



## **PUBLIC TRANSPARENCY REPORT**

**2023**

**DESJARDINS GLOBAL ASSETS MANAGEMENT**

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# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

At Desjardins Global Asset Management (DGAM), responsible investment (RI) is more than a trend: It's key to our investment philosophy. We are guided by our commitment to contribute to sustainable prosperity for our stakeholders while making a positive impact on society. As portfolio managers, we believe our foremost responsibility is to protect the long-term interests of our clients and to grow their capital by promoting socially and environmentally responsible corporate governance and practices. We plan on accomplishing this by leveraging our expertise in asset management and incorporating environmental, social and governance (ESG) factors to our investment framework; we are guided by four key convictions: (1) consistency (2) action and innovation (3) long-term vision and (4) inspiring and influencing others.

Ever since our inception, we've mobilized our resources to keep improving our practices and outperforming our ambitious goals. Over the years, RI has increasingly influenced our strategies and has become the cornerstone of our investment approach. Our clients trust us to speak on their behalf and to defend their interests with the companies they invest in. We've long believed that sustainable value creation for all stakeholders is what's best for investors. By staying true to our principles and supporting clients with their responsible investment efforts, we're helping to shape the society of the future.

We're proud of our leadership in the responsible investment ecosystem and the extensive expertise our team has developed by adopting a rigorous approach to integrating ESG criteria. In 2017, DGAM formalized its commitment to responsible investment by signing the Principles for Responsible Investment (PRI). Our ambition is strong: to maintain our position as the financial institution most invested in RI education, accessibility, and adoption among Canadian investors. DGAM has set ambitious targets and we've already taken steps to reach these targets.

Our climate ambitions are part of these targets; DGAM is a signatory of the Net Zero Asset Manager Initiative, which commits us to achieving a net carbon neutrality target for Desjardins' proprietary assets by 2050. We have also set intermediary targets for 2025 and 2030.

DGAM's commitment is reflected in its strong team of 10 professionals dedicated to RI. The team's size and depth of knowledge enable us to define specific roles and responsibilities to create a structure that leverages everyone's expertise. Our RI specialists continually track ESG issues and work closely with our analysts and managers to ensure that our investment solutions are consistent with best practices in responsible finance.

Although DGAM has a dedicated team, integrating RI practices is a responsibility shared by all employees. Our entire staff participated in ESG training in 2022. This affirms the importance we place on continuous improvement and developing our collective expertise in this area.

At DGAM, we align our decision-making with broad sustainability themes that represent the priority issues identified in our ESG analyses and guide our many engagement activities. These themes also drive our research and the development of innovative ESG investment strategies.

Our approach focuses on four major interrelated themes that improve the coherence and effectiveness of how we think and act. Each of these themes is linked to specific SDGs and we support many initiatives linked to these themes.

DGAM has developed a responsible investment approach that can be applied to all asset classes, investment type, and markets. The various means we use to integrate ESG practices are adapted according to the mandates we manage as well as the objectives and priorities of our clients. We have built an integration model that allows our teams to identify sector- and company-specific risk factors using the standards of the Sustainable Accounting Standards Board (SASB) as a guide.

We believe that engagement is an essential driver for portfolio managers to encourage issuers to adopt responsible practices. Drawing on our power to influence, we focus on mobilizing shareholders to mitigate the risks associated with our investments, optimize our returns, and generate positive results for communities. Exercising voting rights, shareholder dialogues and interventions with public decision makers are effective mechanisms for encouraging issuers to improve their sustainable development practices.

In 2022, we continued to exert our levers of influence by taking part in various initiatives and by playing an active role in the RI ecosystem.

Our experts spoke or provided opinions on more than 25 occasions, participating in discussion panels, and working groups, and collaborating on media content. Our efforts are reflected in various types of files and projects that are all aimed at creating sustainable value and promoting a long-term vision of performance with positive spin-offs for society.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

This year, DGAM has made significant progress in several key areas of our RI practices. Select activities include (for more information please see our 2022 activity report) :

Commitment: RI has been formally identify as one of three pillars for DGAM's growth

Training: In 2022, we trained all our employees in RI. Based on their level of knowledge and their needs, employees chose from a variety of options, including the Responsible Investment Association course, Sustainable Accounting Standards Board (SASB)'s FSA certification, CFA Institute's ESG certification and ESG training tailored to asset classes such as real estate.

Climate change (carbon intensity).

Contribution to a more sustainable economy:

40% reduction in the portfolio carbon footprint for Desjardins' own funds (relative to their benchmark)

\$1.7 B invested in renewable energy infrastructure

\$1.9 B invested in labeled bonds

96% of our real estate assets have a sustainability certification such as LEED or BOMA BEST

140+ dialogues with companies on ESG issues, 3,573 shareholder meetings at which we exercised our voting rights  
25+ position papers, new collaborative initiatives and RI speaking engagements

**Net-Zero commitment:** DGAM is now a signatory of the Net Zero Asset Manager Initiative, which commits us to achieving a net carbon neutrality target for our portfolios by 2050.

For Desjardins' own funds, interim targets of 30% and 50% have also been set for 2025 and 2030 respectively (compared to 2020)

**EDI action plan:** Given that the lack of female representation is a particularly critical issue in the asset management industry, we focused the first steps of our action plan on gender diversity.

In 2022, we made concrete progress on the following three categories: Promote female leadership, Increase the number of women in our candidate pool, Educate our teams.

**Benchmark:** Over the past year, DGAM's RI and Quantitative Strategy teams have worked together to develop 10 benchmark indexes that reflect ESG criteria (including a net-zero path). By developing our own ESG benchmark indexes, we are making a new tool available to our portfolio managers to help them integrate RI into their investment process.

**Infrastructure partner's assessment:** In 2022, we conducted a comparative assessment of our partners and their ESG strategy and inclusion progress.

This step is important, because it enables us to understand the progress of partners and identify those trying to improve their ESG integration. A total of 14 partners were assessed on governance, communication, project selection procedures, tracking and reporting, stewardship commitments, climate risks and opportunities, and diversity, equity and inclusion.

**Sustainability theme (Biodiversity):** At DGAM, protecting biodiversity and natural capital was added to our list of priority issues in 2021. Since then, our RI team has put a lot of effort into researching and analyzing this theme to identify the financial repercussions and the implications for issuers.

On the basis of this in-depth research, in 2022 we developed a concrete action plan that focuses on ESG engagement and integration related to biodiversity. To reinforce our commitment, DGAM signed the Finance for Biodiversity Pledge, which commits us to collaborate, assess our impact on biodiversity, set targets and establish reports on biodiversity issues by 2024. We also joined the S&P Global Sustainable initiative, Framing the Future for Nature, which aims to accelerate the shift of capital towards positive results for nature.

**Research:** We developed a new ESG assessment grid to evaluate countries on their ESG practices

**Investment solutions:** We add a new ESG fund to DGAM's offering: Desjardins SocieTerra Canadian Equity Income Fund

**Harmonization of disclosure:** We signed the Call for Stronger Alignment of Regulatory and Standard Setting Efforts around Sustainability Disclosure, an initiative that aims to coordinate and align disclosure standards.

**Collaboration:** At DGAM, we firmly believe that combining our voice with that of other institutional investors will enable us to be a fundamental driver to advance the adoption of sustainable practices by companies.

We took part in several collaborative initiatives in 2022. We also joined the PRI Advance commitment on human rights and social issues for mining companies.

**Increasing awareness and sharing our expertise:** We have continued our efforts to foster the acceptance and application of responsible investment principles by taking part as panelists at conferences and ensuring a presence in the media. We believe in doing our part to train and educate the financial community and the next generation of investment professionals.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Looking forward, DGAM has ambitious goals and targets that we have set.

On a general note, we will focus on new ESG investment solutions, increased and enhanced communication as well as research and innovation. Externally, we will continue to work with our partners to play a more instrumental role in the education (authorities, financial market, companies, customers, academics) and work with our parent company towards its sustainability goals.

Specific targets and goals for DGAM, include:

Reaching all of our ESG KPIs  
Focusing on our efficiency by improving our ESG data infrastructure and management  
Updating our ESG policies (actual policy was published in 2019)  
Aligning our disclosures and reporting to soon-to come regulatory requirements  
Pursuing our efforts to reach our Net-Zero targets (automation, coverage, new asset classes)  
Developing an Impact investment strategic positioning  
Developing a policy commitment to respect human rights and implementing a human rights due diligence process.  
Launching an ESG Real estate fund  
Working with indigenous communities to align our consideration of indigenous rights to best practices  
Formalizing our engagement plan  
Conducting an energy audit of our real estate buildings to set our GHGs reduction strategy for our investment buildings  
Formalizing our KPIs for our investment in infrastructure.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Nicolas Richard

Position

President and Chief Executive Officer

Organisation's Name

DESJARDINS GLOBAL ASSETS MANAGEMENT

● A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- ☐ (A) Yes
- ☒ (B) No



# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

**What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?**

**USD**

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 53,979,214,712.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 2,987,502,446.00

**Additional information on the exchange rate used: (Voluntary)**

Exchange rate used = 1.35395 CAD = 1 USD

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>10-50%	0%
(B) Fixed income	>50-75%	>0-10%
(C) Private equity	0%	0%
(D) Real estate	>0-10%	0%
(E) Infrastructure	>0-10%	0%
(F) Hedge funds	>0-10%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>0-10%	0%
(J) Off-balance sheet	0%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Derivatives

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	0%	>75%	0%	0%
(B) Passive	0%	0%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(C) Fixed income - active	>75%	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity >10-50%

(B) Active – quantitative >0-10%

(C) Active – fundamental >75%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >50-75%

(D) Active – corporate >10-50%

(E) Securitised 0%

(F) Private debt 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 RE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed real estate	GENERAL

**Provide a further breakdown of your internally managed real estate AUM.**

(A) Retail >10-50%

(B) Office >10-50%

(C) Industrial >10-50%

(D) Residential >10-50%

(E) Hotel 0%

(F) Lodging, leisure and recreation 0%

(G) Education 0%

(H) Technology or science 0%

(I) Healthcare 0%

(J) Mixed use 0%

(K) Other >0-10%

**(K) Other - Specify:**

Undeveloped land

## ASSET BREAKDOWN: INTERNALLY MANAGED INFRASTRUCTURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 INF	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed infrastructure	GENERAL

**Provide a further breakdown of your internally managed infrastructure AUM.**

(A) Data infrastructure >0-10%

(B) Diversified >10-50%

(C) Energy and water resources 0%

(D) Environmental services >0-10%

(E) Network utilities 0%

(F) Power generation (excl.  
renewables) 0%

(G) Renewable power >10-50%

(H) Social infrastructure 0%

(I) Transport >10-50%

(J) Other 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED HEDGE FUND

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 HF	CORE	OO 5	OO 11	PUBLIC	Asset breakdown: Internally managed hedge fund	GENERAL

**Provide a further breakdown of your internally managed hedge fund assets.**

(A) Multi-strategy 0%

(B) Long/short equity >75%

(C) Long/short credit 0%

(D) Distressed, special situations  
and event-driven fundamental 0%

(E) Structured credit 0%

(F) Global macro 0%

(G) Commodity trading advisor 0%

(H) Other strategies 0%

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

>75%



## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(1) 0%
(C) Fixed income – corporate	(1) 0%
(G) Real estate	(1) 0%
(H) Infrastructure	(2) >0 to 10%
(I) Hedge funds	(1) 0%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

**Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?**

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(6) Real estate
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	(7) Infrastructure	(8) Hedge funds	(11) Other	
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- ☒ (A) Yes  
☐ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Hedge funds
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

**Percentage of your listed equity holdings over which you have the discretion to vote**

(A) Listed equity – active	(12) 100%
(B) Listed equity - passive	(9) >70 to 80%
(C) Hedge funds	(12) 100%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(A) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - active - quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>

(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(M) Hedge funds - Long/short equity	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Derivatives	<input type="radio"/>	<input checked="" type="radio"/>

## EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

**For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?**

**(1) Yes, we incorporate ESG factors when selecting external investment managers**

**(2) No, we do not incorporate ESG factors when selecting external investment managers**

(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
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## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?

(1) Yes, we incorporate ESG factors when appointing external investment managers

(2) No, we do not incorporate ESG factors when appointing external investment managers

(C) Fixed income - active



## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

(1) Yes, we incorporate ESG factors when monitoring external investment managers

(2) No, we do not incorporate ESG factors when monitoring external investment managers

(C) Fixed income - active



## ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

**Describe why your organisation does not currently incorporate ESG factors into your investment decisions.**

Internally managed  
(O) Other

Derivatives is not a priority for ESG integration given that AUM is not significant and the complexity of ESG integration in this asset class. However, ESG integration in commodities is part of our medium term roadmap.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	>50-75%
(E) Thematic and integration	>10-50%
(F) Screening and thematic	0%
(G) All three approaches combined	0%



(H) None

>0-10%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only

0%

(B) Negative screening only

>75%

(C) A combination of screening approaches

>10-50%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

**(1) Fixed income - SSA**

**(2) Fixed income - corporate**

(A) Screening alone

0%

0%

(B) Thematic alone

0%

0%

(C) Integration alone

0%

0%

(D) Screening and integration	>75%	>50-75%
(E) Thematic and integration	0%	0%
(F) Screening and thematic	0%	0%
(G) All three approaches combined	0%	>10-50%
(H) None	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Positive/best-in-class screening only	0%	0%
(B) Negative screening only	>75%	>50-75%
(C) A combination of screening approaches	0%	>10-50%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

## LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

☒ **(A) Yes, we market products and/or funds as ESG and/or sustainable**

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>0-10%

- ☐ (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- ☐ (C) Not applicable; we do not offer products or funds

**Additional information: (Voluntary)**

We usually do not explicitly market our funds as ESG even if ESG integration is part of our investment process for almost all AUM. However, we adapt this stance according to client's requests and investment vehicles.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

- ☐ (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- ☒ **(B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications**

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5.3 FI, OO 11	LE 8, FI 10	PUBLIC	Passive investments	1

**What percentage of your total internally managed passive listed equity and/or fixed income passive AUM utilise an ESG index or benchmark?**

**Percentage of AUM that utilise an ESG index or benchmark**

(A) Listed equity - passive >50-75%

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PUBLIC	Thematic bonds	1

**What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?**

**Percentage of your total environmental and/or social thematic bonds labelled by the issuers**

(A) Green or climate bonds >50-75%

(B) Social bonds >0-10%

(C) Sustainability bonds >10-50%

(D) Sustainability-linked bonds >0-10%

(E) SDG or SDG-linked bonds 0%

(F) Other 0%

(G) Bonds not labelled by the issuer 0%

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(J) Real estate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

(M) Hedge funds – Long/short equity

○

○

●

(V) External manager selection, appointment and monitoring (SAM) – fixed income - active

○

○

●

## OTHER ASSET BREAKDOWNS

### REAL ESTATE: BUILDING TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 24	CORE	OO 21	RE 1, RE 9 - 10	PUBLIC	Real estate: Building type	GENERAL

What is the building type of your physical real estate assets?

- ☒ (A) Standing investments
- ☒ (B) New construction
- ☐ (C) Major renovation

### REAL ESTATE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 25	CORE	OO 21	N/A	PUBLIC	Real estate: Ownership level	GENERAL

What is the percentage breakdown of your physical real estate assets by the level of ownership?

