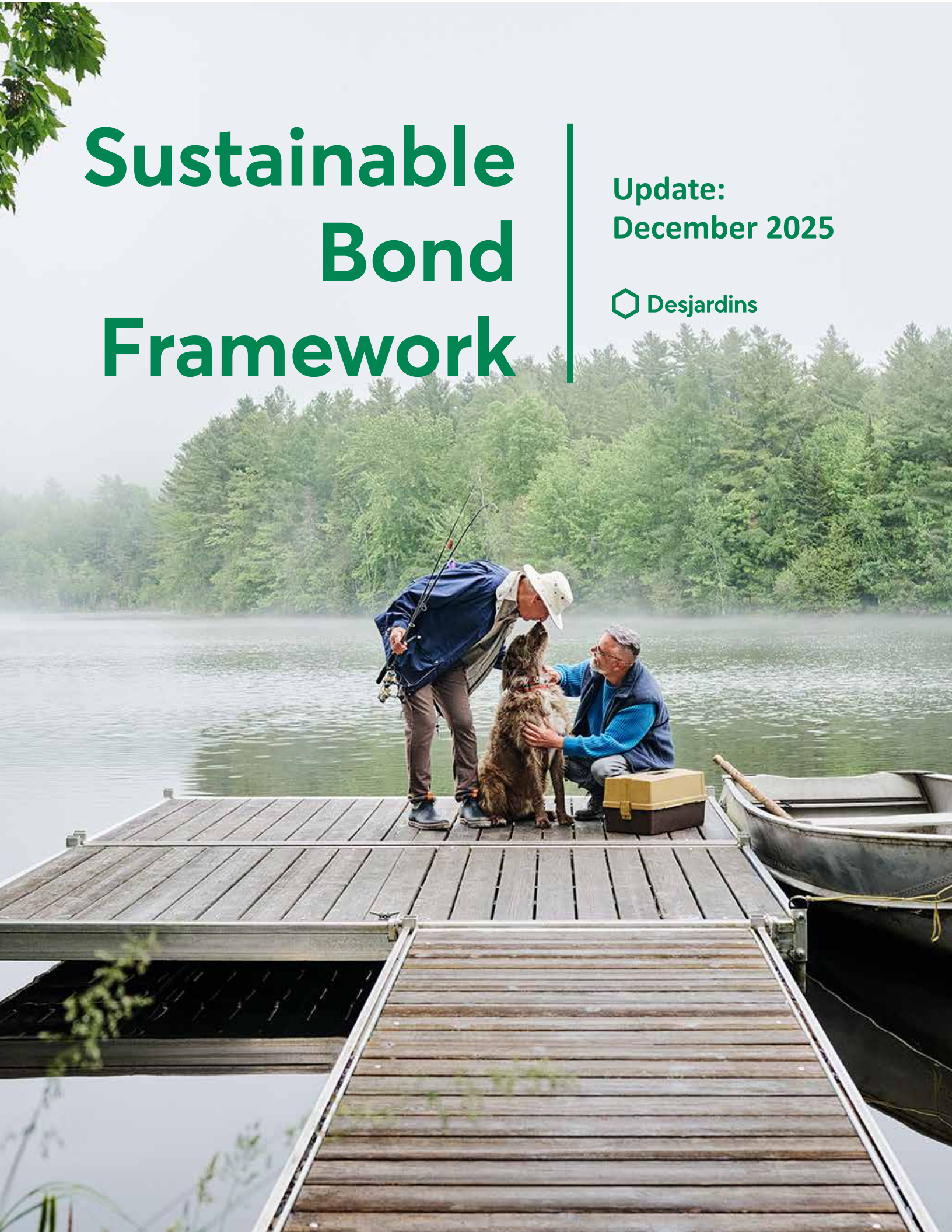


Sustainable Bond Framework

Update:
December 2025

 Desjardins



Background

Desjardins Group ("Desjardins" or "the company") is the largest financial cooperative in North America, with assets of \$512 billion as of September 30, 2025. Through its Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance business segments, Desjardins offers a full range of financial services to members and clients designed to meet their needs. As one of the largest employers in the country, Desjardins capitalizes on the skills of more than 55,000 employees and the commitment of nearly 2,300 elected directors.

Our mission

As a cooperative financial group contributing to the development of communities, we give our members and clients the support they need to be financially empowered.

