



# Sustainable development policy

December 2025

# 1. General statement

With a mission to support economic empowerment, Desjardins International Development (DID) is committed to promoting sustainable, inclusive and equitable development across all its activities, both within the organization and in the projects it carries out.

With extensive experience in international development and impact investing, DID leverages its broad partner network and its active presence in more than 30 countries to support positive outcomes for present and future generations.

By adopting this Policy, DID seeks to optimize its contributions and support the achievement of the United Nations Sustainable Development Goals in the countries and communities where it operates, while ensuring that its actions remain consistent, credible and sustainable. This Policy reflects DID's commitment to innovation and leadership in responsible and inclusive finance.

Promoting sustainable development is one of Desjardins Group's priorities, which DID helps implement. This Policy is grounded in internationally recognized principles, frameworks and agreements, including the Paris Agreement on climate change, the Kunming-Montreal Global Biodiversity Framework, Canada's Feminist International Assistance Policy, the International Finance Corporation's Performance Standards on Environmental and Social Sustainability, and the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative.

## 2. Objectives

The purpose of this Policy is to establish a reference framework that promotes the integration of environmental, social and governance (ESG) factors into DID's business model, strategies and operations.

### 2.1 Through its management practices:

- Continuously increase DID's positive contributions while minimizing any negative impacts on people and the environment that could arise from its practices and effectively manage the associated risks.

### 2.2 Through its technical assistance services:

- Speed up the transition to a green, resilient, equitable and inclusive economy.
- Enhance the well-being of people and communities by promoting equity, equality, non-discrimination and participation.

### 2.3 Through its impact investing activities:

- Improve access to funding sources that support sustainable development, including multilateral environmental funds.

## 3. Guiding principles

### 3.1 Capacity building

DID believes that capacity building is an essential driver of sustainable development. Within the organization and through its projects, DID aims to support people in developing the skills, knowledge, tools, resources and structures required to design, implement and sustain appropriate solutions. This principle is founded on a co-construction approach that considers specific contexts and stakeholder priorities, with the aim of maximizing the impact and sustainability of interventions.

### 3.2 Precaution and prevention

DID ensures that the principles of precaution and prevention underpin all its sustainable development activities. Using a proactive, science-based approach, DID seeks to prevent harm to the environment and to communities, and take timely action to address emerging risks, including in situations of scientific uncertainty. These principles guide DID's internal practices as well as its actions with partners and projects.

### 3.3 Climate justice

DID considers climate justice to be a key pillar of its sustainable development efforts. It recognizes that climate change exacerbates social inequalities and disproportionately affects vulnerable populations, despite their minimal contribution to the crisis. This phenomenon is therefore not only an environmental issue but also an inequity that affects populations differently depending on their level of wealth. DID promotes an equitable sharing of responsibilities in addressing climate injustice. It also ensures that, across all its activities, the perspectives of marginalized social groups are incorporated and human rights are respected.

## 4. Specifics of the policy

### 4.1 Strategic and governance components

Within the limits of its mandate and financial capacity, DID is committed to:

- Integrating ESG factors into all its business decisions and activities, while ensuring local community participation and the application of the life-cycle approach and the principle of precaution.
- Building internal knowledge and capacity in sustainable development, climate change, equality and inclusion, human rights, and responsible and inclusive finance—including greenwashing risks—and sharing this knowledge with partners and members of its networks (particularly the Proxfin network).
- Playing a leadership role to influence public policy so that it encourages all actors in the financial ecosystem to contribute to sustainable development.
- Establishing new partnerships to maximize the positive environmental, social and economic impacts of DID's operations in the communities where it operates.

- Informing, consulting and collaborating with stakeholders in a proactive, transparent and accountable manner, and reporting on the application of this Policy in DID's annual report.

## 4.2 Environmental component

DID is committed to:

- Identifying, avoiding, reducing or compensating for negative environmental impacts associated with the organization's activities, while setting performance targets and indicators aligned with this Policy, particularly with respect to carbon neutrality.
- Promoting sustainable consumption and production methods (SCPMs) within the DID community and its networks that protect and restore ecosystems, generate shared prosperity for present and future generations, and contribute more broadly to the achievement of the United Nations Sustainable Development Goals.
- Launch innovative projects and solutions, particularly in the areas of climate change, biodiversity, the energy transition, trade and sustainable agriculture.

## 4.3 Social component

4.3.1 As an Employer, DID is committed to:

- Implementing human resource practices that promote equity, diversity and inclusion (EDI).
- Ensuring that working conditions are fair and safe for all employees and partners.
- Providing training on social and inclusion issues at every level of the organization.