- ☒ (A) A majority stake (more than 50%)
  - Select from the list:
    - ☐ (1) >0 to 10%
    - ☐ (2) >10 to 50%
    - ☐ (3) >50 to 75%
    - ☒ (4) >75%
- ☒ (B) A significant minority stake (between 10–50%)
  - Select from the list:
    - ☐ (1) >0 to 10%
    - ☒ (2) >10 to 50%
- ☐ (C) A limited minority stake (less than 10%)

## REAL ESTATE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 26	CORE	OO 21	RE 1, RE 6–8, RE 13	PUBLIC	Real estate: Management type	GENERAL

### Who manages your physical real estate assets?

- ☐ (A) Direct management by our organisation
- ☒ (B) **Third-party property managers that our organisation appoints**
- ☐ (C) Other investors or their third-party property managers
- ☐ (D) Tenant(s) with operational control

## INFRASTRUCTURE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 27	CORE	OO 21	N/A	PUBLIC	Infrastructure: Ownership level	GENERAL

### What is the percentage breakdown of your organisation's infrastructure assets by the level of ownership?

- ☐ (A) A majority stake (more than 50%)
- ☒ (B) **A significant minority stake (between 10–50%)**
  - Select from the list:
    - ☐ (1) >0 to 10%
    - ☐ (2) >10 to 50%
    - ☒ (3) **>50 to 75%**
    - ☐ (4) >75%
- ☒ (C) **A limited minority stake (less than 10%)**
  - Select from the list:
    - ☐ (1) >0 to 10%
    - ☒ (2) **>10 to 50%**



## INFRASTRUCTURE: STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 28	CORE	OO 21	N/A	PUBLIC	Infrastructure: Strategy	GENERAL

What is the investment strategy for your infrastructure assets?

- ☒ (A) Core
  - ☒ (B) Value added
  - ☐ (C) Opportunistic
  - ☒ (D) Other
- Specify:

Core+

## INFRASTRUCTURE: TYPE OF ASSET

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 29	CORE	OO 21	INF 1	PUBLIC	Infrastructure: Type of asset	GENERAL

What is the asset type of your infrastructure?

- ☒ (A) Greenfield
- ☒ (B) Brownfield

## INFRASTRUCTURE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 30	CORE	OO 21	Multiple, see guidance	PUBLIC	Infrastructure: Management type	GENERAL

Who manages your infrastructure assets?

- ☒ (A) Direct management by our organisation
- ☒ (B) Third-party infrastructure operators that our organisation appoints
- ☒ (C) Other investors, infrastructure companies or their third-party operators
- ☐ (D) Public or government entities or their third-party operators

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- ☐ (A) Publish as absolute numbers
- ☒ (B) Publish as ranges

## POLICY, GOVERNANCE AND STRATEGY (PGS)

### POLICY

#### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Guidelines on sustainability outcomes
- ☒ (F) Guidelines tailored to the specific asset class(es) we hold
- ☒ (G) Guidelines on exclusions
- ☐ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☐ (J) Stewardship: Guidelines on overall political engagement
- ☐ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☒ (L) Stewardship: Guidelines on (proxy) voting
- ☐ (M) Other responsible investment elements not listed here
- ☐ (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☒ (C) Specific guidelines on other systematic sustainability issues

Specify:

Biodiversity

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

- ☒ (A) Overall approach to responsible investment

Add link:

<https://www.desjardins.com/ressources/documents/c15-responsible-investment-guidelines-en.pdf?navigMW=la&>

- ☒ (B) Guidelines on environmental factors

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

- ☒ (C) Guidelines on social factors

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

- ☒ (D) Guidelines on governance factors

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

- ☒ (E) Guidelines on sustainability outcomes

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

- ☒ (F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

☒ **(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

☒ **(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

☒ **(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

☒ **(J) Guidelines on exclusions**

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

☒ **(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

☒ **(A) Yes**

Elaborate:

From our Responsible investment guidelines: DGAM is convinced that taking environmental, social and governance (ESG) risks into consideration can have a positive impact on the financial return on investments for the benefit of its clients and partners, in order to grow their assets.

<https://www.desjardins.com/ressources/documents/c15-responsible-investment-guidelines-en.pdf?navigMW=la&> (to be updated in 2023)

From our 2022 Activity report: Maximizing return potential while having a positive impact : As portfolio managers, we believe our foremost responsibility is to protect the long-term interests of our clients and to grow their capital by promoting socially and environmentally responsible corporate governance and practices. RI is an integral part of our fiduciary role. We believe that including ESG criteria in investment allocation and selection is part of our mandate as portfolio managers.

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&> (p11)

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

- ☒ (A) Overall stewardship objectives
- ☒ (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- ☐ (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- ☒ (D) How different stewardship tools and activities are used across the organisation
- ☒ (E) Approach to escalation in stewardship
- ☒ (F) Approach to collaboration in stewardship
- ☐ (G) Conflicts of interest related to stewardship
- ☒ (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- ☐ (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- ☒ (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- ☒ (B) Yes, it includes voting principles and/or guidelines on specific social factors
- ☒ (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://www.desjardins.com/ressources/pdf/c15-policy-exercise-voting-right-e.pdf?navigMW=la&>

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(6) >90% to <100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

#### AUM coverage

(A) Specific guidelines on climate change

(2) for a majority of our AUM

(B) Specific guidelines on human rights

(2) for a majority of our AUM

(C) Specific guidelines on other systematic sustainability issues

(2) for a majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

#### ☒ (A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)



We hold a small percentage of index ETFs (S&P 500, MSCI EAFE and MSCI EM)

☒ **(B) Fixed income**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

☒ **(D) Real estate**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

☒ **(E) Infrastructure**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

☒ **(F) Hedge funds**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

☐ **(I) Other**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

☒ **(A) Actively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● **(11) 100%**

☒ **(B) Passively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- **(8) >70% to 80%**
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

We hold a small percentage of index ETFs (S&P 500, MSCI EAFE and MSCI EM)

☒ **(C) Direct listed equity holdings in hedge fund portfolios**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

● **(11) 100%**

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- ☒ (A) Board members, trustees, or equivalent  
☒ (B) Senior executive-level staff, or equivalent

Specify:

Our responsible investment convictions are deeply rooted in our organization. The DGAM Management Committee is actively promoting RI internally through a governance structure that holds all our teams accountable for adopting ESG best practices. Integrating these responsibilities across the board helps us implement our action plan, expand and share knowledge and engage with stakeholders.

[\(https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la& \(p12\)\)](https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la& (p12))

- ☒ (C) Investment committee, or equivalent

Specify:

Our responsible investment convictions are deeply rooted in our organization. The DGAM Management Committee is actively promoting RI internally through a governance structure that holds all our teams accountable for adopting ESG best practices. Integrating these responsibilities across the board helps us implement our action plan, expand and share knowledge and engage with stakeholders.

[\(https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la& \(p12\)\)](https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la& (p12))

- ☒ (D) Head of department, or equivalent

Specify department:

Head of all departments have formal oversight over and accountability for responsible investment (Investment strategies, Operation, Business development and client relations, Investment departments (1 for each asset classes), RI department (Head of RI)

- ☐ (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

☒ (A) Yes

Describe how you do this:

Desjardins policy is built out of the organization's strategic plan, and Sustainable Finance is one of Desjardins' key tenants. Desjardins has a governance structure in place to ensure oversight and alignment across the organisation. Sustainable Finance issues are supervised by the Board of Directors, with the support of the Corporate Governance and Responsible Finance Commission and the Risk Management Commission. The Corporate Governance and Responsible Finance Commission ensures that Sustainable Finance issues are included in the overall strategy, which is implemented and monitored by the Desjardins Group Management Committee. The Desjardins Group Management Committee, supported by the ESG Steering Committee and the Finance and Risk Management Committee, is responsible for the implementation of the organization-wide sustainable finance strategy.

The ESG Steering Committee is made up of senior representatives, including DGAM's CEO, who represent our core business areas. The Government relations department is also represented on the Committee. The steering committee is supported by two cross-sector ESG working groups (representing our business sectors and support functions respectively) and by two working groups on climate-related risk quantification and disclosure, DGAM is an active member of two of these working group. For more information, see Desjardins CSR report: <https://www.desjardins.com/ressources/pdf/d50-rapport-sociale-2022-e.pdf?resVer=1681824758000>.

☐ (B) No

☐ (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

☒ (A) Internal role(s)

Specify:

Responsible Investment Team (10): • Alignment of RI strategies, initiatives and research with the various Desjardins teams • Design and implementation of RI strategies and engagement activities, research and innovation, ESG trend monitoring, publication of articles, collaboration with the industry and levers of influence  
Investissement Professionals (70+): • Integration of ESG criteria in the analysis and portfolio management processes • Dialogues with companies and partners on ESG issues

☒ **(B) External investment managers, service providers, or other external partners or suppliers**

Specify:

External investment managers, service providers, or other external partners or suppliers must align with our ESG priorities. Internal staff is in charge of overseeing these counterparties

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- **(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Explain why: (Voluntary)

The board members are responsible for oversight. There are a multitude of ESG KPIs (employee engagement, diversity, climate objectives, engagement, AUM in labeled bonds, AUM in renewable energy, certification, etc.) and the board members must ensure that the teams achieve their ESG objectives.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

- **(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

- **(1) KPIs are linked to compensation**
- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

There are a multitude of responsible investment KPIs (employee engagement, diversity, climate objectives, engagement, AUM in labeled bonds, AUM in renewable energy, certification, etc.). These KPIs help the team to assess the evolution and the depth of our responsible investment practices. We align part of our investment professionals' (including senior executive-level staff) compensation with ESG objectives. For example, variable compensation is linked to the percentage reduction in financed emissions for our proprietary assets.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?**

- ☐ (A) Any changes in policies related to responsible investment
- ☐ (B) Any changes in governance or oversight related to responsible investment
- ☒ (C) Stewardship-related commitments
- ☒ (D) Progress towards stewardship-related commitments
- ☒ (E) Climate-related commitments
- ☒ (F) Progress towards climate-related commitments
- ☒ (G) Human rights-related commitments
- ☒ (H) Progress towards human rights-related commitments
- ☒ (I) Commitments to other systematic sustainability issues
- ☒ (J) Progress towards commitments on other systematic sustainability issues
- ☐ (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?**

- ☒ (A) Yes, including all governance-related recommended disclosures
- ☒ (B) Yes, including all strategy-related recommended disclosures
- ☒ (C) Yes, including all risk management-related recommended disclosures
- ☒ (D) Yes, including all applicable metrics and targets-related recommended disclosures

- ☐ (E) None of the above

Add link(s):

<https://www.desjardins.com/ressources/pdf/d50-groupe-travail-info-changements-climatiques-GIFCC-2022-e.pdf>



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

- ☐ (A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- ☐ (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- ☒ (C) **Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year**

## STRATEGY

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

- ☒ (A) **Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services**
- ☐ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- ☒ (C) **Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact**
- ☒ (D) **Exclusions based on our organisation's climate change commitments**
- ☐ (E) Other elements
- ☐ (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

- ☐ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- ☐ (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns

- ☐ (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☒ (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☐ (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(2) Fixed income	(4) Real estate	(5) Infrastructure	(6) Hedge funds
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

For LE and FI, we have a stewardship engagement plan comprised of a 50 company focus list. We have an objective to engage them on specific and predetermined issues that fall into our 4 priority pillars allowing us to cover systematic sustainability issues as well as key issues depending on the materiality of the ESG factors for each company. Other engagements are conducted on an opportunistic basis. For INF and RE, we do engagement for all projects or assets.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

Collaborative engagement is crucial to DGAM's stewardship strategy. We are part of at least one collaborative initiative for each of our priority issues (for example, CEC and Climate Action 100+ for the transition to a low carbon economy issue). It is also an important step in the construction of our yearly engagement plan/focus list. It is also part of our escalation process as it allows for more striking power. We are part of : Advance PRI, CEC, CA100+, NA100, 30% Club, FAIRR, etc.). We have

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

☒ **(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**

Select from the list:

☒ **1**

☒ **(B) External investment managers, third-party operators and/or external property managers, if applicable**

Select from the list:

☒ **5**

☒ **(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**

Select from the list:

☒ **3**

☒ **(D) Informal or unstructured collaborations with investors or other entities**

Select from the list:

☒ **4**

☒ **(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**

Select from the list:

☒ **2**

☐ **(F) We do not use any of these channels**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 26	PLUS	OO 8, OO 9, PGS 1	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?**

☒ **(A) Example(s) of measures taken when selecting external service providers:**

DGAM has three external service providers working on stewardship: One to cast votes for all voting rights and the other two work on the US and international portion of DGAM's dialogue activities. When selecting external providers, DGAM analyses the tools, relationships and access, tailored engagement and philosophy of engagement when selecting providers.

☒ **(B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:**

DGAM uses an external service provider to analyze and cast votes for all voting rights attached to owned securities. The RI team provides the external providers policy and guidelines to apply voting rights. In a similar way, DGAM works closely with Aequo (mentioned above), to create an annual action plan to plan and prioritize which companies we will meet during the year. As such, DGAM submits a priority list of securities in which it has a material interest and a particular interest in setting up a dialogue strategy. Subsequently, quarterly exchanges will take place in order to follow the progress of this work plan and to examine the results obtained. Finally, DGAM also subscribes to Sustainalytics' services for engagements with portfolio companies.

☑ **(C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:**

The RI team reviews all votes to ensure that voting decisions are in accordance with the agreed-upon voting policy. We have a stringent process in place prior to voting at companies of strategic importance, or at companies where there are identified issues. As it relates to collaborating with the external provider on dialogues, DGAM submits a priority list of securities in which it has a material interest and a particular interest in setting up a dialogue strategy. Subsequently, quarterly exchanges will take place in order to follow the progress of this work plan and to examine the results obtained.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How are your organisation's stewardship activities linked to your investment decision making, and vice versa?**

Engagement activities are often conducted jointly between ESG team and investment teams.

Stewardship activities linked to your investment decision making: For DGAM, leadership in responsible investment is not limited to integrating ESG risks when selecting securities. We believe that engagement is an essential driver for portfolio managers to encourage issuers to adopt responsible practices. Drawing on our power to influence, we focus on mobilizing shareholders to mitigate the risks associated with our investments, optimize our returns and generate positive results for communities. Exercising voting rights, shareholder dialogues and interventions with public decision makers are effective mechanisms for encouraging issuers to improve their sustainable development practices (<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&onp.35>)

Investment decision making linked to your stewardship activities : Top pick are prioritize in our engagement plan. Moreover, a company that is eligible with good return prospect but with certain shortcomings in ESG practices, may be included in our portfolios and then approached through a dialogue. Conversely, a company "on watch list" will either be replaced or retained, but included in our shareholder engagement program as an incentive to improve its ESG practices. (<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&onp.41>).

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

DIALOGUES TO PROMOTE BEST ESG PRACTICES: The numerous dialogues that we have with issuers allow our IR team and our managers to better understand the companies' business model and ESG practices. In some cases, our teams go so far as to visit companies to assess specific issues, such as employee working conditions. Dialogues also allow us to make recommendations to improve risk management and identify opportunities specific to the organization.

VOTING RIGHTS, TO CONVEY A MESSAGE CONSISTENT WITH OUR PRINCIPLES: We consider it part of our fiduciary duty to vote on all proposals submitted to the shareholders' meetings of the companies we hold, in accordance with our principles and those of our clients. DGAM pays particular attention to the exercise of voting rights, which allows us to express our opinion on business practices in a manner consistent with the values of Desjardins and its partners.

REPORTING on our stewardship activities. We produce a quarterly report about our engagement activities and we have frequent meetings with clients to discuss votes (results & trends)

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

- ☒ (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes
  - Select from the below list:
    - ☒ (1) in all cases
    - ☐ (2) in a majority of cases
    - ☐ (3) in a minority of cases
- ☒ (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear
  - Select from the below list:
    - ☒ (1) in all cases
    - ☐ (2) in a majority of cases
    - ☐ (3) in a minority of cases
  - ☐ (D) We do not review external service providers' voting recommendations
  - ☐ (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

- ☐ (A) We recall all securities for voting on all ballot items

- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

● (C) Other

Specify:

We recall securities for some clients. We are in the process of adding a systematic recall for all securities (expected 2023).

- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?**

- ☑ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- ☑ (B) We pre-declared our voting intentions publicly by other means, e.g. through our website

Add link(s) to public disclosure:

<https://vds.issgovernance.com/vds/#/ODY3Mw==>

- ☑ (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?**

☒ **(A) Yes, for all (proxy) votes**

Add link(s):

<http://vds.issproxy.com/SearchPage.php?CustomerID=8673&language=fr>

- ☐ (B) Yes, for the majority of (proxy) votes
- ☐ (C) Yes, for a minority of (proxy) votes
- ☐ (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

☒ **(A) Within one month of the AGM/EGM**

- ☐ (B) Within three months of the AGM/EGM
- ☐ (C) Within six months of the AGM/EGM
- ☐ (D) Within one year of the AGM/EGM
- ☐ (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**



	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(3) for a minority of votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<http://vds.issproxy.com/SearchPage.php?CustomerID=8673&language=fr>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

All accounts are connected to ISS voting platform. Once the accounts are properly added, there is no possible mistake in the count of the votes.