Desjardins' commitment to sustainability

Sustainable development is closely tied to Desjardins' mission and cooperative values. For over 125 years, the organization has been committed to enriching the lives of individuals and communities by putting money at the service of people. This vision naturally aligns with a long-term approach rooted in responsibility, equity, and guided by environmental, social, and governance (ESG) principles.

Adopted in 2005 and updated every 5 years, our sustainable development policy provides a structured framework for integrating responsible practices into our business model. Our goal is to support our members, clients, and stakeholders across our value chain in integrating ESG factors and addressing climate-related risks. Furthermore, we completed the update of our strategic plan in 2024, reaffirming our commitment to realizing our ESG ambitions.

Desjardins was the first Canadian financial institution to simultaneously become a signatory of the Principles for Responsible Banking (PRB, 2019), the Principles for Sustainable Insurance (PSI, 2019), and the Principles for Responsible Investment (PRI, 2009). By participating in international initiatives such as the Partnership for Carbon Accounting Financials (PCAF), we are accelerating the integration of ESG factors into our business decisions.

Our net-zero ambition by 2040 covers both our internal operations (business travel, building energy use, supply chain) as well as our financing and investment activities in three high-emission sectors: energy, real estate, and transportation.

Despite headwinds in the global ESG landscape, Desjardins remains committed to a just energy transition and to contributing to positive social outcomes firmly believing that this approach creates lasting value for the organization, its members, and the broader community.

This sustainable bond framework is a natural extension of our ESG strategy. It aims to structure and guide our sustainable

bond issuances while strengthening our contribution to a more resilient, equitable, and low-carbon economy

We are supporters, signatories or members of the following organizations



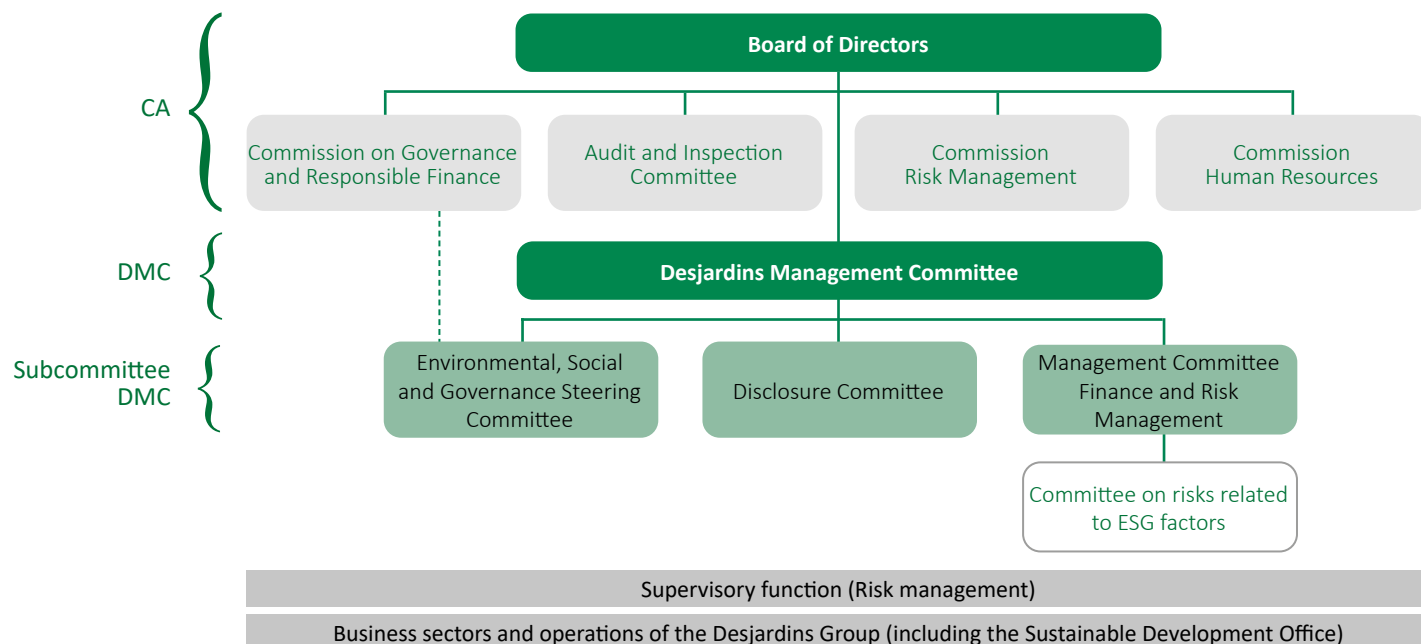
To discover more about our cooperative movement and our responsible financial products and services, visit desjardins.com/socialresponsibility.



