.org](#) and BeThere exemplifies our strategic partnerships in the area of mental health. Jack.org is “Canada’s only charity training and empowering young leaders to revolutionize mental health.” Our corporate support for Jack.org’s BeThere campaign provides resources to youth, primarily university and college students, who want to be able to provide the right support to friends and peers facing mental health challenges. As a provider of EFAP services to faculty, staff and students at several post-secondary institutions, we understand the challenges and difficulties faced by today’s youth, amounting to a mental health epidemic, exacerbated by the strain of the COVID-19 pandemic. Jack.org and BeThere pivoted in response to COVID-19, partnering with Lady Gaga’s [Born This Way Foundation](#). This partnership is bringing BeThere to thousands of North American young people, helping them develop the skills and knowledge they needed to look out for each other while facing the challenges of the pandemic. Read more about our work with [Jack.org](#).



Canadian Olympic Committee

We have enjoyed a long-standing relationship with the Canadian Olympic Committee (COC) as the official Mental Health Partner for Canada's Olympic Team. LifeWorks is a founding partner and supporter of Game Plan, an initiative providing mental health services to athletes. Game Plan takes a holistic approach to training and performance, supporting Olympians during and after their career in sport. Through the COC-LifeWorks partnership, we provide Canada's amateur athletes with access to our EFAP and mental health expertise, including AbilitiCBT®, and we provide essential support to Canada's amateur sports community. Our partnership with the COC has enabled us to support athletes through the 2016 Olympic Games in Rio de Janeiro (Brazil), the 2018 Winter Olympics in Pyeongchang (South Korea) and the upcoming Tokyo Olympic Games (Japan), postponed until summer 2021 due to the COVID-19 pandemic. During the five-year history of our partnership and support for Game Plan, hundreds of athletes have benefited from our EFAP support.



Supporting the Inclusive Local Economic Opportunity Initiative

As a signatory of the United Way of Greater Toronto's Inclusive Local Economic Opportunity (ILEO) initiative, LifeWorks community and inclusion and diversity strategies come together. Initiated in early 2020, the ILEO initiative's goal is to reduce poverty by fostering public and private investment in Greater Toronto Area (GTA) neighbourhoods. To support these objectives, we are identifying and acting upon opportunities within our normal business practices to advance and support inclusive economic opportunities through hiring, procurement and supplier diversity initiatives. We are moving forward aggressively to deliver on our commitments and contribute to positive socio-economic outcomes. Beginning in 2020, and in keeping with our strategic focus on mental health, we are making AbilitiCBT® available to residents of the Greater Golden Mile (GGM), an economically disadvantaged, racialized Toronto neighbourhood. Within the first two months of 2021, we have already met our 2021 pledge to hire five residents from the GGM for Client Interaction Coordinator roles. As we prepare to move into our new head office, we have also initiated an inclusive art program from artists in the same neighbourhood.

Community trauma support

Supporting communities through difficult times is a cornerstone of our corporate citizenship program. Over the past year, we continued our trauma support program and offered assistance through specialized counselling to communities experiencing natural disasters and traumatic events. Launched soon after the 9/11 tragedy, we have continued to open up our crisis lines and dispatched our on-site trauma team as the need arises. Using every tool available to us—clients, employees, local officials and traditional and social media channels—we strive to promote the availability of counselling support for those who need it.

During 2020, we opened up our bilingual crisis hotline to 12 significant emergencies in Canada, the United States, Europe and Australia.

2020 trauma events	
Australian bush fires	January 2020
Iranian Airlines crash with 57 Canadians on board	January 2020
Blizzard, Newfoundland and Labrador	January 2020
Mass shooting, Seattle	January 2020
Mass shooting, Portapique, Nova Scotia	April 2020
Flooding, Fort McMurray, Alberta	May 2020
Tour bus accident, Jasper, Alberta	July 2020
Hurricane Isaias, United States	August 2020
Hurricane Laura, United States	August 2020
Mass stabbing attack, Quebec City, Quebec	November 2020
Mass shooting, Vienna, Austria	November 2020
Hurricane Eta, United States	November 2020

Empowering our communities during difficult times

As part of our outreach to our clients and the broader community, we hosted two public webinars as part of our I&D program and the important connection to wellbeing and mental health. Hosted by Paula Allen, our Global Leader and Senior Vice President, Research and Total Wellbeing, “Mental health and Black experience” provided essential information related to mental health and the specific issues experienced by Black individuals and actions that individuals could take for themselves and those around them. We also hosted “Forward together: Lifting and supporting women in the workplace,” with Chitra Nayak, a member of our LifeWorks Board of Directors. She offered an interactive discussion on issues related to women in the workplace, and the significant personal, social and business implications. The webinar also included productive actions and challenges to address from the point of view of organizations, allies and women. Together, these webinars attracted over 2,600 client and other participants.