We also have reminders a few times per week from ISS when a cutoff date is approaching for which we have not submitted a vote or if a ballot was not instructed properly (REFER alerts).

We have dedicated personal responsible for oversight

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

	(1) Listed equity	(2) Direct listed equity holdings in hedge fund portfolios
(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input type="checkbox"/>	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Divesting	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(G) Litigation	<input type="checkbox"/>	<input type="checkbox"/>
(H) Other	<input type="checkbox"/>	<input type="checkbox"/>

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

○

○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- ☒ (A) **Joining or broadening an existing collaborative engagement or creating a new one**
- ☐ (B) Publicly engaging the entity, e.g. signing an open letter
- ☒ (C) **Not investing**
- ☒ (D) **Reducing exposure to the investee entity**
- ☒ (E) **Divesting**
- ☐ (F) Litigation
- ☐ (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- ☒ (A) **Yes, we engaged with policy makers directly**
- ☒ (B) **Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI**
- ☒ (C) **Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI**
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- ☒ (A) We participated in 'sign-on' letters
- ☒ (B) We responded to policy consultations
- ☒ (C) We provided technical input via government- or regulator-backed working groups

Describe:

As part of Desjardins, we collaborate with the government relations department for any request regarding responsible investment considerations. In 2022, DGAM participated in the following initiatives:

Investment Industry Association of Canada ESG Sub-Committee, which serves as a forum to discuss best practices, debate common issues and help establish IIAC positions on ESG matters.

We signed the Call for Stronger Alignment of Regulatory and Standard Setting Efforts around Sustainability Disclosure, an initiative that aims to coordinate and align disclosure standards.

- ☐ (D) We engaged policy makers on our own initiative

- ☒ (E) Other methods

Describe:

In multiple events and conferences, Desjardins CEO influences policymakers by sharing the organization's ambition and importance of playing an active role in sustainable finance in Canada and globally.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- ☒ (A) We publicly disclosed all our policy positions

Add link(s):

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf?navigMW=la&>

- ☐ (B) We publicly disclosed details of our engagements with policy makers
  - ☐ (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

A productive dialogue with a newly listed company

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☒ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

In 2021, we began a dialogue with an insurance company. Recently made public, the company had a long way to go in their reporting process. From our very first conversations, the company was open to our requests, confirming their commitment to improving transparency. And they have honoured that commitment. In 2022, the company published its first sustainable development report in line with the SASB standard, including quantifiable and comparable measures and targets for each issue deemed material. For DGAM, the quality of this report rests on firmly implemented best ESG governance practices. The accountability of the company's ESG strategy lies with its board of directors and is deployed via a range of responsibilities that are entrusted to management- and employee-led committees. Board members receive training on ESG issues and the executive compensation program includes ESG performance indicators.

(B) Example 2:

Title of stewardship activity:

A shareholder proposal opens the door to a dialogue on the need to maintain transition efforts

- (1) Led by
- **(1) Internally led**
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- ☒ **(1) Environmental factors**
  - ☐ (2) Social factors
  - ☐ (3) Governance factors
- (3) Asset class(es)
- ☒ **(1) Listed equity**
  - ☒ **(2) Fixed income**
  - ☐ (3) Private equity
  - ☐ (4) Real estate
  - ☐ (5) Infrastructure
  - ☐ (6) Hedge funds
  - ☐ (7) Forestry
  - ☐ (8) Farmland
  - ☐ (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

For several years, DGAM has been in an ongoing dialogue with a fossil fuel company that, despite good ESG integration into its business model, seems to have lost momentum in its transition efforts. In response to a shareholder proposal asking the company to set science-based targets and adopt indirect emission targets (Scope 3), we met with management to get a better understanding of its strategy for this year through 2030. The directors explained that accelerating their transition required a radical change of business model, while pointing out that they calculate their indirect emissions and are assessing an alignment strategy. This dialogue led us to conclude that the company's strategy was not consistent with global best practices and that it could invest more effort in its transition program, which prompted us to vote "for" the proposal. We discussed the balance between maximizing shareholder value and ensuring the company's sustainability in a low-carbon world.

(C) Example 3:  
Title of stewardship activity:

Promising engagement thanks to a collaborative effort by investors

- (1) Led by
- **(1) Internally led**
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- ☐ (1) Environmental factors
  - ☒ **(2) Social factors**
  - ☐ (3) Governance factors
- (3) Asset class(es)
- ☒ **(1) Listed equity**
  - ☐ (2) Fixed income
  - ☐ (3) Private equity
  - ☐ (4) Real estate
  - ☐ (5) Infrastructure
  - ☐ (6) Hedge funds
  - ☐ (7) Forestry
  - ☐ (8) Farmland
  - ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

At the end of 2022, we initiated an engagement plan with a mining company dealing with several severe human rights controversies, including issues in its relations with Indigenous communities. We launched a dialogue to help the company strengthen its diversity and inclusion toolkit and to guide its work on international human rights management. Company leadership was very open to the process, but the controversies remained severe and showed a lack of transparency and insufficient attention to human rights and security issues. To maximize our chance of success, we have joined forces with other investors to put pressure on the company and ensure they take concrete action to mitigate the controversies and improve the transparency of their disclosures. This dialogue is ongoing and shows promise. There is hope for meaningful results.

(D) Example 4:

Title of stewardship activity:

A productive and collaborative engagement to achieving a diversity target

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☒ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

In 2022, a mining sector company was identified by investors as underrepresented by women on its board of directors. DGAM quickly decided to lead this engagement collaboratively by joining forces with another 30% Club member. We approached the company with two clear objectives: to convince it to foster greater gender diversity by working towards a 30% female leadership share, and to encourage it to adopt a diversity and inclusion policy with objectives. The company was very receptive and quickly rectified the situation by achieving 30% female representation on its board, a target it had set for 2024. Although this is positive news and demonstrates the leverage of collaboration, we want to go further by encouraging the company to adopt a policy for diversity. We also want them to hire more women for management roles, which are currently almost exclusively occupied by men

(E) Example 5:

Title of stewardship activity:

An example for financial institutions to follow

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☐ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☒ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Canadian banks are recognized worldwide for their sound governance practices. At DGAM, the election of directors through proxy voting is an important tool for reporting governance issues to the companies in which we invest. We can also leverage proxy voting to highlight the quality of their practices. In 2022, DGAM voted in favour of all the directors of a Canadian bank whose board structure included every key component in our approach. The proportion of non-independent directors is less than two thirds, women have 40% representation, subcommittee members are independent and the positions of CEO and Board chair are separate. Lastly, this bank's executive compensation program and ESG strategy governance are exemplary. It is a model that should inspire banks around the world in their own governance practices.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

☒ (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

From the perspective of Desjardins Group, the following risks and opportunities have been identified: physical, transition, regulatory, technology, reputation, and market risks. These risks also present opportunities in ways to hedge climate-related risks in our portfolios following the same classification as the one identified for the risks. Physical and transition risks in the short term with decarbonisation objectives by 2025, 2030 and 2050 for a majority of our asset classes within the Desjardins own funds. We use several tools and benchmarks to identify the climate-related risks and opportunities to our current portfolio, notably, financed emissions carbon footprint following the PCAF methodology, science-based targets as established by the SBTi methodology, Climate Value-at-Risk tool developed by MSCI, etc.

☒ (B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:



From the perspective of Desjardins Group, the following risks and opportunities have been identified: physical, transition, regulatory, technology, reputation, and market risks. These risks also present opportunities in ways to hedge climate-related risks in our portfolios following the same classification as the one identified for the risks. Physical and transition risks in the short term with decarbonisation objectives by 2025, 2030 and 2050 for a majority of our asset classes within the Desjardins own funds. We use several tools and benchmarks to identify the climate-related risks and opportunities to our current portfolio, notably, financed emissions carbon footprint following the PCAF methodology, science-based targets as established by the SBTi methodology, Climate Value-at-Risk tool developed by MSCI, etc.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Desjardins has adopted an ambitious plan aiming for net-zero emissions from its financing and investment activities in the transportation, energy and real estate sectors by 2040 (and by 2050 for all other sectors). In 2022, our organization continued to contribute to the collective effort for an equitable transition to a low-carbon economy by adopting new science-based capital targets. As portfolio manager, DGAM's role is to support Desjardins in achieving its ambitious climate objectives. Our Quantitative Strategy and Responsible Investment teams have created indexes that align with a net-zero trajectory. DGAM is a signatory of the Net Zero Asset

Manager Initiative, which commits us to achieving a net carbon neutrality target for our portfolios by 2050.

For Desjardins' own funds, interim targets of 30% and 50% have also been set for 2025 and 2030 respectively (compared to 2020)

**INTEGRATION INTO OUR PORTFOLIOS:** We've integrated the management of energy transition and climate risks into our portfolios in various ways. First, we introduced an exclusionary policy for issuers with thermal coal exposure and no credible strategy for transitioning away from coal.

We then adopted a new approach to calculating the carbon footprint of our portfolios using industry best practices and science-based targets in line with the Partnership for Carbon Accounting Financials (PCAF) and Science Based Targets Initiative (SBTi) methodologies. We use a hybrid carbon footprint reduction approach that's consistent with our reduction targets, but also with the practices of index providers. To make it easier for managers to monitor our portfolios and implement strategies, our approach includes specific parameters: • For our portfolio managers, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels) to limit the temperature increase to 1.5°C. • For our RI team, SBTi reduction targets will be tracked by calibrating our objectives following index carbon reductions and using a portfolio coverage indicator to determine the number of companies that are formally committed to decarbonizing their value chain (Scope 3 emissions).

Note that DGAM offers a full range of exchange-traded funds (ETFs) aimed at reducing the carbon footprint compared to the benchmark index, as well as several actively managed low-carbon solutions using negative ESG filters.

**SHAREHOLDER ENGAGEMENT :** As part of our engagement and voting activities, we assess corporate strategy on climate change from a number of angles: • Robust governance structure to oversee the integration and deployment of the climate change strategy • Transparent, detailed disclosure of GHG emissions • Adherence to a recognized reporting structure • Net-zero emissions by 2050, with short- and medium-term reduction targets • Executive compensation tied to measurable results in terms of ESG criteria • Low-carbon economy transition plan and development of new green technologies

**EXERCISING VOTING RIGHTS** Say on Climate proposals are subject to a consultative vote on corporate climate and transition programs.

By adopting such a policy, a company shows transparency on its climate strategy and provides shareholders with a consultative vote on the strategy. After gaining momentum in shareholder meetings in 2021, climate consultation gained popularity in 2022. In this context, DGAM decided to review the Say on Climate proposals with an aim to adjust its policies on exercising proxy voting rights. Among other things, we will now support consultative votes involving reduction targets aligned with the objectives of the Paris Agreement. This policy update formalizes our intention to support climate change integration into issuers' business models. Our decision aid criteria allow for a thorough analysis of Say on Climate proposals. This ensures that we fully grasp their nuances and support those that align with our objectives. We generally vote in favour of this type of proposal except in the cases:

- The report is not aligned with a recognized reporting framework, such as the Task Force on Climate-related Financial Disclosures (TCFD).
- The report does not state the company's indirect emissions (Scope 3).
- The reduction targets are not aligned with the goals of the Paris Agreement or science.
- No intermediary targets have been adopted or disclosed.
- The company does not have a strategy for phasing out fossil fuel use and/or production
- The emissions data is not verified by an independent source.
- No annual reporting to shareholders is planned.
- New intensive fossil fuel projects have been funded.
- No annual reports are presented to shareholders.
- The company does not plan to adopt practices consistent with the above-mentioned guidelines.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

#### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

##### ☒ (A) Coal

Describe your strategy:

☐ (A) Coal Desjardins will not invest its own funds in, or provide financial products (including corporate financing, financial intermediation, loans and insurance) to companies that:

- Operate or develop coal mines
- Have greater than 10%, or 5 GW, installed coal power generation capacity
- Are building, extending or renovating coal mines, power plants or infrastructure

In keeping with the principles of a just energy transition, and to support businesses that want to divest from the industry, Desjardins may work with companies that have announced a coal phase-out strategy in line with IPCC Guidelines and the Paris Agreement, which call for a complete coal phase-out by:

- 2030 for OECD countries
- 2040 for the rest of the world

This exception will only apply to a limited number of cases.

Our position applies to business relationships with current and future members and clients.

##### ☒ (B) Gas

Describe your strategy:

Desjardins has an internal position on Oil and Gas.

##### ☒ (C) Oil

Describe your strategy:

Desjardins has an internal position on Oil and Gas.

☒ **(D) Utilities**

Describe your strategy:

As Energy providers Utilities is a targeted sector in our climate objective

☐ (E) Cement

☐ (F) Steel

☒ **(G) Aviation**

Describe your strategy:

Transport is a targeted sector in our climate objective

☒ **(H) Heavy duty road**

Describe your strategy:

Transport is a targeted sector in our climate objective

☒ **(I) Light duty road**

Describe your strategy:

Transport is a targeted sector in our climate objective

☐ (J) Shipping

☐ (K) Aluminium

☐ (L) Agriculture, forestry, fishery

☐ (M) Chemicals

☐ (N) Construction and buildings

☐ (O) Textile and leather

☐ (P) Water

☐ (Q) Other

☐ (R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

[https://www.desjardins.com/ressources/pdf/d00-desjardins\\_position\\_coal.pdf](https://www.desjardins.com/ressources/pdf/d00-desjardins_position_coal.pdf)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)

☐ (B) Yes, using the One Earth Climate Model scenario

☐ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

☒ **(D) Yes, using other scenarios**

Specify:

We use the Climate Var (CVaR) developed by Carbon Delta / MSCI to evaluate the impact of various climate scenarios on our portfolios. Moreover, we use the SBTi methodology to align our portfolio to net zero, and use amongst other the Temperature rating tool to evaluate our portfolios

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

☒ **(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

We've integrated the management of energy transition and climate risks into our portfolios in various ways. First, we introduced an exclusionary policy for issuers with thermal coal exposure and no credible strategy or transitioning away from coal. We then adopted a new approach to calculating the carbon footprint of our portfolios using industry best practices and science-based targets in line with the Partnership for Carbon Accounting Financials (PCAF) and Science Based Targets Initiative (SBTi) methodologies. We use a hybrid carbon footprint reduction approach that's consistent with our reduction targets, but also with the practices of index providers. To make it easier for managers to monitor our portfolios and implement strategies, our approach includes specific parameters:

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- For our RI team, SBTi reduction targets will be tracked by calibrating our objectives following index carbon reductions and using a portfolio coverage indicator to determine the number of companies that are formally committed to decarbonizing their value chain (Scope 3 emissions).

Note that DGAM offers a full range of exchange-traded funds (ETFs) aimed at reducing the carbon footprint compared to the benchmark index, as well as several actively managed low-carbon solutions using negative ESG filters.

(2) Describe how this process is integrated into your overall risk management

At DGAM, we align our decision-making with broad sustainability themes that represent the priority issues identified in our ESG analyses and guide our many engagement activities. These themes also drive our research and the development of innovative ESG investment strategies.

The UN's Sustainable Development Goals (SDGs) and Desjardins' ESG risk management practices were both considered when selecting priority issues. Sustainability studies published by various industry stakeholders were also considered.

☒ **(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

Desjardins has adopted an ambitious plan aiming for net-zero emissions from its financing and investment activities in the transportation, energy and real estate sectors by 2040 (and by 2050 for all other sectors). In 2022, our organization continued to contribute to the collective effort for an equitable transition to a low-carbon economy by adopting new science-based capital targets. As portfolio manager, DGAM's role is to support Desjardins in achieving its ambitious climate objectives. Our Quantitative Strategy and Responsible Investment teams have created indexes that align with a net-zero trajectory. DGAM is a signatory of the Net Zero Asset

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**EXERCISING VOTING RIGHTS** Say on Climate proposals are subject to a consultative vote on corporate climate and transition programs.

