



Independent practitioner’s limited assurance report on the “Desjardins Group 2022 Greenhouse Gas Emissions Report”

To the Board of Directors and Management of Desjardins Group

We have undertaken a limited assurance engagement of the following metrics (the “subject matter”) presented in the “Desjardins Group 2022 Greenhouse Gas Emissions Report” attached in Schedule 1 of Desjardins Group for the year ended December 31, 2022.

Subject Matter

- Scope 1 Greenhouse Gas (GHG) emissions
 - Fossil fuel consumption in buildings under Desjardins’s operational control
 - Refrigerant leaks (ODS)
 - Fuel consumption for the Desjardins vehicle fleet and shuttle
- Scope 2 Greenhouse Gas (GHG) emissions
 - Steam and electricity consumption of buildings under Desjardins’s operational control
- Scope 3 Greenhouse Gas (GHG) emissions
 - Paper consumption
 - Fossil fuel consumption for business travel
 - Energy consumption for buildings from direct real estate investments (for which Desjardins has no operational control)

Management’s responsibility

Management is responsible for the preparation of the subject matter in accordance with the GHG Protocol – A Corporate Accounting and Reporting Standard Revised Edition (the “applicable criteria”). Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements (ISAE 3410)*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement, whether due to fraud or error, in preparing the subject matter in accordance with the applicable criteria are likely to arise.

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Our engagement included, among others, the following procedures performed:

- Through inquiries, obtained an understanding of Desjardins Group's control environment and information systems relevant to GHG emissions quantification and reporting;
- Evaluated whether Desjardins Group's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Desjardins Group's estimates;
- Analytical reviews and trend analysis of reporting data for the subject matter;
- Reviewed the subject matter disclosure in the appendices to ensure consistency with the evidence obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements*, and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Uncertainty

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for the determining, calculating, sampling, or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

We have not carried out any work on data reported for prior reporting periods nor in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our conclusion to the above-mentioned subject matter.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Desjardins Group' subject matter for the year ended December 31, 2022 is not prepared, in all material respects, in accordance with the applicable criteria.



Purpose of statement and restriction on use

The subject matter has been prepared in accordance with the applicable criteria to assist Desjardins Group with the reporting on their sustainability performance and activity. As a result, the subject matter may not be suitable for another purpose. Our report is intended solely for Desjardins Group.

We acknowledge the disclosure of our report, in full only, by Desjardins Group at its discretion. We make no representations or warranties of any kind to any third party in respect of this report.

¹
PricewaterhouseCoopers LLP

Partnership of Chartered Professional Accountants

Montréal, Québec
February 24, 2023

¹ CPA auditor, public accountancy permit No. A113424



Schedule 1: Desjardins Group 2022 Greenhouse Gas Emissions Report

The Desjardins Group Greenhouse Gas Emissions (GHG) Report was prepared in compliance with the principles and requirements presented in the most recent version of the *GHG Protocol Corporate Accounting and Reporting Standard (2015- revised edition)*. We used the following report to disclose our GHG emissions to the CDP and to prepare the Climate Action at Desjardins report according to the recommendations of the TCFD. The Desjardins Group reported for 2022 a total **35,754 metric tons** of carbon dioxide equivalent (CO₂e) of emissions for scopes 1, 2 and including some categories of scope 3.

The table below reports Desjardins Group's ¹ emissions for scopes 1, 2 and 3 for the year ended December 31, 2022.