Community support at the grassroots level through volunteerism

We are proud of the efforts of our employees as active contributors in their communities. In any given year, our employees are avid supporters of our corporate projects and partnerships, and we attract high levels of employee participation in programs such as Kakuma. In early 2020, and building upon this legacy of enthusiastic support, we launched our corporate-wide *Improving1BillionLives* program to engage our people and promote grassroots volunteerism across our workforce. Despite widespread excitement among employees for the program, the impact of the global pandemic was felt within weeks of the program's launch as public health measures brought more hands-on volunteer opportunities to a standstill.

Alongside our corporate programs, our LifeWorks regional and local offices are each active and engaged members in their local communities. While opportunities for direct support and involvement were also very limited this year due to pandemic restrictions across our four regions, many of our teams found ways to make a difference in their local communities, as outlined below.

Improving lives of people in need

The COVID-19 pandemic has had a profound impact on the wellbeing of people living with disadvantages. For a host of reasons, including job loss, homelessness, systemic poverty, victims of violence, domestic circumstances, poor mental and physical health, children, youth, women, vulnerable communities, racial inequities and prejudice, there are people who are more vulnerable than others.



Despite the hurdles over the past year, where possible, teams across the Company continued to make a difference in the lives of vulnerable people who needed more support, contributing primarily through virtual initiatives. While opportunities to contribute were necessarily curtailed, many of our offices across the Company were active in these areas of need:

- Improving food security by supporting efforts to eliminate hunger through local food bank and meal programs, including fundraising, food collection and providing hot meals
- Providing shelter and housing through support for Habitat for Humanity and other local organizations
- Promoting education and wellbeing for disadvantaged children through toy drives and support for local schools
- Supporting local services, including community-based organizations such as the United Way
- Delivering trauma and crisis support including the deployment of the LifeWorks mobile drop-in centre support unit during the Australian wildfires. Read [Australia Wildfires: LifeWorks Melbourne takes support to the people](#)



Driven by our Halifax-based employees, “LifeWorks Acts of Kindness 2020” is making a difference. Designed to support the local community and local businesses, over 75 employees contributed to approximately 400 acts of kindness, ranging from providing grocery store gift cards to strangers, food baskets, art supplies for a local school, and dental work for a family in need. In recognition of the many employee contributions, we purchased gift certificates from local restaurants and florists to thank staff for their time and effort.

NATIONS UNIES
LE HAUT COMMISSAIRE
POUR LES RÉFUGIÉS



UNITED NATIONS
THE HIGH COMMISSIONER
FOR REFUGEES

April 13, 2021

Dear Mr. Liptrap,

As we turn the corner on a very challenging year, I wish to express my appreciation for the long-standing partnership between Morneau Shepell and UNHCR.

Over the past decade, the extraordinary generosity and commitment of Morneau Shepell and its employees have changed the lives of young refugee girls in Kenya's Kakuma camp by empowering them through access to an education. The project has boosted the school enrolment of girls in the area, offering a lifeline for bright and eager students who might not have otherwise had the opportunity to learn. In the refugee context, education opens doors both to eventual employment as well as to inclusion, and I am proud to report that the students at the Morneau Shepell Secondary School for Girls have some of the highest grades in the region and are among the best-performing students in Kenya.

Companies like yours present the type of leadership we want to see replicated. In addition to providing valuable financial support, Morneau Shepell engages its employees and partners around a common humanitarian objective, helping raise awareness about the plight of refugees and other forcibly displaced people, shaping the narrative of hope and possibility, and demonstrating that refugees can make a positive contribution to society if provided with the opportunity. We are fortunate to have Morneau Shepell by our side in this regard and hope that we can continue to collaborate for many years to come.

On behalf of all of us at UNHCR, let me reiterate my deepest gratitude for your and your company's support of the refugee cause.