4.3.2 As an international development organization, DID is committed to:

- Promoting financial inclusion and strengthening the economic empowerment of women and youth at all levels by improving access to financial and productive resources, employment and markets, capacity-building and leadership opportunities, and decision-making power.
- Promoting gender equality, including efforts to combat gender-based violence, and upholding and promoting human rights, particularly the rights of Indigenous Peoples and vulnerable groups.
- Incorporating participatory consultation mechanisms into projects to ensure that issues specific to gender or cultural communities are considered.

## 4.4 Responsible economy component

DID is committed to:

- Developing and promoting innovative financial and non-financial products and services that support climate resilience, the transition to a green and circular economy, and/or the adoption of sustainable consumption and production methods (SCPMs).

- Supporting and mobilizing partner financial institutions to implement environmental and social management systems.
- Investing in innovative financial institutions, through equity investments and loans, to support inclusive and sustainable economic growth.

## **5. Scope of application**

- This Policy applies to all DID directors, employees and organizational components, at head office as well as in regional and project offices in the countries where the organization operates.
- DID suppliers, subcontractors and partners are encouraged to comply with it.
- DID is committed to complying with the laws in force in the countries where it operates and to drawing on best practices in international cooperation and sustainable and inclusive finance.

## **6. Responsibility, enforcement and review**

The DID Board of Directors adopts this Policy and any subsequent amendments.

General management is responsible for enforcing this Policy.

The DID management committee is responsible for the following activities:

- Adopting any strategy, action plan, directive or position that enables the effective implementation of this Sustainable Development Policy.
- Setting performance targets and indicators in line with this Policy.
- Regularly reviewing the implementation of this Policy, assessing its impact and evaluating its contribution to the United Nations Sustainable Development Goals.

## **7. Effective date**

This Policy is effective as of the date of its adoption by the Board of Directors, and the same applies to all amendments made to any of its contents.

# Appendix 1

## DEFINITIONS

### **Biodiversity**

All land-based, marine and aquatic ecosystems and the ecological processes they belong to.

### **Carbon neutrality**

A state in which net greenhouse gas emissions are reduced to zero by minimizing emissions and offsetting any remaining emissions through equivalent measures, such as carbon sequestration.

### **Circular economy**

A production, trade and consumption system that uses circular practices to optimize resource use at every stage of the life cycle of a good or service, while reducing environmental footprints and contributing to the well-being of individuals and communities.

### **Climate change**

Long-term changes in global climate patterns, caused primarily by human-induced greenhouse gas emissions.

### **Climate justice**

A concept that recognizes that climate change exacerbates social inequalities and disproportionately affects vulnerable populations. Climate justice seeks to ensure that responsibilities and benefits in efforts to address climate change are shared fairly, while upholding human rights.

### **Economic empowerment**

The ability, agency and freedom to make decisions that support economic and financial well-being.

### **Equity, diversity and inclusion (EDI)**

A set of values and practices that promotes the fair treatment, representation and participation of all people, and the creation of an inclusive environment free from discrimination.

### **ESG factors**

Environmental, social and governance (ESG) criteria used to assess an organization's sustainability performance and responsible business practices.

## **Gender-based Analysis Plus (GBA+)**

A systematic analytical approach used to examine differences in the roles and norms that apply to women, men, girls and boys, as well as the diverse power dynamics, needs, constraints and opportunities that shape their lives, and the impacts of these differences.

## **Impact investing**

An investment approach that seeks to generate positive social and environmental outcomes, alongside a financial return, by supporting projects or businesses that contribute to sustainable development.

## **Principle of precaution**

A principle whereby, in situations of scientific uncertainty regarding the environmental impacts of a decision, priority is given to preventing serious or irreversible harm.

## **Responsible procurement**

A procurement method that incorporates ESG criteria into the process of purchasing goods and services as a means for organizations to reduce their environmental repercussions, increase the social benefits they generate, and strengthen their economic viability, throughout the full life cycle of the products they use.

## **Responsible and inclusive finance**

Financial practices that integrate ESG criteria and promote equitable access to financial services for all populations, including the most vulnerable.

## **Sustainable consumption and production methods (SCPMs)**

The use of services and related products that meet the basic needs and improve the quality of life of present generations, while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of a service or product so as not to jeopardize future generations.

## **Sustainable development**

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs, by integrating economic, social and environmental considerations.