Scope	Source of GHGs		Emissions in metric tons of CO ₂ e			Annual Variance (2022 vs 2021) ²
			2020 ²	2021 ²	2022 ³	
Scope 1	Fossil fuel consumption in buildings under Desjardins's operational control		5,685	5,013	4,403	(12%) ⁴
	Refrigerant leaks (ODS)		310	385	74	(81) % ⁵
	Fuel consumption for the Desjardins vehicle fleet and shuttle		940	746	927	24% ⁶
Total Scope 1			6,935	6,144	5,404	(12%)
Scope 2	Steam and electricity consumption of buildings under Desjardins's operational control		2,261	1,267	1,218	(4%)
Total Scope 2			2,261	1,267	1,218	(4%)
Scope 3	Category 1 – Purchased Goods and Services & Category 5 – Waste Generated in Operations	Paper consumption	11,553	7,989	8,298	4%
	Category 6 – Business Travel	Fossil fuel consumption for business travel	3,477	1,636	4,518	176% ⁶
	Category 15 - Investments ⁷	Energy consumption for buildings from direct real estate investments (for which Desjardins has no operational control)	15,075	16,005	16,316	2%
Total Scope 3			30,105	25,630	29,132	14%
Total			38,884	33,041	35,754	8%

¹ Data for 2022 has been calculated for Desjardins Group as a whole, covering the following components: Desjardins caisse network and business centres, Fédération des caisses Desjardins du Québec, Desjardins General Insurance Group, Desjardins Financial Security, Desjardins Capital, Desjardins Property Management, Développement international Desjardins, Desjardins Global Asset Management, Desjardins Securities, Desjardins Technology Group, Desjardins Investment Product Operations, Desjardins Investments and Desjardins Shared Services Group. Other Desjardins Group components not specified in this list are excluded from the calculations.

² The corrections made in 2020 and in 2021 are derived only from the recalculation of the energy consumption in corporate sites leased by Desjardins. More precise data were available to estimate the total energy consumption and the distribution of energy sources consumed for this category of buildings (change from 40,137 to 38,884 of total tons of CO₂e for 2020 and from 33,552 to 33,041 for 2021). These adjustments were not subject to PwC limited assurance engagement.

³ Reporting periods: January 1, 2022 to December 31, 2022 for paper consumption, business travel and ODS data, and October 1, 2021 to September 30, 2022 for building energy data.

⁴ These decreases are due to a reduction in the total area of buildings leased by Desjardins in 2022.

⁵ This decrease is due to fewer refrigerant leaks in 2022 compared to 2021, a lower number of works of refrigerant leaks and better controls during these works.

⁶ These significant increases are mainly due to the return of post-Covid 19 travel activities for 2022. For the 12 months of 2021, all business travels were suspended, and teleworking was mandatory for 90% of employees, which had then a major impact on reducing travels.

⁷ Desjardins financed emissions associated with direct real estate investments are separated from operational emissions and included in total financed emissions (Category 15 – Investments) in the relevant disclosures.

Methodology and assumptions

The breakdown by scope of the Desjardins Group Emissions Report is similar to the previous year, 2021. To clarify the coverage of Scope 3 by this verification, we have included in the summary table the names of the categories of scope 3 according to the definitions of the Greenhouse Gas Protocol.

Scope 1

Fossil fuel consumption in buildings under Desjardins's operational control

For sites for which fossil fuel consumption volumes are known, information from invoices and reports from our utility providers was compiled by our energy data collection systems. These volumes include diesel, heating oil and natural gas consumed per site.

For sites for which only energy costs are known, volumes were estimated based on the average unit cost per province for each type of fuel.

For sites for which neither volume nor cost was available, the consumption volume was estimated using an average cost per area (\$/m²) per energy source and then converted in quantity.

For part of the corporate sites, the energy consumption (GJ/m²) and the breakdown of energy sources consumed are estimated using provincial data. If available, the results of energy audits carried out in some sites of this category are used to improve this estimate. The Desjardins Property Management team also conducts surveys for each building to collect relevant information in order to improve this estimate.

Emissions were calculated by multiplying fossil fuel volumes by corresponding emission factors.⁸

Refrigerant leaks (ODS)

The volume of accidental releases of ozone-depleting substances (ODS) is established by adding together the release volumes provided by property managers. Emissions were calculated by applying the Global Warming Potential (GWP) of each substance⁹.