Yours sincerely,

Filippo Grandi

Mr. Stephen Liptrap
President and Chief Executive Officer
Morneau Shepell Ltd

The Kakuma Project: Improving the lives of girls and women through education

Our partnership with the UNHCR, The UN Refugee Agency has been an integral part of our Company and our people for over ten years. Together with the steadfast support of our employees, we have remained focused on our goal of improving the lives of young people living in the Kakuma Refugee Camp through education and training.

Our early involvement with UNHCR began with our Company's support for the Technology Access Centre with its focus on training and enhancing digital skills among refugee students. Today, our support is directed to the The Secondary School for Girls in Kakuma.

Our partnership with UNHCR is multifaceted. LifeWorks is one of the largest corporate donors to UNHCR Canada. Known as the "Kakuma Project" across the Company, our employees also play an important role in helping the girls of Kakuma overcome systemic disadvantages. Employees contribute their time and money to support the school through payroll deductions, and during non-pandemic years, participate in fundraising events such as marathons and golf tournaments.

Our work with UNHCR to support the people of Kakuma is contributing to the advancement of the [UN Sustainable Development Goals](#) (SDGs) of Zero Hunger, Good Health and Wellbeing, Quality Education, Gender Equality, Decent Work and Economic Growth, Reduced Inequalities, and Partnerships for the Goals.



About The Secondary School for Girls in Kakuma

For the young women living in the Kakuma camp, gender parity is a constant challenge. Faced with ongoing socio-economic and cultural barriers to their education and wellbeing, the Kakuma Secondary School for Girls represents an important step in addressing the systemic inequality to quality education for girls living in sub-Saharan Africa. The school is making an appreciable difference by providing access to quality education to young women that would otherwise not be available. Developed in partnership with the UNHCR and with the financial support of the Company, the school is now a centre of excellence and empowerment for those girls who show academic promise. Students are multi-faith, multi-ethnic and are chosen based on their academic record and degree of vulnerability, with 20 places reserved for girls from the local catchment area. Daily operation of the school resides with Windle International Kenya and a team of 18 teachers, including eight women and a supporting staff of some 20 people.

Since opening in 2014, the school has produced 290 graduates, including 20 young women currently pursuing post-secondary education in Africa, Canada and Costa Rica.

To learn more about the inspiring young women attending The Secondary School for Girls in Kakuma, watch [Kakuma Hope](#), an award-winning documentary directed by Caroline True.



Kakuma Refugee Camp

Location: Northwestern Kenya

Camp population: 160,406 (excludes the Kalobeyei settlement)

Established: 1992

Status: Refugees/asylum seekers

Primary countries of origin: South Sudan, Somalia, Democratic Republic of Congo, Burundi, Ethiopia, Sudan

Number of schools serving region: 27 primary, 7 secondary

Average class size: 100+ students per class

Estimated student population: 85,000

The Kakuma Project: Life during a global pandemic

As the onset of the global COVID-19 pandemic affected people around the world, the impact was also felt in the Kakuma Refugee Camp, disrupting the lives of the students and staff of the school in 2020. While our corporate support continued unabated for the fifth consecutive year, a Presidential directive forced the closure of all schools in Kenya, including those located within the Kakuma camp. On March 17, 2020, the students and staff were sent home immediately, and the doors remained closed to students of the Kakuma school over the next seven months.

In spite of the pandemic, and with students remaining at home, teachers and staff looked for innovative ways to support the girls remotely. Radios, textbooks and solar lanterns were distributed to support at-home learning. Other teaching materials were shared over WhatsApp. Teaching staff returned to the school in June 2020 and began broadcasting lessons to the girls over the radio. From June through to October, radio lessons continued, with over 81 per cent of the students participating in the remote learning.

During the closure, and to help prevent the spread of COVID-19 within the camp, the school was transformed into a temporary quarantine facility, operated by UNHCR education and health partners. By October 2020, the school had partially reopened, enabling the graduating class (Form 4) to return to school for in-person classes until the school fully reopened to the lower grades in January 2021.

When the doors reopened in January 2021, 330 students returned to the school to complete the school year, interrupted by the shutdown. Since the reopening, protecting health and wellbeing and preventing the spread of COVID-19 have been an ongoing priority. Infection control measures, including masks, extra handwashing stations and additional sanitation assistants to keep high-traffic facilities clean, are in place. With the girls back boarding on-site, students and staff are screened with temperature checks and an isolation area is in place if there is a suspected case of COVID-19. To keep the girls safe, physical distancing protocols of one metre are being followed in the classrooms.