By adopting such a policy, a company shows transparency on its climate strategy and provides shareholders with a consultative vote on the strategy. After gaining momentum in shareholder meetings in 2021, climate consultation gained popularity in 2022. In this context, DGAM decided to review the Say on Climate proposals with an aim to adjust its policies on exercising proxy voting rights.

Among other things, we will now support consultative votes involving reduction targets aligned with the objectives of the Paris Agreement. This policy update formalizes our intention to support climate change integration into issuers' business models. Our decision aid criteria allow for a thorough analysis of Say on Climate proposals. This ensures that we fully grasp their nuances and support those that align with our objectives. We generally vote in favour of this type of proposal except in the cases: • The report is not aligned with a recognized reporting framework, such as the Task Force on Climate-related Financial Disclosures (TCFD). • The report does not state the company's indirect emissions (Scope 3). • The reduction targets are not aligned with the goals of the Paris Agreement or science. • No intermediary targets have been adopted or disclosed.

• The company does not have a strategy for phasing out fossil fuel use and/or production • The emissions data is not verified by an independent source. • No annual reporting to shareholders is planned. • New intensive fossil fuel projects have been funded. • No annual reports are presented to shareholders. • The company does not plan to adopt practices consistent with the above-mentioned guidelines.

## (2) Describe how this process is integrated into your overall risk management

At DGAM, we align our decision-making with broad sustainability themes that represent the priority issues identified in our ESG analyses and guide our many engagement activities. These themes also drive our research and the development of innovative ESG investment strategies.

The UN's Sustainable Development Goals (SDGs) and Desjardins' ESG risk management practices were both considered when selecting priority issues. Sustainability studies published by various industry stakeholders were also considered.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

☒ **(A) Exposure to physical risk**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used

☒ **(2) Metric or variable used and disclosed**

- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.desjardins.com/ressources/pdf/d50-groupe-travail-info-changements-climatiques-GIFCC-2022-e.pdf?resVer=1689614685000>

☒ **(B) Exposure to transition risk**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used

☒ **(2) Metric or variable used and disclosed**

- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.desjardins.com/ressources/pdf/d50-groupe-travail-info-changements-climatiques-GIFCC-2022-e.pdf?resVer=1689614685000>

☐ (C) Internal carbon price

☒ **(D) Total carbon emissions**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

☒ **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.desjardins.com/ressources/pdf/d50-groupe-travail-info-changements-climatiques-GIFCC-2022-e.pdf?resVer=1689614685000>

☒ **(E) Weighted average carbon intensity**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used

☒ **(2) Metric or variable used and disclosed**

- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.desjardins.com/ressources/pdf/d50-groupe-travail-info-changements-climatiques-GIFCC-2022-e.pdf?resVer=1689614685000>

☐ (F) Avoided emissions

☒ **(G) Implied Temperature Rise (ITR)**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - **(1) Metric or variable used**
    - (2) Metric or variable used and disclosed
    - (3) Metric or variable used and disclosed, including methodology
- ☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- ☒ **(I) Proportion of assets or other business activities aligned with climate-related opportunities**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - **(1) Metric or variable used**
      - (2) Metric or variable used and disclosed
      - (3) Metric or variable used and disclosed, including methodology
  - ☐ (J) Other metrics or variables
    - (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

☒ **(A) Scope 1 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - **(2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.desjardins.com/ressources/pdf/d50-groupe-travail-info-changements-climatiques-GIFCC-2022-e.pdf>

☒ **(B) Scope 2 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - **(2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.desjardins.com/ressources/pdf/d50-groupe-travail-info-changements-climatiques-GIFCC-2022-e.pdf>

☒ **(C) Scope 3 emissions (including financed emissions)**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - **(2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.desjardins.com/ressources/pdf/d50-groupe-travail-info-changements-climatiques-GIFCC-2022-e.pdf>

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (B) The UNFCCC Paris Agreement
- ☐ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) The EU Taxonomy
- ☐ (F) Other relevant taxonomies
- ☐ (G) The International Bill of Human Rights
- ☐ (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (I) The Convention on Biological Diversity
- ☒ (J) Other international framework(s)  
Specify:  
SASB, TCFD, Green Bond Principles,
- ☐ (K) Other regional framework(s)
- ☐ (L) Other sectoral/issue-specific framework(s)
- ☐ (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) Identify sustainability outcomes that are closely linked to our core investment activities
- ☒ (B) Consult with key clients and/or beneficiaries to align with their priorities
- ☐ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☒ (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- ☐ (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- ☒ (F) Understand the geographical relevance of specific sustainability outcome objectives
- ☐ (G) Other method
- ☐ (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- ☒ (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- ☐ (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- ☐ (C) We have been requested to do so by our clients and/or beneficiaries

- ☐ (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- ☒ (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- ☒ (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- ☒ (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- ☐ (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- ☐ (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes
- ☐ (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- ☒ (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts

Explain how these activities were conducted:

Interviews with Mining watch Canada and other NGOs to understand the reality on the ground of mining operations and the negative impacts on the most vulnerable populations such as indigenous peoples. This gave us the opportunity to truly evaluate companies' disclosure, the processes in place and how efficient their grievance mechanisms were.

Our CEO met with Chief Na'Moks (Wet'suwet'en Hereditary Chief) to discuss indigenous people situation and the impact of the construction of a pipeline on their territory

- ☐ (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- ☐ (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

☒ (A) Workers

Sector(s) for which each stakeholder group was included

- ☒ (1) Energy
- ☒ (2) Materials
- ☐ (3) Industrials
- ☒ (4) Consumer discretionary
- ☒ (5) Consumer staples
- ☐ (6) Healthcare
- ☐ (7) Finance
- ☐ (8) Information technology

- ☐ (9) Communication services
- ☒ (10) Utilities
- ☐ (11) Real estate
- ☒ (B) Communities
  - Sector(s) for which each stakeholder group was included
  - ☒ (1) Energy
  - ☒ (2) Materials
  - ☐ (3) Industrials
  - ☒ (4) Consumer discretionary
  - ☒ (5) Consumer staples
  - ☐ (6) Healthcare
  - ☒ (7) Finance
  - ☐ (8) Information technology
  - ☐ (9) Communication services
  - ☒ (10) Utilities
  - ☐ (11) Real estate
- ☐ (C) Customers and end-users
- ☒ (D) Other stakeholder groups
  - Specify:

Indigenous peoples

Sector(s) for which each stakeholder group was included

- ☒ (1) Energy
- ☒ (2) Materials
- ☐ (3) Industrials
- ☒ (4) Consumer discretionary
- ☒ (5) Consumer staples
- ☐ (6) Healthcare
- ☒ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☒ (10) Utilities
- ☐ (11) Real estate

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

☒ (A) Corporate disclosures

Provide further detail on how your organisation used these information sources:

Part of our research process is to use exhaustive sources to identify, understand and manage the issues

☒ (B) Media reports

Provide further detail on how your organisation used these information sources:

Part of our research process is to use exhaustive sources to identify, understand and manage the issues.

☒ (C) Reports and other information from NGOs and human rights institutions

Provide further detail on how your organisation used these information sources:

Part of our research process is to use exhaustive sources to identify, understand and manage the issues

☒ **(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**

Provide further detail on how your organisation used these information sources:

Part of our research process is to use exhaustive sources to identify, understand and manage the issues

☒ **(E) Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

Part of our research process is to use exhaustive sources to identify, understand and manage the issues

☐ (F) Human rights violation alerts

☒ **(G) Sell-side research**

Provide further detail on how your organisation used these information sources:

Part of our research process is to use exhaustive sources to identify, understand and manage the issues

☒ **(H) Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

Part of our research process is to use exhaustive sources to identify, understand and manage the issues

☒ **(I) Information provided directly by affected stakeholders or their representatives**

Provide further detail on how your organisation used these information sources:

Part of our research process is to use exhaustive sources to identify, understand and manage the issues

☐ (J) Social media analysis

☐ (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

☐ (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

☐ (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

☒ **(C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year**

Explain why:

In our engagement process we try to influence our investees to adopt a responsible approach with the communities they affect. However, at this point, we do not have metrics indicating that our actions were successful.

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, we have a formal process that includes scenario analyses	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but it does not include scenario analyses			
(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion	○	○	○
(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies	○	○	○

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

	(1) Active - quantitative	(2) Active - fundamental
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(2) in a majority of cases	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(2) in a majority of cases	(1) in all cases	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(2) in a majority of cases	(1) in all cases	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(2) in a majority of cases	(1) in all cases	(1) in all cases



(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

○ ○ ○

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

ESG Integration: Transition to a low carbon economy

According to the 2023 World Economic Forum report, climate change remains the most severe risk the world will face in the short and long term. Egypt's COP27 participants also stressed the need to cap global greenhouse gas emissions by 2025 and reduce them by about 43% by 2030 in order to limit global warming to 1.5 degrees Celsius.<sup>2</sup>

Desjardins has adopted an ambitious plan aiming for net-zero emissions from its financing and investment activities in the transportation, energy and real estate sectors by 2040 (and by 2050 for all other sectors).

In 2022, our organization continued to contribute to the collective effort for an equitable transition to a low-carbon economy by adopting new science-based capital targets. As portfolio manager, DGAM's role is to support Desjardins in achieving its ambitious climate objectives. Our Quantitative Strategy and Responsible Investment teams have created indexes that align with a net-zero trajectory. DGAM is a signatory of the Net Zero Asset Manager Initiative, which commits us to achieving a net carbon neutrality target for our portfolios by 2050. For Desjardins' own funds, interim targets of 30% and 50% have also been set for 2025 and 2030 respectively (compared to 2020)

We've integrated the management of energy transition and climate risks into our portfolios in various ways.

First, we introduced an exclusionary policy for issuers with thermal coal exposure and no credible strategy for transitioning away from coal. We then adopted a new approach to calculating the carbon footprint of our portfolios using industry best practices and science-based targets in line with the Partnership for Carbon Accounting Financials (PCAF) and Science Based Targets Initiative (SBTi) methodologies. We use a hybrid carbon footprint reduction approach that's consistent with our reduction targets, but also with the practices of index providers. To make it easier for managers to monitor our portfolios and implement strategies, our approach includes specific parameters:

- For our portfolio managers, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels) to limit the temperature increase to 1.5°C.

- For our RI team, SBTi reduction targets will be tracked by calibrating our objectives following index carbon reductions and using a portfolio coverage indicator to determine the number of companies that are formally committed to decarbonizing their value chain (Scope 3 emissions).

Note that DGAM offers a full range of exchange-traded funds (ETFs) aimed at reducing the carbon footprint compared to the benchmark index, as well as several actively managed low-carbon solutions using negative ESG filters.

Page 42 of this report provides more details on the various ESG solutions offered by DGAM.

**CASE STUDY:** A shareholder proposal opens the door to a dialogue on the need to maintain transition efforts For several years, DGAM has been in an ongoing dialogue with a fossil fuel company that, despite good ESG integration into its business model, seems to have lost momentum in its transition efforts. In response to a shareholder proposal asking the company to set science-based targets and adopt indirect emission targets (Scope 3), we met with management to get a better understanding of its strategy for this year through 2030. The directors explained that accelerating their transition required a radical change of business model, while pointing out that they calculate their indirect emissions and are assessing an alignment strategy.

This dialogue led us to conclude that the company's strategy was not consistent with global best practices and that it could invest more effort in its transition program, which prompted us to vote "for" the proposal. We discussed the balance between maximizing shareholder value and ensuring the company's sustainability in a low-carbon world.

#### OUR 2022 ACHIEVEMENTS

- 101 dialogues with companies on the issue of transitioning to a low-carbon economy.
- 40% reduction in the carbon footprint of Desjardins' owned funds in relation to their respective indexes.
- \$1.7 billion in renewable energy infrastructure.
- \$1.9 billion in green and sustainable bonds.
- Updated our voting rights policy following our analysis of Say on Climate proposals to reflect our new climate ambitions.
- 39 votes in favour of shareholder proposals dealing with GHG emissions management and the disclosure of climate change risks.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process			
(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	○	○	○

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 21	N/A	PUBLIC	Passive investments	1

**Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.**

As a leader in RI, DGAM has put in place several thematic strategies related to climate change and the need to provide low carbon equities strategies. DGAM manages eight responsible investment Low CO2 ETFs that primarily invest in large and midcap companies from the Scientific Beta Universes; these ETFs also seek to deliver a significant reduction (more than 25%) in the weighted average carbon intensity relative to the cap-weighted index of the benchmark and while ensuring that all constituent issuers meet pre-determined ESG Standards. The strategies tilt the weight of eligible constituents in order to reach our climate objective.

The ETFs are: RI Active Canadian Bond - Low CO2 RI Canada - Low CO2 Index RI - Canada Multifactor - Low CO2 RI USA - Low CO2 Index RI USA Multifactor - Low CO2 RI Developed ex-USA ex-Canada Multifactor - Low CO2 - RI Emerging Markets Multifactor - Low CO2;

Note: In September 2023, those strategies will be updated to reflect best practices in climate-risk management. The new climate objective will align the strategies on a Net-Zero Pathway (instead of relative decarbonization vs a traditional index).

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	PLUS	OO 19, OO 21	N/A	PUBLIC	Passive investments	1

**How does your organisation select the ESG index(es) or benchmark(s) for your passive listed equity assets?**

☒ **(A) We commission customised indexes**

Explain:

Desjardins Group funds, managed by DGAM, which represent 40.5% of our AUM is committed to Net zero. Therefore, in order to help the portfolio managers to integrate ESG and to align their portfolios to our science based targets as established by the SBTi, DGAM's RI and Quantitative Strategy teams have worked together to develop benchmark indexes that reflect ESG criteria. These indexes help to align investment portfolios with ambitions in terms of climate risk management and the consideration of ESG risks and opportunities in all investment decisions. The Desjardins ESG benchmark indexes are developed following three axes of our esg approach. First, our ESG benchmark indexes delineate the investment universe for portfolio managers by excluding, among others, issuers whose activities are related to controversial weapons, tobacco production and thermal coal. Second, the new benchmarks are aligned with Desjardins' decarbonization target for financed emissions (and with DGAM's interim reduction targets of 30% by 2025 and 50% by 2030 to achieve carbon neutrality by 2050). Finally, Indexes integrate DGAM's proprietary ESG assessment grid. Canadian issuers that we rank as being too high-risk for our portfolios are excluded from the universe. For international issuers, we use a systematic approach to exclude issuers whose ESG practices are considered poor according to DGAM

☒ **(B) We compare the methodology amongst the index providers available**

Explain:

It is the starting point of our research when we need a new benchmark. However, due to specific needs, we usually develop our own indices (see a)

☒ (C) We compare the costs of different options available in the market

Explain:

Cost considerations are always important but having the right benchmark is a priority. We balance both objectives

☐ (D) Other

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

☒ (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks

☐ (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening

☒ (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening

☐ (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

**(1) Active - quantitative****(2) Active - fundamental**

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- ☒ (A) We share a list of ESG screens
- ☒ (B) We share any changes in ESG screens
- ☒ (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- ☐ (D) We do not share the above information for all our listed equity assets subject to ESG screens

## FIXED INCOME (FI)

### OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?

	(1) SSA	(2) Corporate
(A) Yes, our investment process incorporates material governance factors	(2) for a majority of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(2) for a majority of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(2) for a majority of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**



	(1) SSA	(2) Corporate
(A) Yes, we have a formal process that includes scenario analyses	(2) for a majority of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but does it not include scenario analyses	(3) for a minority of our AUM	
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	○	○
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	○	○

**(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)**

At DGAM, we align our decision-making with broad sustainability themes that represent the priority issues identified in our ESG analyses and guide our many engagement activities. These themes also drive our research and the development of innovative ESG investment strategies. The UN's Sustainable Development Goals (SDGs) and Desjardins' ESG risk management practices were both considered when selecting priority issues. Sustainability studies published by various industry stakeholders were also considered.