Sustainability Governance

Since 2018, our ESG Steering Committee of senior managers from the business sectors and support functions has had the mandate to support and advise the Management Committee, and ultimately the Board of Directors, on sustainability issues.

Figure 1: Desjardins group's governance framework related to ESG factors and climate change



As the cornerstone of ESG integration at Desjardins, the ESG Steering Committee is responsible for many tasks, including the establishment and maintenance of our sustainable bond program.

Tableau 1: ESG Steering Committee

Members	Frequency	ESG Responsibilities
<ul style="list-style-type: none"> Office of the Chief Sustainability Officer Some VPs from Desjardins Group's business segments and support functions who have ESG-related responsibilities 	Monthly	<ul style="list-style-type: none"> Establish an ESG plan and strategies that are in line with Desjardins' strategic plan, vision and ESG ambition. Establish ESG performance indicators and related targets for Desjardins and work with the business segments and support functions to ensure they are met. Support appropriate ESG risk management for their activities while respecting the organization's risk appetite and staying consistent with the ESG Risk Committee. Coordinate with the business segments and support functions to monitor the responsible finance offer, the sustainable bond program and related business opportunities.

Desjardins Sustainable Bond Framework

In order to meet the commitments described above, and finance projects that will deliver environmental or social benefits to support Desjardins' business strategy and vision, Desjardins has elected to create a Sustainable Bond Framework (the "Framework"), under which it can issue Green Bond(s) or Social Bond(s) or Sustainability Bond(s). This Framework is in accordance with the ICMA Green Bond Principles¹ (GBP) 2025, Social Bond Principles² (SBP) 2025 and Sustainability Bond Guidelines³ (SBG) 2021.

- ♦ Green Bond(s) – bonds where bond proceeds are used to finance 'Eligible green assets' as defined in section 'Use of Proceeds'
- ♦ Social Bond(s) – bonds where bond proceeds are used to finance 'Eligible social assets' as defined in section 'Use of Proceeds'
- ♦ Sustainable Bond(s) – bonds where bond proceeds are used to finance 'Eligible green assets' and 'Eligible social assets' as defined in section 'Use of Proceeds'

In alignment with these Principles, for each Green, Social or Sustainable Bond(s) issued, Desjardins asserts that it will adopt the following, as set out in this Framework:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The Framework also describes the manner in which a Desjardins' Green, Social or Sustainable Bond (each a "Desjardins Sustainable Bond") support and contribute towards meeting the United Nations Sustainable Development Goals (UN SDGs).

1 Green Bond Principles (GBP): <https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Green-Bond-Principles-GBP-June-2025.pdf>







2 Social Bond Principles (SBP): <https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Social-Bond-Principles-SBP-June-2025.pdf>

3 Green/Social/Sustainability Bond Guidelines: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

Use of Proceeds

An amount equal to the net proceeds of each Desjardins Sustainable Bond will be used to finance or refinance, in whole or in part, future and existing eligible projects which meet the green or social criteria as described below (collectively, "Eligible Assets"). General corporate loans will qualify as Eligible Assets if at least 90% of the loan recipient's revenue is derived from sources that meet the relevant eligibility criteria.

Table 2: Eligible Green Assets per ICMA Green Bond Principles

Eligible Categories	Green Assets Eligibility Criteria	UN SDGs Alignment
Renewable Energy	<p>Lending or investments dedicated to the acquisition, construction, development, operation, production, transmission, distribution, renovation, or maintenance of energy generation or storage assets, including:</p> <ul style="list-style-type: none"> I. Wind II. Solar III. Hydropower¹ with power density > 5W/m² IV. Tidal Power V. Waste biomass² VI. Geothermal energy, with direct emissions below 100 gCO₂/kWh VII. Green hydrogen (produced by electrolysis using renewable energy) 	 
Energy Efficiency	<p>Lending or investments that reduce energy consumption, including:</p> <ul style="list-style-type: none"> I. Energy efficient heating, ventilation, air conditioning, refrigeration, lighting, and electrical equipment that result in at least 30% energy savings II. Projects that reduce losses in the delivery of bulk energy services by at least 30% or enhance integration of intermittent renewables such as energy storage using batteries, smart grids, demand response III. Projects that enable monitoring and optimization of the amount and timing of energy consumption such as smart meters, load control systems, sensors or building information systems 	 
Clean Transportation	<p>Lending or investments intended for the acquisition, construction, development, operation, renovation, or maintenance of assets dedicated to low-carbon modes of transportation (including associated infrastructure), including:</p> <ul style="list-style-type: none"> I. Private Transport: Zero direct emission vehicles and associated infrastructure (incl. hydrogen, fuel cell, electric) II. Infrastructure for cycling or walking III. Public Transport: Rolling stock and vehicles for electrified public transport, such as electrified rail, including associated infrastructure IV. Freight transportation vehicles with direct emissions below 25 gCO₂e/km 	 