Since the calendar year was lost, none of the young women were able to graduate in 2020 and national exams were postponed. With a steady focus on high academic standards, the school community is working together to make up any learning that may have been missed while the students and staff were working remotely.

LifeWorks commitment to UNHCR and the education and wellbeing of the girls and women attending the school is long-standing.

Where we are heading

Over the course of the next year, our continuing focus will be on contributing positively to community wellbeing and mental health through our community programs. As we anticipate an easing of pandemic restrictions later in 2021, we look forward to:

- Updating our governance and management framework to strengthen oversight and reporting of our community investment/donations program and support alignment with our purpose and our culture of wellbeing
- Continuing collaboration with our community partners to support mental health and wellbeing as they transition to a post-pandemic environment
- Re-energizing our *Improving1BillionLives* volunteer program across the Company to foster employee engagement as part of our “Return to Office” program
- Enhancing our measurement and reporting to better reflect the number of people reached, employee participation rates and socio-economic outcomes, where feasible.



Environmental stewardship



Environmental stewardship

As a company with a purpose focused on improving the wellbeing of people, we are mindful of our responsibility to the ecological wellbeing of the planet on which we all live. Through our commitment to environmental stewardship and innovation, our employees work together to manage and creatively reduce our footprint, embrace new opportunities for conservation and embed sustainability practices into our business strategy and everything we do.

Why it matters

As a responsible corporate citizen, environmental stewardship is core to our values and our business. While our environmental footprint is relatively small compared to more industrial sectors, it is critical to us and to our stakeholders that we comply with all environmental laws, protect the environment by managing our impacts, and embed sustainability considerations across our business.

What we are doing

Environmental stewardship is fundamental to our corporate responsibility strategy. Over the past two years, we have focused our program on establishing an environmental governance framework to guide behaviours where our business and the environment intersect.

Our [Environmental Policy](#), amended in April 2020, articulates our environmental priorities and emphasizes our commitment to:

- managing our own behaviours
- identifying, pursuing and promoting opportunities for efficient use of natural resources, specifically water and energy
- strengthening opportunities for stakeholder engagement and to inform environmental priorities, and
- embedding environmental protection and sustainability factors across our Company.

As of August 2020, this commitment is also evidenced through our support of the United Nations Global Compact and its Ten Principles, including the precautionary principle. Oversight of LifeWorks environmental stewardship resides with the Risk Committee of the Board of Directors and executive accountability resides with the Chief Corporate Officer.

While the COVID-19 pandemic has shifted our attention temporarily from daily environmental management in the workplace, our environmental program remains focused on our five priority areas:

Facilities—Our offices and call centres are located in buildings where we are a tenant. As such, we rely upon available utilities for the energy and water we consume and access to local waste management services to support our waste reduction programs such as recycling and composting. While we do not own property, we strive to locate in buildings that are LEED®-certified and BOMA BEST facilities to the greatest extent possible.

Employee engagement—Our employees play a vital role in our environmental program and conservation initiatives. A framework for employee engagement on the environment, our “Green Team” initiative is designed to manage our impacts on the environment, promote environmental awareness and conservation and advance sustainability across LifeWorks.

It provides a framework to help raise employee awareness and to find opportunities for conserving energy and reducing waste. Our Green Team program is promoted by 43 volunteer Regional Green Team Champions across all of our main offices/regions in Canada, the United States, the United Kingdom and Australia.

Paper use—Reducing paper use is the primary focus of our responsible consumption and waste management program. Through the strategic elimination of printers and by mandating two-sided printing, we are advancing a paperless culture across the Company. At the same time, through our Green Procurement program, our offices only purchase Forest Stewardship Council (FSC) certified paper with more than 50 per cent recycled content, including post-consumer.

Waste reduction and diversion—Reducing the volume of waste we create plays an essential role in LifeWorks efforts to minimize our environmental footprint. While we have not set firm targets for waste reduction, we expect our employees to support initiatives to re-use materials and reduce waste. Our offices and call centres have eliminated all single-use plastics, including water bottles and cutlery, as well as paper coffee cups. Used coffee pods are collected and recycled by the vendor. Our Company does not use or generate any hazardous wastes. Given the nature of our business, we have zero material environmental impacts associated with packaging.

Responsible procurement—LifeWorks Green Procurement Program is the cornerstone of our responsible procurement program. The program has two primary objectives: to encourage purchasing of goods and services that are most aligned with our business and ESG goals; and to ensure that our purchasing practices contribute positively to social and environmental systems in line with our aspirational goal of *Improving 1BillionLives*. Our Green Procurement Policy and program details our commitment to responsible procurement and provides a framework and guidelines to encourage procurement decisions that are aligned with our commitment to people, sustainability in the workplace and the community, and demonstrate leadership in green building.