Our approach focuses on four major interrelated themes that improve the coherence and effectiveness of how we think and act. Each of these themes is linked to specific SDGs. Changing ESG trends are incorporated in our priority issues and, ultimately, influence our investment decisions.

## PRE-INVESTMENT

## ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector	(1) for all of our AUM	(1) for all of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	○	○
(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments		
(B) We make a qualitative assessment of how material ESG factors may evolve	(1) for all of our AUM	(1) for all of our AUM

(C) We do not incorporate significant changes in material ESG factors

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

**(1) SSA**

**(2) Corporate**

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(1) for all of our AUM

(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(1) for all of our AUM

(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(1) for all of our AUM

(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways

(2) for a majority of our AUM

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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**(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways - Specify:**

Desjardins Group's proprietary assets are subject to the following commitment: the carbon footprint of our own assets invested in the markets is 25% less than the average greenhouse gas emissions of the companies that make up the stock and bond market indices. As a result, Portfolio Managers are responsible for managing the carbon footprint of the funds subject to Desjardins Group's climate change commitment. In this regard, a methodology and process were developed to cover corporate issuers. From 2023, our proprietary assets are to be aligned on a net zero trajectory. Part of this objective is to add sovereign issuers in the coverage.

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

**(1) SSA**

**(2) Corporate**

(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations

(2) for a majority of our AUM

(1) for all of our AUM

(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits

(2) for a majority of our AUM

(1) for all of our AUM

(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors

(2) for a majority of our AUM

(1) for all of our AUM

(D) We use another method of incorporating material ESG factors into our portfolio's risk management process

(2) for a majority of our AUM

(1) for all of our AUM

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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**(D) We use another method of incorporating material ESG factors into our portfolio's risk management process - Specify:**

The ESG practices are evaluated by our ESG investment team. DGAM uses SASB materiality map to analyse ESG issues of companies. This analysis allows the portfolio manager to eliminate companies that are materially underperforming from an ESG perspective or facing controversies that are considered by the portfolio manager to be significant, recurring and/or unaddressed by the issuer's management team. This evaluation is further shared and discussed with the investment team (Investment Analysts and Portfolio Managers) to enhance the analysis. The result of the evaluation is an eligibility mapping where each issuer is assigned one of four colour codes: green and yellow are eligible companies, orange is for substitution or dialogue and red for substitution or rebalancing. A similar process is in place for sovereign issuers (with the exception of Munis, which is in development)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) SSA	(2) Corporate
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion	<input type="radio"/>	<input type="radio"/>
(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process	<input type="radio"/>	<input type="radio"/>

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

Our internal analysis allows for companies to be flagged according to multiple ESG factors. Internally the responsible investment team downgraded a power company and advised to divest completely. We divested completely from the holding and its subsidy company which operates in the power generation sector, as this issuer did not have a complete exit strategy from coal by 2030. This decision was in line with DGAM's strategy of decarbonizing investments and favoring sound management towards the energy transition. The exit from this issuer allowed us to sell at an opportune time, as the market flagged this power company's issues after the internal downgrade, which caused a loss in value. Our environmental factors were therefore able to add to the portfolio through timely divestment.

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	PLUS	OO 20, OO 21	N/A	PUBLIC	Thematic bonds	3

**What percentage of environmental, social and/or other labelled thematic bonds held by your organisation has been verified?**

**As a percentage of your total labelled bonds:**

(A) Third-party assurance	(2) >0–25%
(B) Second-party opinion	(5) >75%
(C) Approved verifiers or external reviewers (e.g. via CBI or ICMA)	(1) 0%



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

**What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?**

- ☒ (A) The bond's use of proceeds
- ☒ (B) The issuers' targets
- ☒ (C) The issuers' progress towards achieving their targets
- ☒ (D) The issuer profile and how it contributes to their targets
- ☐ (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- ☐ (F) Not applicable; we do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

**During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?**

- ☐ (A) We engaged with the issuer
- ☐ (B) We alerted thematic bond certification agencies
- ☐ (C) We sold the security
- ☐ (D) We blacklisted the issuer
- ☐ (E) Other action
- ☐ (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year
- ☒ (G) Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- ☒ (A) We share a list of ESG screens
- ☒ (B) We share any changes in ESG screens
- ☒ (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- ☐ (D) We do not share the above information for all our fixed income assets subject to ESG screens

## REAL ESTATE (RE)

### POLICY

### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 1	CORE	OO 21, OO 24, OO 26	N/A	PUBLIC	Investment guidelines	1 to 6

What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- ☐ (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail and education) and geography
- ☒ (B) Guidelines on our ESG approach to new construction
- ☒ (D) Guidelines on our ESG approach to standing real estate investments
- ☒ (E) Guidelines on pre-investment screening
- ☐ (F) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- ☒ (G) Guidelines on our approach to ESG integration into long-term value creation efforts
- ☒ (H) Guidelines on our approach to ESG reporting
- ☒ (I) Guidelines on our engagement approach related to third-party property managers
- ☒ (J) Guidelines on our engagement approach related to tenants
- ☐ (K) Guidelines on our engagement approach related to construction contractors
- ☐ (L) Our responsible investment policy(ies) does not cover real estate-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

**For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?**

- ☐ (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- ☐ (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- ☐ (C) We added responsible investment commitments in side letters upon a client's request
- ☐ (D) We did not make any formal responsible investment commitments for the relevant reporting year
- ☒ (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3	CORE	OO 21	RE 3.1	PUBLIC	Materiality analysis	1

**During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?**

- ☒ (A) We assessed ESG materiality for each property, as each case is unique
  - Select from dropdown list:
    - ☒ (1) for all of our potential real estate investments
    - ☐ (2) for a majority of our potential real estate investments
    - ☐ (3) for a minority of our potential real estate investments
- ☐ (B) We performed a mix of property level and property type or category level ESG materiality analysis
- ☐ (C) We assessed ESG materiality at the property type or category level only
- ☐ (D) We did not conduct ESG materiality analysis for our potential real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3.1	CORE	RE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?

- ☒ (A) We used GRI standards to inform our real estate ESG materiality analysis
- ☒ (B) We used SASB standards to inform our real estate ESG materiality analysis
- ☐ (C) We used the UN Sustainable Development Goals (SDGs) to inform our real estate ESG materiality analysis
- ☐ (D) We used GRESB Materiality Assessment (RC7) or similar to inform our real estate ESG materiality analysis
- ☒ (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our real estate ESG materiality analysis
- ☐ (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our real estate ESG materiality analysis
- ☒ (G) We used geopolitical and macro-economic considerations in our real estate ESG materiality analysis
- ☒ (H) We used green building certifications to inform our real estate ESG materiality analysis
- ☐ (I) We engaged with the existing owners and/or managers (or developers for new properties) to inform our real estate ESG materiality analysis
- ☐ (J) Other

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence your selection of real estate investments?

- ☒ (A) Material ESG factors were used to identify risks  
Select from dropdown list:
  - ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☒ (B) Material ESG factors were discussed by the investment committee (or equivalent)  
Select from dropdown list:
  - ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☒ (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)  
Select from dropdown list:
  - ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☒ (D) Material ESG factors were used to identify opportunities for value creation  
Select from dropdown list:
  - ☒ (1) for all of our potential real estate investments
  - ☐ (2) for a majority of our potential real estate investments
  - ☐ (3) for a minority of our potential real estate investments
- ☐ (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate
- ☐ (F) Material ESG factors impacted investments in terms of the price offered and/or paid
- ☐ (G) Material ESG factors did not influence the selection of our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential real estate investments?

☒ (A) We conduct a high-level or desktop review against an ESG checklist for initial red flags

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☐ (B) We send detailed ESG questionnaires to target properties

☒ (C) We hire third-party consultants to do technical due diligence on specific material ESG factors

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☒ (D) We conduct site visits

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☒ (E) We conduct in-depth interviews with management and/or personnel

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☐ (F) We conduct detailed external stakeholder analysis and/or engagement

☒ (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☒ (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- ☒ (1) for all of our potential real estate investments
- ☐ (2) for a majority of our potential real estate investments
- ☐ (3) for a minority of our potential real estate investments

☐ (I) Other

☐ (J) We do not conduct due diligence on material ESG factors for potential real estate investments

# SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY PROPERTY MANAGERS

## SELECTION PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 6	CORE	OO 21, OO 26	N/A	PUBLIC	Selection process of third-party property managers	1, 4

During the reporting year, how did you include material ESG factors in all of your selections of third-party property managers?

- ☒ (A) We requested information from potential third-party property managers on their overall approach to material ESG factors
- ☒ (B) We requested track records and examples from potential third-party property managers on their management of material ESG factors
- ☒ (C) We requested information from potential third-party property managers on their engagement process(es) with stakeholders
- ☒ (D) We requested documentation from potential third-party property managers on their responsible procurement practices, including responsibilities, approach and incentives
- ☐ (E) We requested the assessment of current and planned availability and aggregation of metering data from potential third-party property managers
- ☐ (F) Other
- ☐ (G) We did not include material ESG factors in our selection of third-party property managers

## APPOINTMENT PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 7	CORE	OO 21, OO 26	N/A	PUBLIC	Appointment process of third-party property managers	1, 4

How did you include material ESG factors when appointing your current third-party property managers?

- ☒ (A) We set dedicated ESG procedures in all relevant property management phases  
Select from dropdown list:
  - ☒ (1) for all of our third-party property managers
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ (B) We set clear ESG reporting requirements  
Select from dropdown list:
  - ☒ (1) for all of our third-party property managers
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ (C) We set clear targets on material ESG factors

Select from dropdown list:

- ☒ (1) for all of our third-party property managers
- ☐ (2) for a majority of our third-party property managers
- ☐ (3) for a minority of our third-party property managers
- ☒ (D) We set incentives related to targets on material ESG factors
 

Select from dropdown list:

  - ☒ (1) for all of our third-party property managers
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ (E) We included responsible investment clauses in property management contracts
 

Select from dropdown list:

  - ☒ (1) for all of our third-party property managers
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☐ (F) Other
- ☐ (G) We did not include material ESG factors in the appointment of third-party property managers

## MONITORING PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 8	CORE	OO 21, OO 26	N/A	PUBLIC	Monitoring process of third-party property managers	1, 4

How do you include material ESG factors when monitoring current third-party property managers?

- ☒ (A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors
 

Select from dropdown list:

  - ☒ (1) for all of our third-party property managers
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ (B) We monitor the performance of quantitative and/or qualitative targets on material social factors
 

Select from dropdown list:

  - ☒ (1) for all of our third-party property managers
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ (C) We monitor the performance of quantitative and/or qualitative targets on material governance factors
 

Select from dropdown list:

  - ☒ (1) for all of our third-party property managers
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ (D) We monitor progress reports on engagement with tenants
 

Select from dropdown list:

  - ☒ (1) for all of our third-party property managers
  - ☐ (2) for a majority of our third-party property managers
  - ☐ (3) for a minority of our third-party property managers
- ☒ (E) We require formal reporting at least yearly

Select from dropdown list:

- ☒ (1) for all of our third-party property managers
- ☐ (2) for a majority of our third-party property managers
- ☐ (3) for a minority of our third-party property managers
- ☒ (F) We have discussions about material ESG factors with all relevant stakeholders at least yearly

Select from dropdown list:

- ☒ (1) for all of our third-party property managers
- ☐ (2) for a majority of our third-party property managers
- ☐ (3) for a minority of our third-party property managers
- ☐ (G) We conduct a performance review of third-party property managers against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors
- ☒ (H) We have internal or external parties conduct site visits at least yearly

Select from dropdown list:

- ☒ (1) for all of our third-party property managers
- ☐ (2) for a majority of our third-party property managers
- ☐ (3) for a minority of our third-party property managers
- ☐ (I) Other
- ☐ (J) We do not include material ESG factors in the monitoring of third-party property managers

## CONSTRUCTION AND DEVELOPMENT

### CONSTRUCTION REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 9	CORE	OO 21, OO 24	N/A	PUBLIC	Construction requirements	1

**What ESG requirements do you currently have in place for all development projects and major renovations?**

- ☐ (A) We require the management of waste by diverting materials (e.g. from construction and demolition, reusable vegetation, rocks and soil) from disposal
- ☒ (B) We require the minimisation of light and noise pollution that would affect the surrounding community
- ☒ (C) We require the performance of an environmental and social site impact assessment
- ☒ (D) We require the protection of the air quality during construction
- ☒ (E) We require the protection and restoration of the habitat and soils disturbed during construction and/or during previous development
- ☒ (F) We require the protection of surface water, groundwater and aquatic ecosystems by controlling and retaining construction pollutants
- ☒ (G) We require constant monitoring of health and safety at the construction site
- ☐ (H) We require engagement with local communities and other stakeholders during the design and/or planning process
- ☐ (I) Other
- ☐ (J) We do not have ESG requirements in place for development projects and major renovations



## MINIMUM BUILDING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 10	CORE	OO 21, OO 24	N/A	PUBLIC	Minimum building requirements	1

**What minimum building requirements do you have in place for development projects and major renovations?**

☒ **(A) We require the implementation of the latest available metering and internet of things (IoT) technology**

Select from dropdown list:

- ☐ (1) for all development projects and major renovations
- ☒ **(2) for a majority of our development projects and major renovations**
- ☐ (3) for a minority of our development projects and major renovations

☒ **(B) We require the building to be able to obtain a recognised green and/or healthy building certification for new buildings**

Select from dropdown list:

- ☒ **(1) for all development projects and major renovations**
- ☐ (2) for a majority of our development projects and major renovations
- ☐ (3) for a minority of our development projects and major renovations

☐ (C) We require the use of certified (or labelled) sustainable building materials

☐ (D) We require the installation of renewable energy technologies where feasible

☐ (E) We require that development projects and major renovations become net-zero carbon emitters within five years of completion of the construction

☒ **(F) We require water conservation measures**

Select from dropdown list:

- ☒ **(1) for all development projects and major renovations**
- ☐ (2) for a majority of our development projects and major renovations
- ☐ (3) for a minority of our development projects and major renovations

☒ **(G) We require common health and well-being measures for occupants**

Select from dropdown list:

- ☒ **(1) for all development projects and major renovations**
- ☐ (2) for a majority of our development projects and major renovations
- ☐ (3) for a minority of our development projects and major renovations

☐ (H) Other

☐ (I) We do not have minimum building requirements in place for development projects and major renovations

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11	CORE	OO 21	RE 11.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your real estate investments?

☒ (A) Yes, we tracked KPIs on environmental factors

Percentage of real estate assets this applies to:

- ☐ (1) >0 to 10%
- ☐ (2) >10 to 50%
- ☐ (3) >50 to 75%
- ☐ (4) >75 to 95%

☒ (5) >95%

☒ (B) Yes, we tracked KPIs on social factors

Percentage of real estate assets this applies to:

- ☐ (1) >0 to 10%
- ☐ (2) >10 to 50%
- ☐ (3) >50 to 75%
- ☐ (4) >75 to 95%

☒ (5) >95%

☒ (C) Yes, we tracked KPIs on governance factors

Percentage of real estate assets this applies to:

- ☐ (1) >0 to 10%
- ☐ (2) >10 to 50%
- ☐ (3) >50 to 75%
- ☐ (4) >75 to 95%

☒ (5) >95%

☐ (D) We did not track KPIs on material ESG factors across our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11.1	PLUS	RE 11	N/A	PUBLIC	Monitoring	1

Provide examples of KPIs on material ESG factors you tracked across your real estate investments during the reporting year.

(A) ESG KPI #1

Monthly Energy (electrical and gas) data

(B) ESG KPI #2

Tenant satisfaction surveys

(C) ESG KPI #3

Building Certifications

(D) ESG KPI #4

Monthly water usage data

(E) ESG KPI #5

Health and wellbeing programs

(F) ESG KPI #6

Energy, water and waste projects

(G) ESG KPI #7

Technical assessments completed at a property

(H) ESG KPI #8

Community outreach programs

(I) ESG KPI #9

(J) ESG KPI #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 12	CORE	OO 21	N/A	PUBLIC	Monitoring	1

During the reporting year, what ESG building performance data did you collect for your real estate assets?