¹ All new hydropower projects (small or large scale) will be subject to an environmental and social impact assessment to ensure that no significant risks, negative impact or significant controversies related to the projects are identified. Eligible hydropower projects include: 1) run-of-river facilities that do not have an artificial reservoir; 2) projects in operation before January 1, 2020 with average power density of > 5 W/m² or operate with average life-cycle emissions <100 gCO₂/kWh; 3) projects in operation post January 1, 2020 with an average power density of >10 W/m² or operate with average life-cycle emissions <50g CO₂e/kWh; or 4) refurbishment, operation, and maintenance of existing hydropower projects, provided the size of the dam or reservoir is not increased.

² Biomass projects will produce energy or renewable natural gas from waste biomass. This category excludes non-waste biomass and incineration of solid municipal wastes.

Table 2: Eligible Green Assets per ICMA Green Bond Principles (continued)


Eligible Categories	Green Assets Eligibility Criteria	UN SDGs Alignment
Green Buildings	<p>Lending or investments in new or existing buildings that have received, or expect to receive based on their design, construction and operational plans, certification according to third party verified green building standards, such as:</p> <ol style="list-style-type: none"> LEED Gold or Platinum standard BOMA 360, Best Gold or Best Platinum certification BREEAM performance rating of 5 or 6 stars (Excellent and Outstanding, respectively) Zero Carbone Building Standards (ZBC Standards) ENERGY STAR (score of 85 or higher) other equivalent certification schemes for residential buildings, such as Novoclimat <p>Renovation projects that achieve, or aim to achieve, at least a 30% reduction in emissions, based on third-party assessment.</p> <p>Achieved, based on third party assessment, greenhouse gas emission or energy performance 30% lower than the lasted NECB (National Energy Code of Canada for buildings).</p> <p>Achieved, based on third party assessment, greenhouse gas emission performance in the top 15% of their city, province/state or country.</p> <p>Energy loop projects that enable sharing between buildings and recovery of heat generated from renewable energy sources.</p>	  
Sustainable Food Production	<p>Lending or investments in food production, including agricultural crop, fishery and aquaculture operation, certified with:</p> <ol style="list-style-type: none"> Agriculture and maple production with recognized third-party sustainability certifications such as EU Organic, USDA Organic, Canada Organic, Rainforest Alliance, Round Table on Responsible Soy Association Standard (RTRS) or Ecocert Aquaculture and fisheries with recognized third-party sustainability certifications such as Aquaculture Stewardship Counsel (ASC), Best Aquaculture Practices (BAP) (2 stars or more) or Marine Stewardship Council (MSC) Agricultural activities, facilities and technologies that improve resource use efficiency including energy and water, and/or reduce GHG emissions, or improve climate resilience, such as: <ul style="list-style-type: none"> Advanced irrigation technologies Precision farming Protected agriculture Use of smart seeds, natural pesticides and herbicides Regenerative agriculture activities, including soil health, no-till farming and cover cropping Activities that advance sustainable production and consumption of alternative proteins 	
Data Centers	<p>Lending or investments in the design, modernization, or operation of data centers are eligible if they meet the following criteria:</p> <ol style="list-style-type: none"> The facility achieves a Power Usage Effectiveness (PUE) that is below 1.3 The facility utilizes efficient water cooling systems that minimize water consumption and environmental impact The facility is powered by renewable energy sources, either through direct procurement (e.g., on-site solar or wind) or verified power purchase agreements (PPAs) No dedicated fossil fuel-based power generation is developed or used to supply energy to the data center 	  

Table 2: Eligible Green Assets per ICMA Green Bond Principles (continued)