Across our supply chain, our responsible procurement guidelines also integrate green attributes, including the “3Rs”, reusability, recyclability and reducing waste. A wide range of environmental considerations are taken into account, such as locally purchased items, percentage of recycled content and environmentally certified products such as Eco-Logo, Green Seal Certification, FSC and Energy Star, and sourcing renewable fuel alternatives. We are also focused on reducing environmental impacts including solid and liquid waste, airborne pollutants such as greenhouse gases (GHGs), Volatile Organic Compounds (VOCs) and chlorofluorocarbons (CFCs), energy consumption, resource depletion and hazardous materials.

2020 performance

Protecting the health and safety of our employees in the face of the COVID-19 pandemic resulted in the temporary closure of many of our offices and call centres for a large part of the year. While our framework of environmental policies and programs remained in place, many of our workplace programs and initiatives to advance environmental stewardship were necessarily put on hold from mid-March 2020 onward. As a result, we achieved an overall reduction in our environmental footprint driven primarily by pandemic circumstances and people working remotely rather than in the office. We also continued to make progress in key areas, including:

- Upholding our record of compliance, with zero material incidents of non-compliance with environmental laws and regulations and zero fines and non-monetary sanctions across our operations
- Amending our [Environmental Policy](#) to further strengthen our commitment to environmental protection and two-way stakeholder engagement on environmental matters
- Maintaining 12 per cent occupancy of our 155 offices and facilities in LEED and BOMA BEST buildings

- Reducing paper consumption by approximately 32 million sheets of paper, from 2019 to 2020 representing close to 4,490 trees and 15 million litres of water. Since 2017, LifeWorks has reduced paper consumption by approximately 65 million sheets of paper, representing close to 7,800 trees and 26 million litres of water.¹
- Implementing our overall Green Team program strategy early with specific input from executive leads and regional champions in each main office and four regions, Canada, the United States, the United Kingdom and Australia, prior to the pandemic-related hiatus for the program
- Engaging employees through LifeWorks and “GoGreen Tips” to build employee awareness of the environmental impacts and benefits of energy conservation through a “Lights Out” campaign and reduced paper use through a “Go Paperless” campaign
- Fostering the shift to a paperless culture by encouraging greater reliance on digital document review while reducing an overall reliance on printing
- Increasing the volume of paper waste diverted from landfill through our aggressive company-wide paper recycling program. A total volume of 115.5 metric tonnes of paper was recycled in 2020, up from 94.9 metric tonnes in 2019 due to cleanup efforts in preparation for the upcoming relocation to our new corporate office. For both 2019 and 2020, recycling efforts have successfully diverted 887 cubic metres of waste from landfill, avoided 152,355 kilograms of CO₂e, saved over 24 million litres of water and over 524,190 kWh of electricity, while also preserving approximately 3,892 trees

1. <https://calculator.environmentalpaper.org/>

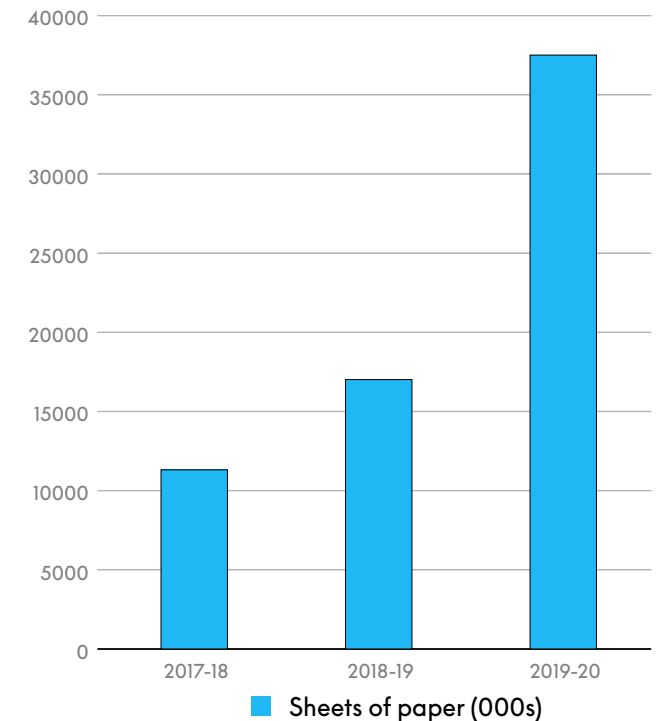
- Reducing overall energy spend by approximately 25 per cent as offices and call centres were essentially unoccupied due to COVID-19 pandemic public health measures and work-from-home requirements for nine months of the year.