☒ (A) Energy consumption

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (B) Water consumption

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ (3) for a minority of our real estate assets

☒ (C) Waste production

Select from dropdown list:

- ☐ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☒ (3) for a minority of our real estate assets

☐ (D) Other

- ☐ (E) We did not collect ESG building performance data for our real estate assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 13	CORE	OO 21, OO 26	RE 13.1	PUBLIC	Monitoring	1, 2

What processes do you have in place to support meeting your targets on material ESG factors for your real estate investments?

☒ (A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☐ (B) We implement certified environmental and social management systems across our portfolio

☒ (C) We make sufficient budget available to ensure that the systems and procedures needed are established

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (D) We hire external verification services to audit performance, systems, and procedures

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (E) We collaborate and engage with our third-party property managers and/or tenants to develop action plans

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☒ (F) We develop minimum health and safety standards

Select from dropdown list:

- ☒ (1) for all of our real estate assets
- ☐ (2) for a majority of our real estate assets
- ☐ (3) for a minority of our real estate assets

☐ (G) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users

☐ (H) Other

☐ (I) We do not have processes in place to help meet our targets on material ESG factors for our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 13.1	PLUS	RE 13	N/A	PUBLIC	Monitoring	1, 2

Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.

(A) Process one

DGAM's goal is to certify 100% of its buildings by 2023. This means that the buildings must meet the criteria required for LEED® or BOMA BEST® certification, such as sustainable site development, energy efficiency and effective health and safety management. As such, we have informed its 13 property managers of our commitments, and are working closely with them to ensure we achieve our objective. Every year, we assign each of them an ESG score, which is based on a range of criteria, based among others on GRESB. DGAM has participated in the GRESB survey since 2018.

(B) Process two

DGAM uses the Mesurabl platform to measure and monitor a range of indicators related to ESG factors for each of its properties (such as energy use, water consumption and residual waste production). This data management system makes it possible to track each site's performance year-over-year and make comparisons between sites. In turn, this enables DGAM to set objectives grounded in ESG criteria, measure performance in light of these objectives, and conduct annual evaluations of key environmental and social indicators for all assets held in the portfolio.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 14	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period?**

☒ **(A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list:

- ☒ **(1) for all of our real estate investments**
- ☐ (2) for a majority of our real estate investments
- ☐ (3) for a minority of our real estate investments

☒ **(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list:

- ☒ **(1) for all of our real estate investments**
- ☐ (2) for a majority of our real estate investments
- ☐ (3) for a minority of our real estate investments

☒ **(C) We, or the external advisors that we hire, support our real estate investments with specific ESG value-creation opportunities**

Select from dropdown list:

- ☒ **(1) for all of our real estate investments**
- ☐ (2) for a majority of our real estate investments
- ☐ (3) for a minority of our real estate investments

☐ **(D) Other**

- ☐ **(E) We do not manage material ESG risks and opportunities post-investment**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 15	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe how you ensure that material ESG risks are adequately addressed in the real estate investments where you hold a minority stake.**

Within minority partnerships DGAM consistently pushes to address ESG and Decarbonization aspects in the portfolios. ESG risks are discussed at quarterly meetings with stakeholders and at length at Annual General Meetings with principals of each company. In recent years DGAM has successfully initiated GRESB reporting, Measurabl Data Tracking, Certification mandates and many other initiatives as a minority partner and will continue to do so.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 16	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.**

The projects and action plans are decided on between the asset managers and the property manager. Guidelines have been created by DGAM to outline specific ESG criteria that all property managers should work towards. These guidelines are specific to the type of building and are reviewed and worked on by the property managers and Desjardins teams. Measurabl, a data collection service provider, allows for the monitoring of data collection. As the data is collected it allows DGAM asset managers to review and monitor the quality of the data. Furthermore, each quarter there are meetings with the property managers to review progress on any projects, data monitoring and monitoring of social programs. Overall monitoring of ESG performance and KPIs occurs through the GRESB performance survey submission each year. As the data is accumulated for the portfolio review, review of target and objectives of action plans are reviewed. Furthermore, the GRESB data is used to review the progress of ESG by building and property manager to identify recommended improvement that can be added to the action plans.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 17	CORE	OO 21	N/A	PUBLIC	Monitoring	1

**What proportion of your real estate assets has obtained a green or sustainable building certification?**

- ☐ (A) All of our real estate assets have obtained a green or sustainable building certification
- ☒ (B) A majority of our real estate assets have obtained a green or sustainable building certification
- ☐ (C) A minority of our real estate assets have obtained a green or sustainable building certification
- ☐ (D) None of our real estate assets have obtained a green or sustainable building certification

## STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 18	CORE	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

### How does your third-party property manager(s) engage with tenants?

☒ (A) They engage with real estate tenants on energy, water consumption and/or waste production

Select from dropdown list:

- ☒ (1) for all of our buildings or properties
- ☐ (2) for a majority of our buildings or properties
- ☐ (3) for a minority of our buildings or properties

☒ (B) They engage with real estate tenants by organising tenant events focused on increasing sustainability awareness, ESG training and guidance

Select from dropdown list:

- ☐ (1) for all of our buildings or properties
- ☒ (2) for a majority of our buildings or properties
- ☐ (3) for a minority of our buildings or properties

☒ (C) They engage with real estate tenants by offering green leases

Select from dropdown list:

- ☒ (1) for all of our buildings or properties
- ☐ (2) for a majority of our buildings or properties
- ☐ (3) for a minority of our buildings or properties

☒ (D) They engage with real estate tenants by identifying collaboration opportunities that support targets related to material ESG factors

Select from dropdown list:

- ☐ (1) for all of our buildings or properties
- ☒ (2) for a majority of our buildings or properties
- ☐ (3) for a minority of our buildings or properties

☒ (E) They engage with real estate tenants by offering shared financial benefits from equipment upgrades

Select from dropdown list:

- ☐ (1) for all of our buildings or properties
- ☒ (2) for a majority of our buildings or properties
- ☐ (3) for a minority of our buildings or properties

☐ (F) Other

- ☐ (G) Our third-party property manager(s) do not engage with tenants

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 19	PLUS	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

**During the reporting year, how did you or the organisations operating on your behalf engage with the local community above and beyond what is required by relevant regulations for asset design, use and/or repurposing?**

All buildings are assessed for tenant engagement and community outreach programs. Programs are designed by the property managers with input from DGAM and are then implemented. Social programs are reviewed on a quarterly basis by the asset managers. Different building types allow for different level of outreach, however, aiding the community is a positive action that is implemented across the portfolio. As an example, an office building turned flower beds into a garden that was shared with the local community and allowed for a practical lesson to children of what can be produced. At retail properties events such as antique car shows are held to draw people together. Other residential buildings, have physical exercise classes, rooftop yoga, or bbq events that bring the community together. In addition, fundraisers are used to raise money for specific projects such as our annual "bed race" hospital fundraiser. All outreach programs and events are integrated into the real estate management practices, not an afterthought.

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 20	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

**During the reporting year, what responsible investment information was shared with potential buyers of real estate investments?**

- ☒ **(A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory**  
Select from dropdown list:
  - ☒ **(1) for all of our real estate investments**
  - ☐ (2) for a majority of our real estate investments
  - ☐ (3) for a minority of our real estate investments
- ☒ **(B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB**  
Select from dropdown list:
  - ☒ **(1) for all of our real estate investments**
  - ☐ (2) for a majority of our real estate investments
  - ☐ (3) for a minority of our real estate investments
- ☒ **(C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)**  
Select from dropdown list:
  - ☒ **(1) for all of our real estate investments**
  - ☐ (2) for a majority of our real estate investments
  - ☐ (3) for a minority of our real estate investments
- ☐ (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- ☐ (E) The outcome of our latest ESG risk assessment of the property(s)
- ☐ (F) Key ESG performance data on the property(s) being sold
- ☐ (G) Other



- (H) No responsible investment information was shared with potential buyers of real estate investments during the reporting year
- (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 21	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report on your targets on material ESG factors and related data to your investors?

- ☒ (A) We reported through a publicly disclosed sustainability report
- ☒ (B) We reported in aggregate through formal reporting to investors
- ☒ (C) We reported at the property level through formal reporting to investors
- ☐ (D) We reported through a limited partners advisory committee (or equivalent)
- ☐ (E) We reported at digital or physical events or meetings with investors
- ☒ (F) We had a process in place to ensure that serious ESG incidents were reported
- ☐ (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

## INFRASTRUCTURE (INF)

### POLICY

#### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 1	CORE	OO 21, OO 29, OO 30	N/A	PUBLIC	Investment guidelines	1 to 6

What infrastructure-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- ☒ (A) Guidelines on our ESG approach tailored to each infrastructure sector and geography where we invest
- ☒ (B) Guidelines on our ESG approach to greenfield investments
- ☒ (C) Guidelines on our ESG approach to brownfield investments
- ☒ (D) Guidelines on pre-investment screening
- ☐ (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- ☒ (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- ☐ (G) Guidelines on our approach to ESG reporting
- ☐ (H) Guidelines on our engagement approach related to the workforce
- ☒ (I) Guidelines on our engagement approach related to third-party operators
- ☐ (J) Guidelines on our engagement approach related to contractors

- ☐ (K) Guidelines on our engagement approach related to other external stakeholders, e.g. governments, local communities, and end-users
- ☐ (L) Our responsible investment policy(ies) does not cover infrastructure-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- ☒ (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- ☐ (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- ☐ (C) We added responsible investment commitments in side letters upon a client's request
- ☐ (D) We did not make any formal responsible investment commitments for the relevant reporting year
- ☐ (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3	CORE	OO 21	INF 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential infrastructure investments?

- ☒ (A) We assessed ESG materiality at the asset level, as each case is unique
  - Select from dropdown list
    - ☒ (1) for all of our potential infrastructure investments
    - ☐ (2) for a majority of our potential infrastructure investments
    - ☐ (3) for a minority of our potential infrastructure investments
- ☐ (B) We performed a mix of industry-level and asset-level ESG materiality analyses
- ☐ (C) We assessed ESG materiality at the industry level only
- ☐ (D) We did not conduct ESG materiality analysis for our potential infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3.1	CORE	INF 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential infrastructure investments?

- ☐ (A) We used GRI standards to inform our infrastructure ESG materiality analysis
- ☒ (B) We used SASB standards to inform our infrastructure ESG materiality analysis
- ☒ (C) We used the UN Sustainable Development Goals (SDGs) to inform our infrastructure ESG materiality analysis
- ☒ (D) We used the GRESB Materiality Assessment (RC7) or similar to inform our infrastructure ESG materiality analysis
- ☐ (E) We used the environmental and social factors detailed in the IFC Performance Standards (or similar standards used by development finance institutions) in our infrastructure ESG materiality analysis
- ☒ (F) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our infrastructure ESG materiality analysis
- ☐ (G) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our infrastructure ESG materiality analysis
- ☒ (H) We used geopolitical and macro-economic considerations in our infrastructure ESG materiality analysis
- ☒ (I) We engaged with existing owners and/or managers (or developers for new infrastructure assets) to inform our infrastructure ESG materiality analysis
- ☐ (J) Other

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence the selection of your infrastructure investments?

- ☒ (A) Material ESG factors were used to identify risks
  - Select from dropdown list
    - ☒ (1) for all of our potential infrastructure investments
    - ☐ (2) for a majority of our potential infrastructure investments
    - ☐ (3) for a minority of our potential infrastructure investments
- ☒ (B) Material ESG factors were discussed by the investment committee (or equivalent)
  - Select from dropdown list
    - ☒ (1) for all of our potential infrastructure investments
    - ☐ (2) for a majority of our potential infrastructure investments
    - ☐ (3) for a minority of our potential infrastructure investments
- ☒ (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)
  - Select from dropdown list
    - ☒ (1) for all of our potential infrastructure investments
    - ☐ (2) for a majority of our potential infrastructure investments
    - ☐ (3) for a minority of our potential infrastructure investments
- ☒ (D) Material ESG factors were used to identify opportunities for value creation

Select from dropdown list

- ☒ (1) for all of our potential infrastructure investments
- ☐ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

☒ (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate

Select from dropdown list

- ☒ (1) for all of our potential infrastructure investments
- ☐ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

- ☐ (F) Material ESG factors impacted investments in terms of the price offered and/or paid
- ☐ (G) Material ESG factors did not influence the selection of our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential infrastructure investments?

☒ (A) We conduct a high-level or desktop review against an ESG checklist for initial red flags

Select from dropdown list

- ☒ (1) for all of our potential infrastructure investments
- ☐ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

☒ (B) We send detailed ESG questionnaires to target assets

Select from dropdown list

- ☒ (1) for all of our potential infrastructure investments
- ☐ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

☒ (C) We hire third-party consultants to do technical due diligence on specific material ESG factors

Select from dropdown list

- ☐ (1) for all of our potential infrastructure investments
- ☒ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

☒ (D) We conduct site visits

Select from dropdown list

- ☒ (1) for all of our potential infrastructure investments
- ☐ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

☒ (E) We conduct in-depth interviews with management and/or personnel

Select from dropdown list

- ☒ (1) for all of our potential infrastructure investments
- ☐ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

☒ (F) We conduct detailed external stakeholder analyses and/or engagement

Select from dropdown list

- ☒ (1) for all of our potential infrastructure investments
- ☐ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

☒ (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list

- ☒ (1) for all of our potential infrastructure investments
- ☐ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

☒ (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list

- ☒ (1) for all of our potential infrastructure investments
- ☐ (2) for a majority of our potential infrastructure investments
- ☐ (3) for a minority of our potential infrastructure investments

☐ (I) Other

☐ (J) We do not conduct due diligence on material ESG factors for potential infrastructure investments

## SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY OPERATORS

### SELECTION PROCESS OF THIRD-PARTY OPERATORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 6	CORE	OO 21, OO 30	N/A	PUBLIC	Selection process of third-party operators	1, 4

During the reporting year, how did you include material ESG factors in all of your selections of third-party operators?

- ☒ (A) We requested information from potential third-party operators on their overall approach to material ESG factors
- ☒ (B) We requested track records and examples from potential third-party operators on how they manage material ESG factors
- ☒ (C) We requested information from potential third-party operators on their engagement process(es) with stakeholders
- ☒ (D) We requested documentation from potential third-party operators on their responsible procurement and/or contractor practices, including responsibilities, approach, and incentives
- ☐ (E) Other
- ☐ (F) We did not include material ESG factors in our selection of third-party operators

## APPOINTMENT PROCESS OF THIRD-PARTY OPERATORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 7	CORE	OO 21, OO 30	N/A	PUBLIC	Appointment process of third-party operators	1, 4

How did you include material ESG factors when appointing your current third-party operators?

☒ (A) We set clear and detailed expectations for incorporating material ESG factors into all relevant elements of infrastructure asset management

Select from dropdown list

- ☐ (1) for all of our third-party operators
- ☒ (2) for a majority of our third-party operators
- ☐ (3) for a minority of our third-party operators

☐ (B) We set clear ESG reporting requirements

☐ (C) We set clear targets for material ESG factors

☐ (D) We set incentives related to targets on material ESG factors

☐ (E) Other

☐ (F) We did not include material ESG factors when appointing third-party operators

## MONITORING PROCESS OF THIRD-PARTY OPERATORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 8	CORE	OO 21, OO 30	N/A	PUBLIC	Monitoring process of third-party operators	1, 4

How do you include material ESG factors when monitoring current third-party operators?