Fuel consumption for the Desjardins vehicle fleet and shuttle

For vehicles owned by Desjardins Group entities, including the Caisses network, fuel consumption (in liters of diesel and gasoline) is calculated based on mileage data and the fuel consumption rating for each vehicle.

The Desjardins' shuttle service has two buses with a capacity of 35 passengers that transport our employees between Levis and Montreal. The shuttle service resumed at the beginning of 2022. The service had been suspended since March 20, 2020 due to Covid 19. The diesel consumption per shuttle trip is available. The annual consumption is calculated on the basis of the number of trips.

⁸ National Inventory Report 1990-2020: Greenhouse Gas Sources and Sinks in Canada (part 2 and part 3); US Energy Information Administration. Commercial Sector Energy Consumption Estimates, 2020; Ministère de la transition écologique, France. Chiffres clés de l'énergie – Édition 2021.

⁹ Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2021); ASHRAE Standard 34.

The vehicle fleet and the shuttle emissions for the year 2022 were calculated by multiplying these volumes of fossil fuels by the relevant emission factors.

Scope 2

Steam and electricity consumption of buildings under Desjardins's operational control

Steam and electricity consumption data (in Canadian dollars or kilowatt-hours\$ or in kWh) are obtained as follows:

- For sites for which electricity consumption is known, information from invoices and reports from our electricity providers are compiled by our energy data collection systems.
- For sites for which only electricity costs are known, volumes were estimated based on the average unit costs in kilowatt-hours per province.
- For sites where Desjardins has no cost visibility, consumption volumes are estimated using an average cost per area (\$/m²) per energy source, which is then converted into quantity.
- For some of the corporate sites, the energy consumption (GJ/m²) and the breakdown of energy sources consumed are estimated using provincial data. If available, the results of energy audits carried out in some sites of this category are used to improve this estimate. The Desjardins Property Management team also conducts surveys for each building to collect relevant information in order to improve this estimate.

Emissions were calculated by multiplying electricity and steam consumption by corresponding emission factors.

Scope 3

Energy consumption for buildings from direct real estate investments (for which Desjardins has no operational control)

For sites for which energy consumption volumes are known, information from invoices and reports from our utility providers was compiled by our energy data collection systems.

For sites for which neither energy cost nor consumption was available, we estimated a consumption average based on the size of the building in square metres. We calculated the average using actual consumption volumes for the same year from other buildings owned by Desjardins.

Emissions were calculated by multiplying energy volumes by corresponding emission factors.

Fossil fuel consumption for business travel

We calculated fuel consumption for rental vehicles by compiling the total amount spent on fuel in Canadian dollars and converted it to litres using the annual average cost of fuel by geography.

The total distance travelled by personal vehicles is calculated by converting reimbursement costs (\$), based on the distance in kilometres. This distance is then converted into gasoline consumption (litres) based on

an average vehicle's consumption. A kilometer adjustment has been made for electric and hybrid vehicles based on their fuel consumption rating (CCC) compared to the CCC of gasoline vehicles.

Emissions are calculated using the same methodology described above for fossil fuels.

Air travel data, represented in kilometres, was obtained from our travel agency and includes flight segments and distance travelled. Flight distance is converted to metric tons of CO₂e using corresponding emission factors.¹⁰

Rail travel data was provided by VIA Rail. CO₂ emissions were calculated by multiplying kilometres travelled by corresponding emission factors.¹¹

Paper consumption

Most of the paper we consume comes directly from our main suppliers. However, we had to estimate paper consumption for the portion of paper provided by other suppliers, for which we do not have data. To determine the estimate, we took the total quantity of paper sourced by the Caisses and divided it by the percentage of Caisses that have accounts with our main supplier. GHG emissions on paper consumption are calculated based on the volume and recycled content of the different types of paper using the Environmental Paper Network's Paper Calculator.

¹⁰ 2021 Government Greenhouse Gas Conversion Factors for Company Reporting, Department for Business, Energy & Industrial Strategy (UK) (Table 37).

¹¹ Sustainability Mobility Report 2019, VIA Rail Canada (page 46).