Eligible Categories	Green Assets Eligibility Criteria	UN SDGs Alignment
Nuclear Energy³	<p>Note: Desjardins shall identify at issuance if it intends to finance eligible nuclear energy projects with the proceeds of a given instrument</p> <ol style="list-style-type: none"> Safe construction and operation of new nuclear facilities, including small modular reactors (SMRs), intended for the production of electricity, heat, or hydrogen, subject to strict standards for safety and waste management Refurbishment, life extension, and efficiency improvement of existing nuclear power plants, provided that these investments enhance operational safety and environmental performance Research, development, and demonstration projects focused on advanced nuclear technologies aimed at reducing greenhouse gas emissions and waste across the entire lifecycle Investments in the supply chain supporting the deployment of clean nuclear technologies, including innovations in fuel cycle and safety systems 	 
Environmentally Responsible Management of Natural Resources and Pollution Control	<p>Lending or investments aimed at improving the protection and restoration of ecosystems, such as:</p> <ol style="list-style-type: none"> Forestry operations or forest products that are independently certified for sustainable development, such as those certified by the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), or the Sustainable Forestry Initiative (SFI), which is affiliated with PEFC Restoration projects aimed at reestablishing ecological functions and enhancing human well-being in deforested or degraded forest areas <p>Lending or investments aimed at improving water quality, water recovery, or climate resilience, such as:</p> <ol style="list-style-type: none"> Technologies, projects and infrastructure for the collection, distribution, treatment, recycling or reuse of water, rainwater or wastewater Infrastructure for flood prevention, flood defence or stormwater management <p>Lending or investments aimed at reducing and managing emissions and waste, such as:</p> <ol style="list-style-type: none"> Technologies or projects for collection, sorting, treatment, recycling or reuse of emissions, waste, hazardous waste, or contaminated soil Technologies or projects for recovering, utilizing, reusing, and recycling waste and diverting it from landfills, including circular economy systems Technologies or projects for carbon capture and storage (CCS)⁴, with permanent underground geological storage of CO₂, and a capture efficiency of 90% or more 	   
Low-carbon Fuels	<ol style="list-style-type: none"> Lending or investments in production, distribution, and infrastructure related to low-carbon fuels⁵, including: <ul style="list-style-type: none"> Green hydrogen (produced by electrolysis using renewable electricity) Advanced biofuels derived from residual or non-food feedstocks Synthetic fuels (e-fuels) produced from captured CO₂ and green hydrogen Development of technologies that improve energy efficiency or reduce emissions associated with the use of alternative fuels Conversion or adaptation of equipment and vehicles for the use of low-carbon fuels 	  

³ All investments related to nuclear energy must comply with internationally recognized standards for safety, environmental protection, and waste management. They must demonstrate minimal greenhouse gas emissions throughout their entire life cycle, be subject to transparent reporting that includes environmental and social impact assessments, and exclude any activities involving military-grade materials or military applications. Furthermore, allocation to nuclear will be excluded unless expressly indicated at the time of issuance.

⁴ Carbon capture, utilization, and storage (CCUS) for the purpose of upstream enhanced oil recovery (EOR) activities is excluded.

⁵ In alignment with the carbon intensity thresholds established by Natural Resources Canada's Clean Fuels Program, it is required that liquid biofuels not intended for aviation have a life-cycle carbon intensity of no more than 35 gCO₂e/MJ, sustainable aviation fuels (SAF) no more than 40 gCO₂e/MJ, gaseous fuels (excluding hydrogen) no more than 31 gCO₂e/MJ, and hydrogen no more than 35 gCO₂e/MJ.

Table 3: Eligible Social Assets per ICMA Social Bond Principles

Eligible Categories	Social Assets Eligibility Criteria	UN SDGs Alignment
Affordable Housing	Lending or investments for the construction or renovation of housing that meets the definition of affordable housing in the relevant Canadian jurisdiction or province. These projects are intended to accelerate and support community development, promote social inclusion, and foster socio-economic progress.	 
Socioeconomic Progress and Dynamism	<ol style="list-style-type: none"> I. Indigenous Peoples' Business and Community Lending: <ul style="list-style-type: none"> ♦ Indigenous Peoples' bands, councils, governments and/or businesses that are at least 51% owned and operated by such an organization or individual II. Women-Owned Business Lending: <ul style="list-style-type: none"> ♦ At least 51% of the business is owned and operated by women III. Developing and Emerging Countries Lending: <ul style="list-style-type: none"> ♦ Microfinance in Low- or Middle-income economies as defined by the World Bank¹ 	  
Access to Essential Services	<p>Lending or investments that enhance access to essential services, with a focus on public, not-for-profit, free or subsidized essential services, including:</p> <ol style="list-style-type: none"> I. Infrastructure for healthcare and social support, such as hospitals, laboratories, clinics, healthcare, childcare and elder care centres, and other facilities that provide services accessible to underserved or vulnerable populations, which prioritize affordability and equity II. Infrastructure for education and vocational training, including facilities for child, youth, or adult education, and skills development programs. Eligible investments should support inclusive access, particularly in public or subsidized contexts, and contribute to long-term socio-economic empowerment 	 