☒ (A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors

Select from dropdown list

- ☐ (1) for all of our third-party operators
- ☒ (2) for a majority of our third-party operators
- ☐ (3) for a minority of our third-party operators

☒ (B) We monitor the performance of quantitative and/or qualitative targets on material social factors

Select from dropdown list

- ☐ (1) for all of our third-party operators
- ☒ (2) for a majority of our third-party operators
- ☐ (3) for a minority of our third-party operators

☒ (C) We monitor the performance of quantitative and/or qualitative targets on material governance factors

Select from dropdown list

- ☐ (1) for all of our third-party operators
- ☒ (2) for a majority of our third-party operators
- ☐ (3) for a minority of our third-party operators

☒ (D) We require formal reporting at least yearly

Select from dropdown list

- ☐ (1) for all of our third-party operators
- ☒ (2) for a majority of our third-party operators
- ☐ (3) for a minority of our third-party operators

☒ (E) We have discussions about material ESG factors with all relevant stakeholders at least yearly

Select from dropdown list

- ☐ (1) for all of our third-party operators
- ☒ (2) for a majority of our third-party operators
- ☐ (3) for a minority of our third-party operators

☒ (F) We conduct a performance review of third-party operators against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors

Select from dropdown list

- ☐ (1) for all of our third-party operators
- ☐ (2) for a majority of our third-party operators
- ☒ (3) for a minority of our third-party operators

☒ (G) We have internal or external parties conduct site visits at least yearly

Select from dropdown list

- ☐ (1) for all of our third-party operators
- ☒ (2) for a majority of our third-party operators
- ☐ (3) for a minority of our third-party operators

☐ (H) Other

☐ (I) We do not include material ESG factors in the monitoring of third-party operators

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9	CORE	OO 21	INF 9.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your infrastructure investments?

- ☐ (A) Yes, we tracked KPIs on environmental factors
- ☐ (B) Yes, we tracked KPIs on social factors
- ☐ (C) Yes, we tracked KPIs on governance factors
- ☒ (D) We did not track KPIs on material ESG factors across our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10	CORE	OO 21, OO 30	INF 10.1	PUBLIC	Monitoring	1, 2

What processes do you have in place to support meeting your targets on material ESG factors for your infrastructure investments?

- ☐ (A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance

- ☐ (B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessments and analyses
- ☐ (C) We implement certified environmental and social management systems across our portfolio
- ☐ (D) We make sufficient budget available to ensure that the systems and procedures needed are established
- ☐ (E) We hire external verification services to audit performance, systems, and procedures
- ☒ (F) **We collaborate and engage with our third-party operators to develop action plans**
- Select from dropdown list
- ☐ (1) for all of our infrastructure investments
  - ☒ **(2) for a majority of our infrastructure investments**
  - ☐ (3) for a minority of our infrastructure investments
- ☐ (G) We develop minimum health and safety standards
- ☒ (H) **We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users**
- Select from dropdown list
- ☐ (1) for all of our infrastructure investments
  - ☒ **(2) for a majority of our infrastructure investments**
  - ☐ (3) for a minority of our infrastructure investments
- ☐ (I) Other
- ☐ (J) We do not have processes in place to help meet our targets on material ESG factors for our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 11	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?**

- ☒ (A) **We develop asset-specific ESG action plans based on pre-investment research, due diligence and materiality findings**
- Select from dropdown list
- ☒ **(1) for all of our infrastructure investments**
  - ☐ (2) for a majority of our infrastructure investments
  - ☐ (3) for a minority of our infrastructure investments
- ☒ (B) **We adjust our ESG action plans based on performance monitoring findings at least yearly**
- Select from dropdown list
- ☐ (1) for all of our infrastructure investments
  - ☒ **(2) for a majority of our infrastructure investments**
  - ☐ (3) for a minority of our infrastructure investments
- ☒ (C) **We, or the external advisors that we hire, support our infrastructure investments with specific ESG value-creation opportunities**
- Select from dropdown list
- ☐ (1) for all of our infrastructure investments
  - ☒ **(2) for a majority of our infrastructure investments**
  - ☐ (3) for a minority of our infrastructure investments
- ☐ (D) Other
- ☐ (E) We do not manage material ESG risks and opportunities post-investment



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 12	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe how you ensure that material ESG risks are adequately addressed in the infrastructure investments where you hold a minority stake.**

There is no difference in our practices if there is a minority or majority stake. However, with minority stakes we may not be eligible to be on the Asset Board or part of the Investment/Advisory Committee. All other practices or measures are the same.

For all investments, we conduct quarterly calls where ESG is, the majority of the time covered, and we also have additional conversations on ESG with a portion of the investments. The infrastructure team attends the general meetings and raises any ESG concerns. Furthermore, internally, we conduct assessments of Partners to understand their integration of ESG in all assets and procedures. Furthermore, we question operators on their practices. We conduct asset evaluation on ESG integration and engage on any issues that are raised.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14	CORE	OO 21	INF 14.1	PUBLIC	Monitoring	1, 2

**How do you ensure that adequate ESG-related competence exists at the asset level?**

☒ **(A) We assign our board responsibility for ESG matters**

Select from dropdown list

- ☐ (1) for all of our infrastructure investments
- ☒ **(2) for a majority of our infrastructure investments**
- ☐ (3) for a minority of our infrastructure investments

☒ **(B) We ensure that material ESG matters are discussed by our board at least yearly**

Select from dropdown list

- ☒ **(1) for all of our infrastructure investments**
- ☐ (2) for a majority of our infrastructure investments
- ☐ (3) for a minority of our infrastructure investments

☒ **(C) We provide training on ESG aspects and management best practices relevant to the asset to C-suite executives only**

Select from dropdown list

- ☐ (1) for all of our infrastructure investments
- ☐ (2) for a majority of our infrastructure investments
- ☒ **(3) for a minority of our infrastructure investments**

☒ **(D) We provide training on ESG aspects and management best practices relevant to the asset to employees (excl. C-suite executives)**

Select from dropdown list

- ☐ (1) for all of our infrastructure investments
- ☐ (2) for a majority of our infrastructure investments
- ☒ **(3) for a minority of our infrastructure investments**

☐ **(E) We support the asset by finding external ESG expertise, e.g. consultants or auditors**

- ☐ (F) We share best practices across assets, e.g. educational sessions and the implementation of environmental and social management systems
- ☒ **(G) We apply penalties or incentives to improve ESG performance in management remuneration schemes**  
 Select from dropdown list
- ☐ (1) for all of our infrastructure investments
  - ☐ (2) for a majority of our infrastructure investments
  - ☒ **(3) for a minority of our infrastructure investments**
- ☐ (H) Other
- ☐ (I) We do not ensure that adequate ESG-related competence exists at the asset level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14.1	PLUS	INF 14	N/A	PUBLIC	Monitoring	1, 2

**Describe up to two initiatives adopted as part of your ESG competence-building efforts at the asset level during the reporting year.**

(A) Initiative one

We conduct regular site visits. This allows us to build our relationship with both the partner who has a representative at the site and usually the operational team which is also present. In addition, to enhancing our relationship, this aids in understand both their level of knowledge on ESG and their practices. When possible, we use the opportunity to share knowledge on issues that are material to Desjardins, including ESG.

(B) Initiative two

## STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 15	PLUS	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

**How do you ensure that appropriate stakeholder engagement is carried out during both due diligence for potential investments and the ongoing monitoring of existing investments?**

Stakeholder engagement is an integrated part of our practices. During due diligence, we engage the partners through questionnaires on all aspects of the projects. Included in the questionnaires is the level of communication between the project and the local communities amongst others. We assess the methods of outreach, the types of complaints, how community concerns have been addressed, how future communication methods are integrated into the project, if investment opportunities were given to the indigenous communities, and other. All questions are necessary to complete the due diligence. Furthermore, during pre-investment, site visits are conducted to gain practical understanding of their practices. During the ongoing monitoring of existing investments, partner assessments are conducted every two years which includes understanding their stakeholder engagement practices. We further monitor our partners and operators through ongoing site visits, quarterly calls, and asset evaluations to understand any continued issue between the project and local communities and the evolution of their stakeholder engagement practices.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 16	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of infrastructure investments?

☒ (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory

Select from dropdown list

- ☒ (1) for all of our infrastructure investments
- ☐ (2) for a majority of our infrastructure investments
- ☐ (3) for a minority of our infrastructure investments

☒ (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB

Select from dropdown list

- ☐ (1) for all of our infrastructure investments
- ☒ (2) for a majority of our infrastructure investments
- ☐ (3) for a minority of our infrastructure investments

☒ (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)

Select from dropdown list

- ☒ (1) for all of our infrastructure investments
- ☐ (2) for a majority of our infrastructure investments
- ☐ (3) for a minority of our infrastructure investments

☐ (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)

☒ (E) The outcome of our latest ESG risk assessment on the asset or portfolio company

Select from dropdown list

- ☐ (1) for all of our infrastructure investments
- ☐ (2) for a majority of our infrastructure investments
- ☒ (3) for a minority of our infrastructure investments

☐ (F) Key ESG performance data on the asset or portfolio company being sold

☐ (G) Other

- ☐ (H) No responsible investment information was shared with potential buyers of infrastructure investments during the reporting year
- ☐ (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 17	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- ☒ (A) We reported through a publicly-disclosed sustainability report
- ☒ (B) We reported in aggregate through formal reporting to investors
- ☒ (C) We reported at the asset level through formal reporting to investors
- ☒ (D) We reported through a limited partners advisory committee (or equivalent)
- ☒ (E) We reported at digital or physical events or meetings with investors
- ☒ (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- ☐ (G) Other
- ☐ (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

## SUSTAINABILITY OUTCOMES (SO)

### SETTING TARGETS AND TRACKING PROGRESS

#### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

- ☒ (A) Sustainability outcome #1
  - (1) Widely recognised frameworks used to guide action on this sustainability outcome
    - ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
    - ☒ (2) The UNFCCC Paris Agreement
    - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
    - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
    - ☐ (5) The EU Taxonomy
    - ☐ (6) Other relevant taxonomies
    - ☐ (7) The International Bill of Human Rights
    - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
    - ☐ (9) The Convention on Biological Diversity
    - ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☒ (1) **Environmental**
- ☐ (2) Social
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

NZAM AUM Commitment:

For Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☒ (2) **One target**
- ☐ (3) Two or more targets

☒ (B) **Sustainability outcome #2**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (2) **The UNFCCC Paris Agreement**
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☒ (1) **Environmental**
- ☐ (2) Social
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

NZAM Climate Engagement:

Deploy an engagement strategy with 25 carbon-intensive Canadian companies to encourage them to align their targets with the objectives of the Paris Agreement.

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☒ (2) **One target**
- ☐ (3) Two or more targets

- ☐ (C) Sustainability outcome #3
- ☐ (D) Sustainability outcome #4
- ☐ (E) Sustainability outcome #5
- ☐ (F) Sustainability outcome #6
- ☐ (G) Sustainability outcome #7
- ☐ (H) Sustainability outcome #8
- ☐ (I) Sustainability outcome #9
- ☐ (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	NZAM AUM Commitment: For Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.					
(1) Target name	NZAM AUM Commitment					
(2) Baseline year	2020					
(3) Target to be met by	2030					
(4) Methodology	SBTi SDA where applicable, SBTi TR for remaining emissions					
(5) Metric used (if relevant)	% of AUM managed in line with net zero					
(6) Absolute or intensity-based (if relevant)						
(7) Baseline level or amount (if relevant):	40.5%					
(8) Target level or amount (if relevant)	40.5%					
(9) Percentage of total AUM covered in your baseline year for target setting	40.5%					
(10) Do you also have a longer-term target for this?	(1) Yes					

**(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2:	NZAM Climate Engagement: Deploy an engagement strategy with 25 carbon-intensive Canadian companies to encourage them to align their targets with the objectives of the Paris Agreement.	
(1) Target name	NZAM Climate Engagement	
(2) Baseline year	2020	
(3) Target to be met by	2030	
(4) Methodology	<p>SBTi SDA where applicable, SBTi TR for remaining emissions</p> <p>As part of our engagement and voting activities, we assess corporate strategy on climate change from a number of angles:</p> <ul style="list-style-type: none"><li>• Robust governance structure to oversee the integration and deployment of the climate change strategy</li><li>• Transparent, detailed disclosure of GHG emissions</li><li>• Adherence to a recognized reporting structure</li><li>• Net-zero emissions by 2050, with short- and medium-term reduction targets</li><li>• Executive compensation tied to measurable results in terms of ESG criteria</li><li>• Low-carbon economy transition plan and development of new green technologies</li></ul>	
(5) Metric used (if relevant)	# of climate-focused engagements	
(6) Absolute or intensity-based (if relevant)		
(7) Baseline level or amount (if relevant):	0	
(8) Target level or amount (if relevant)	50	
(9) Percentage of total AUM covered in your baseline year for target setting	40.5%	
(10) Do you also have a longer-term target for this?	(2) No	

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: NZAM AUM Commitment: For Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.	NZAM AUM Commitment	2050	100%

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- ☒ (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- ☒ (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- ☒ (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- ☐ (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets



- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
NZAM 1	PLUS	NZAM, SO 3	SO 3.1, SO 3.2	PUBLIC	Focus: Setting net-zero targets	General

Select the relevant asset class breakdown for your organisation to report on your net-zero targets.

- (A) PRI's standard asset class breakdown
- (B) Asset class breakdown as per the NZAOA's Target Setting Protocol

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

Provide details of your nearest-term net-zero targets per asset class.

(A) PRI asset class breakdown

☒ Listed equity

#### Target details

#### (A) PRI asset class breakdown: Listed equity

(1) Baseline year	2020	
(2) Target to be met by	2030	
(3) Emissions included in target		(1) Scope 1 (2) Scope 2
(4) Methodology	SBTi SDA where applicable, SBTi TR for remaining emissions	
(5) Metric used		(2) Absolute: MtCO <sub>2</sub> e
(6) Baseline amount	0.149	

(7) Current amount (if different from baseline amount)	0,152
(8) Targeted reduction with respect to baseline	50%
(9) Percentage of total AUM covered in your baseline year for target setting	6%
(10) If coverage is below 100% for this asset class, explain why	Includes only Desjardins' own funds
<input checked="" type="checkbox"/> <b>Fixed income</b>	
<b>Target details</b>	
<b>(A) PRI asset class breakdown: Fixed income</b>	
(1) Baseline year	2020
(2) Target to be met by	2030
(3) Emissions included in target	(1) Scope 1 (2) Scope 2
(4) Methodology	SBTi SDA where applicable, SBTi TR for remaining emissions
(5) Metric used	(2) Absolute: MtCO <sub>2</sub> e
(6) Baseline amount	0,220
(7) Current amount (if different from baseline amount)	0,162
(8) Targeted reduction with respect to baseline	50%
(9) Percentage of total AUM covered in your baseline year for target setting	32%

(10) If coverage is below 100% for this asset class, explain why

Includes only Desjardins' own funds

- ☐ Private equity  
☒ Real estate

#### Target details

##### (A) PRI asset class breakdown: Real estate

(1) Baseline year 2020

(2) Target to be met by 2030

(3) Emissions included in target (1) Scope 1  
(2) Scope 2

(4) Methodology SBTi SDA where applicable, SBTi TR for remaining emissions

(5) Metric used (2) Absolute: MtCO<sub>2</sub>e

(6) Baseline amount 0.015

(7) Current amount (if different from baseline amount) 0.016

(8) Targeted reduction with respect to baseline 50%

(9) Percentage of total AUM covered in your baseline year for target setting 1.5%

(10) If coverage is below 100% for this asset class, explain why

Includes only Desjardins' own funds

- ☒ Infrastructure

#### Target details

##### (A) PRI asset class breakdown: Infrastructure

(1) Baseline year 2020

(2) Target to be met by	2030	
(3) Emissions included in target		(1) Scope 1 (2) Scope 2
(4) Methodology	SBTi SDA where applicable, SBTi TR for remaining emissions	
(5) Metric used		(2) Absolute: MtCO2e
(6) Baseline amount	n/a	
(7) Current amount (if different from baseline amount)	n/a	
(8) Targeted reduction with respect to baseline	50%	
(9) Percentage of total AUM covered in your baseline year for target setting	0.5%	
(10) If coverage is below 100% for this asset class, explain why	Includes only Desjardins' own funds. Note that infrastructure is covered by our net-zero targets and emission amounts will be calculated and reported once the calculation methodology for infrastructure becomes available.	
<input type="checkbox"/> Hedge funds <input type="checkbox"/> Forestry <input type="checkbox"/> Farmland <input checked="" type="checkbox"/> Other		