**Over four years,
we have reduced our
paper consumption
by approximately
65 million sheets**

Corporate paper reduction by year
(number of sheets)

Period	Year/Year paper reduction from 2017 baseline	
	Total sheets saved	Percentage reduction
2017-18	11,315,000	12%
2018-19	17,015,000	20%
2019-20	37,510,000	54%
Total	65,840,000	

Total corporate office paper reduction from 2017 baseline



Where we are heading

We have already taken steps to expand our procurement compliance and environmental management in 2021. Looking ahead, the impact of the COVID-19 pandemic and the anticipated return to our offices and facilities remain uncertain. Consequently, the timeline for restarting our workplace environmental stewardship initiatives is unclear. Moving forward, however, we expect to:

- Transition into our new LEED-certified corporate office, currently anticipated to get underway in September 2021. Alongside reducing our overall environmental and energy consumption, due to the attributes of the new facility, we expect to provide better insight into our overall environmental footprint through our reporting.
- Continue engaging our employees on environmental stewardship, leveraging LifeWorks to support waste minimization and conservation strategies in their daily lives.



Climate change and energy

Why it matters

Climate change is one of the defining issues of our time. With average temperatures rising globally, combined with the increased frequency of extreme weather events, addressing climate change is the responsibility of all parts of society. For LifeWorks, it is both our responsibility as a business and as a corporate citizen to understand how we can best contribute to addressing climate change. For our Company, our investors and other stakeholders, it is both imperative and expected that we understand the potential short- and longer-term climate-related impacts and opportunities facing our business, including societal wellbeing, supported by a transparent account of climate change governance, management and strategy.

What we are doing

Our energy footprint and our approach to climate change go hand in hand. Across the Company, the energy we use depends upon the location of our offices and facilities. LifeWorks greenhouse gas emissions (GHG) are directly related to the means of electricity generation provided by the local utilities where we work. In the Greater Toronto Area, our facilities are powered by grid electricity generated from close to 100 per cent

renewable, low-carbon hydro-electric and nuclear sources resulting in the majority of GHG emissions from renewable sources. Given that we have no control over the energy source powering our facilities, we focus our strategy on energy reduction. We continue to work with our landlords to identify opportunities to improve measurement of energy use and to align our energy reduction strategies with our actual operations. While we are unable to track our energy use and GHG emissions at most of our facilities, we expect to be able to have access to data for both of these metrics following the move to our new corporate office, in September 2021.

Our printer optimization program also plays a role in reducing our energy consumption. Through our Green Teams and our Go Green Tips, we are engaging our employees to support energy conservation at home and in the workplace. Our flexible workplace policies and telecommuting continue to reduce our organization's energy footprint.

Transportation represents a significant source of GHG emissions across society. Given the nature of our business, however, there are zero material impacts arising from transportation. Our Company does not rely upon transportation to bring our

products and services to market. While there is no company-wide approach to transportation, we encourage video conferencing and provide bus passes to employees in some locations. For our employees based in India, we provide transportation to and from work.

2020 performance

We conducted a preliminary review of the CDP climate response to better understand the scope and data requirements needed for LifeWorks reporting.

Where we are heading

Given the rising interest in climate change disclosure to investors, we expect to review and benchmark against the recommendations of the Task Force on Climate-related Financial Disclosures over the next one to two years. A partial submission to the CDP is expected to follow.



About LifeWorks

LifeWorks is a global leader in delivering technology-enabled solutions that help clients support the total wellbeing of their people and build organizational resiliency. By improving lives, we improve business. Our solutions span employee and family assistance, health and wellness, recognition, pension and benefits administration, retirement and financial consulting, actuarial and investment services. LifeWorks employs over 7,000 employees who work with more than 24,000 client organizations that use our services in more than 160 countries. LifeWorks is a publicly traded company on the Toronto Stock Exchange (TSX: LWRK).

For more information, visit:

 lifeworks.com

 twitter.com/lifeworks

 linkedin.com/company/lifeworks