#### Target details

##### (A) PRI asset class breakdown: Other

(1) Baseline year	2020	
(2) Target to be met by	2030	
(3) Emissions included in target		(1) Scope 1 (2) Scope 2
(4) Methodology	SBTi SDA where applicable, SBTi TR for remaining emissions	
(5) Metric used		(2) Absolute: MtCO <sub>2</sub> e

(6) Baseline amount	n/a
(7) Current amount (if different from baseline amount)	n/a
(8) Targeted reduction with respect to baseline	50%
(9) Percentage of total AUM covered in your baseline year for target setting	0.5%
(10) If coverage is below 100% for this asset class, explain why	Includes only Desjardins' own funds. Note that other asset classes are covered by our net-zero targets and emission amounts will be calculated and reported once the calculation methodology becomes available.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.2	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

**Provide details of your nearest-term net-zero targets for high-emitting sectors.**

☒ **(A) Coal**

**Target details**

<b>(A) Coal</b>	
(1) Baseline year	2020
(2) Target to be met by	2030
(3) Emissions included in target	(1) Scope 1 (2) Scope 2
(4) Methodology	SBTi SDA where applicable, SBTi TR for remaining emissions
(5) Metric used	(2) Absolute: MtCO <sub>2</sub> e

(6) Baseline amount

(7) Current amount (if different from baseline amount)

(8) Targeted reduction with respect to baseline 50%

(9) Asset classes covered Listed equity  
Fixed income  
Infrastructure

☐ (B) Gas

☐ (C) Oil

☒ (D) Combined oil and gas

#### Target details

#### (D) Combined oil and gas

(1) Baseline year 2020

(2) Target to be met by 2030

(3) Emissions included in target (1) Scope 1  
(2) Scope 2

(4) Methodology SBTi SDA where applicable, SBTi TR for remaining emissions

(5) Metric used (2) Absolute: MtCO<sub>2</sub>e

(6) Baseline amount

(7) Current amount (if different from baseline amount)

(8) Targeted reduction with respect to baseline 50%

(9) Asset classes covered Listed equity  
Fixed income  
Infrastructure

☒ (E) Utilities

## Target details

### (E) Utilities

(1) Baseline year	2020
(2) Target to be met by	2030
(3) Emissions included in target	(1) Scope 1 (2) Scope 2
(4) Methodology	SBTi SDA where applicable, SBTi TR for remaining emissions
(5) Metric used	(2) Absolute: MtCO <sub>2</sub> e
(6) Baseline amount	
(7) Current amount (if different from baseline amount)	
(8) Targeted reduction with respect to baseline	50%
(9) Asset classes covered	Listed equity Fixed income Infrastructure

- ☐ (F) Cement  
☐ (G) Steel  
☐ (H) Aviation  
☐ (I) Heavy duty road  
☐ (J) Light duty road  
☐ (K) Shipping  
☒ (L) Combined aviation, heavy duty road, light duty road and shipping

## Target details

### (L) Combined aviation, heavy duty road, light duty road and shipping

(1) Baseline year	2020
(2) Target to be met by	2030
(3) Emissions included in target	(1) Scope 1 (2) Scope 2

(4) Methodology	SBTi SDA where applicable, SBTi TR for remaining emissions	
(5) Metric used	(2) Absolute: MtCO2e	
(6) Baseline amount		
(7) Current amount (if different from baseline amount)		
(8) Targeted reduction with respect to baseline	50%	
(9) Asset classes covered	Listed equity Fixed income Infrastructure	
<input type="checkbox"/> (M) Aluminium <input type="checkbox"/> (N) Agriculture, forestry, and fishery <input type="checkbox"/> (O) Chemicals <input checked="" type="checkbox"/> <b>(P) Construction and buildings</b>		
Target details		
<b>(P) Construction and buildings</b>		
(1) Baseline year	2020	
(2) Target to be met by	2030	
(3) Emissions included in target	(1) Scope 1 (2) Scope 2	
(4) Methodology	SBTi SDA where applicable, SBTi TR for remaining emissions	
(5) Metric used	(2) Absolute: MtCO2e	
(6) Baseline amount		
(7) Current amount (if different from baseline amount)		
(8) Targeted reduction with respect to baseline	50%	



(9) Asset classes covered

Listed equity  
Fixed income  
Infrastructure

- ☐ (Q) Textile and leather  
☐ (R) Water

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.3	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

**Provide details of your net-zero targets for specific mandates or funds.**

☒ **(A) Fund or mandate #1**

(1) Name of mandate or fund

Desjardins' own Funds

(2) Target details

<https://www.desjardins.com/ressources/pdf/d50-groupe-travail-info-changements-climatiques-GIFCC-2022-e.pdf?resVer=1679600592000>

- ☐ (B) Fund or mandate #2  
☐ (C) Fund or mandate #3  
☐ (D) Fund or mandate #4  
☐ (E) Fund or mandate #5  
☐ (F) Fund or mandate #6  
☐ (G) Fund or mandate #7  
☐ (H) Fund or mandate #8  
☐ (I) Fund or mandate #9  
☐ (J) Fund or mandate #10

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

**Does your organisation track progress against your nearest-term sustainability outcomes targets?**

**(A1) Sustainability outcome #1:****(A1) Sustainability outcome #1:**

NZAM AUM Commitment: For Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.

Target name:

NZAM AUM Commitment

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

**(B1) Sustainability outcome #2:****(B1) Sustainability outcome #2:**

NZAM Climate Engagement: Deploy an engagement strategy with 25 carbon-intensive Canadian companies to encourage them to align their targets with the objectives of the Paris Agreement.

Target name:

NZAM Climate Engagement

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	NZAM AUM Commitment: For Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.
(1) Target name	NZAM AUM Commitment
(2) Target to be met by	2030
(3) Metric used (if relevant)	% of AUM managed in line with net zero
(4) Current level or amount (if relevant)	40.5%
(5) Other qualitative or quantitative progress	n/a
(6) Methodology for tracking progress	SBTi SDA where applicable, SBTi TR for remaining emissions

**(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2:	NZAM Climate Engagement: Deploy an engagement strategy with 25 carbon-intensive Canadian companies to encourage them to align their targets with the objectives of the Paris Agreement.
(1) Target name	NZAM Climate Engagement
(2) Target to be met by	2030
(3) Metric used (if relevant)	# of climate-focused engagements
(4) Current level or amount (if relevant)	101 climate-focused engagements in 2022, covering 23 out of 25 carbon-intensive Canadian companies targeted by our NZAM Climate Engagement <a href="https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf">https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf</a>

(5) Other qualitative or quantitative progress n/a

(6) Methodology for tracking progress When climate is a subject discussed during an engagement with the management and/or board of an issuer

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
  - Select from drop down list:
    - ☒ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☒ (B) Stewardship: engagement with external investment managers
  - Select from drop down list:
    - ☒ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☒ (C) Stewardship: engagement with policy makers
  - Select from drop down list:
    - ☒ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☒ (D) Stewardship: engagement with other key stakeholders
  - Select from drop down list:
    - ☒ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☒ (E) Capital allocation
- ☐ (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 5	N/A	PUBLIC	Capital allocation	1

During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

### (A) Across all sustainability outcomes

(1) Capital allocation activities used	<ul style="list-style-type: none"> <li>(1) Asset class allocation</li> <li>(2) Sector allocation</li> <li>(3) Selection of and allocation to third-party funds</li> <li>(4) Divestment from assets or sectors</li> <li>(5) Other</li> </ul>
(2) Explain through an example	Over the past year, DGAM's RI and Quantitative Strategy teams have worked together to develop benchmark indexes that reflect ESG criteria. These indexes help to align investment portfolios with ambitions in terms of climate risk management and the consideration of ESG risks and opportunities in all investment decisions. The new benchmarks are aligned with Desjardins' decarbonization target for financed emissions (and with DGAM's interim reduction targets of 30% by 2025 and 50% by 2030 to achieve carbon neutrality by 2050)

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	NZAM AUM Commitment: For Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.
(1) Capital allocation activities used	
(2) Explain through an example	

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2: NZAM Climate Engagement: Deploy an engagement strategy with 25 carbon-intensive Canadian companies to encourage them to align their targets with the objectives of the Paris Agreement.

(1) Capital allocation activities used

(2) Explain through an example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	OO 17 FI, SO 1	N/A	PUBLIC	Capital allocation	1

**During the reporting year, did you use thematic bonds to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?**

## Thematic bond(s) label

(A) Sustainability Outcome #1:  
NZAM AUM Commitment: For Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.

- (A) Green/climate bonds
- (B) Social bonds
- (C) Sustainability bonds
- (D) Sustainability-linked bonds

(B) Sustainability Outcome #2:  
NZAM Climate Engagement: Deploy an engagement strategy with 25 carbon-intensive Canadian companies to encourage them to align their targets with the objectives of the Paris Agreement.

- (A) Green/climate bonds
- (B) Social bonds
- (C) Sustainability bonds
- (D) Sustainability-linked bonds

## STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

## (A) Across all sustainability outcomes

<p>(1) Describe your approach</p>	<p>For DGAM, leadership in responsible investment is not limited to integrating ESG risks when selecting securities. We believe that engagement is an essential driver for portfolio managers to encourage issuers to adopt responsible practices.</p> <p>Drawing on our power to influence, we focus on mobilizing shareholders to mitigate the risks associated with our investments, optimize our returns and generate positive results for communities. Exercising voting rights, shareholder dialogues and interventions with public decision makers (see Levers of influence section) are effective mechanisms for encouraging issuers to improve their sustainable development practices. The numerous dialogues that we have with issuers allow our IR team and our managers to better understand the companies' business model and ESG practices. In some cases, our teams go so far as to visit companies to assess specific issues, such as employee working conditions.</p> <p>Dialogues also allow us to make recommendations to improve risk management and identify opportunities specific to the organization.</p> <p>We consider it part of our fiduciary duty to vote on all proposals submitted to the shareholders' meetings of the companies we hold, in accordance with our principles and those of our clients. DGAM pays particular attention to the exercise of voting rights, which allows us to express our opinion on business practices in a manner consistent with the values of Desjardins and its partners.</p> <p><a href="https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf">https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf</a></p>
<p>(2) Stewardship tools or activities used</p>	<p>(1) Engagement</p> <p>(2) (Proxy) voting at shareholder meetings</p> <p>(3) Filing of shareholder resolutions or proposals</p>



(3) Example

For several years, DGAM has been in an ongoing dialogue with a fossil fuel company that, despite good ESG integration into its business model, seems to have lost momentum in its transition efforts. In response to a shareholder proposal asking the company to set science-based targets and adopt indirect emission targets (Scope 3), we met with management to get a better understanding of its strategy for this year through 2030. The directors explained that accelerating their transition required a radical change of business model, while pointing out that they calculate their indirect emissions and are assessing an alignment strategy. This dialogue led us to conclude that the company's strategy was not consistent with global best practices and that it could invest more effort in its transition program, which prompted us to vote "for" the proposal. We discussed the balance between maximizing shareholder value and ensuring the company's sustainability in a low-carbon world.

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1:

NZAM AUM Commitment: For Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

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**(C) Sustainability Outcome #2:**

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(C) Sustainability Outcome #2:

NZAM Climate Engagement: Deploy an engagement strategy with 25 carbon-intensive Canadian companies to encourage them to align their targets with the objectives of the Paris Agreement.

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

- ☐ (A) We prioritise the most strategically important companies in our portfolio.
- ☒ **(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

We identify 50 issues, 25 high emitters and 25 other that falls in our 3 other pillars. More info:  
<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf>

Select from the list:

- ☒ **1**
- ☐ 2
- ☐ 3
- ☐ 4

- ☐ (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.
- ☐ (D) Other

## STEWARDSHIP WITH EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	OO 5, SO 5	N/A	PUBLIC	Stewardship with external investment managers	2

**During the reporting year, how did your organisation, or the external service providers acting on your behalf, engage with external investment managers to ensure that they take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf>

**(B) Sustainability Outcome #1:****(B) Sustainability Outcome #1:**

NZAM AUM Commitment For Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.

**(1) Describe your approach****(C) Sustainability Outcome #2:****(C) Sustainability Outcome #2:**

NZAM Climate Engagement

**(1) Describe your approach****STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

**(A) Across all sustainability outcomes****(1) Describe your approach**

<https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf>

**(2) Engagement tools or activities used**

- (1) We participated in 'sign-on' letters
- (2) We responded to policy consultations
- (3) We provided technical input via government- or regulator-backed working groups
- (4) We engaged policy makers on our own initiative
- (5) Other methods

(3) Example(s) of policies engaged on Climate change

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**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:

NZAM AUM CommitmentFor Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

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**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2: NZAM Climate Engagement

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

### (A) Across all sustainability outcomes

(1) Key stakeholders engaged	(1) Standard setters (2) Reporting bodies (4) Credit rating agencies (5) Auditors (6) External service providers (e.g. proxy advisers, investment consultants, data providers) (8) NGOs
(2) Provide further detail on your engagement	<a href="https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf">https://www.desjardins.com/ressources/pdf/c15-dgia-responsible-investment-2022-e.pdf</a>

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	NZAM AUM CommitmentFor Desjardins' own funds, which represent 40.5% of DGAM's AUM, financed emission reduction targets have been set at 30% by 2025 and 50% by 2030 (relative to 2020 levels), net zero for the sectors of transportation, energy and real estate by 2040, and net zero for all sectors by 2050, to limit the global warming to 1.5°C above pre-industrial levels, following the PCAF and SBTi methodologies.
(1) Key stakeholders engaged	
(2) Provide further detail on your engagement	

### (C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: NZAM Climate Engagement

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative Climate Action 100

(2) Indicate how your organisation contributed to this collaborative initiative

(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)  
(F) We provided financial support

(3) Provide further detail on your participation in this collaborative initiative

**(B) Initiative #2**

(1) Name of the initiative	Climate Engagement Canada
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative (F) We provided financial support (G) We were part of an advisory committee or similar
(3) Provide further detail on your participation in this collaborative initiative	

**(C) Initiative #3**

(1) Name of the initiative	Advance PRI
(2) Indicate how your organisation contributed to this collaborative initiative	(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	

**(D) Initiative #4**

(1) Name of the initiative	FAIRR
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

**How did your organisation verify the information submitted in your PRI report this reporting year?**

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☒ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- ☐ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☐ (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- ☐ (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- ☐ (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

**What responsible investment processes and/or data were audited through your internal audit function?**

- ☒ (A) Policy, governance and strategy
  - Select from dropdown list:
    - ☐ (1) Data internally audited
    - ☐ (2) Processes internally audited
    - ☒ (3) Processes and data internally audited
- ☒ (C) Listed equity
  - Select from dropdown list:
    - ☐ (1) Data internally audited
    - ☐ (2) Processes internally audited
    - ☒ (3) Processes and data internally audited
- ☒ (D) Fixed income



Select from dropdown list:

- ☐ (1) Data internally audited
- ☒ (2) **Processes internally audited**
- ☐ (3) Processes and data internally audited

☒ **(F) Real estate**

Select from dropdown list:

- ☐ (1) Data internally audited
- ☒ (2) **Processes internally audited**
- ☐ (3) Processes and data internally audited

☒ **(G) Infrastructure**

Select from dropdown list:

- ☐ (1) Data internally audited
- ☒ (2) **Processes internally audited**
- ☐ (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

The mandate aimed to provide reasonable assurance regarding the relevance and effectiveness of governance, risk management and internal controls (GRC) related to the management of the integration of ESG factors into the business model and Desjardins operations.

This mandate is provided for in the internal audit plan of the Bureau de la Surveillance du Mouvement Desjardins (BSMD); it was carried out in accordance with the International Standards for the Professional Practice of Internal Auditing. The work covered the period from January 2021 to September 2022 and ended on November 28, 2022.

A law firm, with expertise in corporate social responsibility, supported us by carrying out a benchmark of ESG best practices, and providing expertise related to the integration of ESG factors into Desjardins' operations, including portfolio management

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

**Who in your organisation reviewed the responses submitted in your PRI report this year?**

- ☐ (A) Board, trustees, or equivalent
- ☒ **(B) Senior executive-level staff, investment committee, head of department, or equivalent**

Sections of PRI report reviewed

- ☒ **(1) the entire report**
- ☐ (2) selected sections of the report

- (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year