Exclusionary Criteria

In line with its risk-based approach, Desjardins has set restriction criteria for clients identified as "total ban" clients. In addition to this policy, proceeds from each Desjardins Sustainable Bond will not knowingly finance or refinance, in whole or in part, future and existing eligible projects for which the principal activity² is any of the following:

- ♦ Tobacco
- ♦ Thermal coal
- ♦ Unconventional or nuclear weapons
- ♦ Predatory lending
- ♦ Gambling
- ♦ Adult entertainment

¹ [The World Bank Country and Lending Groups](#)

² An activity is deemed to be the principal activity of a business if it represents at least 90% of its revenue

Project Evaluation and Selection Process

The Eligible Assets are subject to the following due diligence, which ensures that they meet the criteria set out above in section 'Use of Proceeds'.

Desjardins has an integrated approach to risk management, which ensures our risk profile matches the level of risk appetite and tolerance sought by senior management and the Board of Directors in view of our mission, vision and cooperative values. In line with our sustainable development policy, and in support of our public commitment to gradually integrate ESG considerations in all our business decisions, our financing guidelines specifically address environmental and social risks for a growing number of transactions. For example, most financing transactions handled by our corporate and investment banking division, Desjardins Capital Markets, include a sector-specific ESG risk analysis.

Each Desjardins Business Unit proposes loans to the Sustainable Finance Working Group (SFWG), which is composed of senior representatives from the following departments:

- ♦ Group Treasury
- ♦ Sustainable Development and Responsible Finance
- ♦ Capital Markets
- ♦ Personal & Commercial Banking
- ♦ Group Risk Management
- ♦ Legal Affairs

Chaired by Group Treasury, the SFWG meets quarterly and is responsible for:

- ♦ Regularly reviewing the Framework
- ♦ Reviewing, validating, and documenting the pool of Eligible Assets
- ♦ Reporting annually to investors through the Sustainable Bond Report
- ♦ Reviewing the post-issuance external verification report
- ♦ Monitoring and resolving any issues that may arise

As part of the due diligence process, Group Treasury and the Sustainable Development Group:

- ♦ Reviews the financial asset(s) and the customer, using both public and non-public information, including ESG controversy screening
- ♦ Assesses and confirms the type of Eligible Green or Social Asset, its compliance with the Framework's Use of Proceeds categories, validate the financing purpose, and review compliance with Exclusionary Criteria
- ♦ Evaluates the asset's contribution to the United Nations Sustainable Development Goals
- ♦ Submits shortlisted project details to the SFWG for final inclusion or exclusion in the Sustainable Bond Portfolios

Once approved, Sustainable Bond Portfolios are recorded in the Sustainable Loans Register. At least annually, the alignment of eligible projects with the eligibility criteria is reassessed.



Management of Proceeds

The net proceeds of each Desjardins Sustainable Bond will be earmarked towards Eligible Assets as stated in section 'Use of Proceeds' of this Framework and tracked by the SFWG through a Sustainable Bond Portfolio. The Sustainable Bond Portfolio will contain relevant information to identify each Desjardins' Sustainable Bond and the Eligible Assets relating to them and will form the basis of Desjardins' Sustainable Bond Report.

It is Desjardins' intention to maintain an aggregate amount of Eligible Assets that is at least equal to the aggregate net proceeds of all Desjardins Sustainable Bond issuances that are concurrently outstanding under this Framework. In the event that the aggregate value of Eligible Assets in Desjardins Sustainable Bond Portfolio is less than the total outstanding amount of Desjardins Sustainable Bonds, the surplus will be held in line with Desjardins' general liquidity guidelines until allocation to Eligible Assets.

If an Eligible Asset no longer qualifies according to the eligibility criteria as defined by this Framework or if the underlying eligible loan or investment is repaid or divested, Desjardins will use its best efforts to substitute as soon as practical (and, in any case, within 24 months) in place of such loan, investment, or internal or external project a qualifying Eligible Asset.

Desjardins intends to allocate the proceeds of any Desjardins Sustainable Bond to Eligible Assets originated no more than 24 months prior to the issuance. The proceeds will be allocated within 24 months from the date of issuance.

Reporting

As long as there are outstanding Desjardins Sustainable Bonds, Desjardins will publish annually a Sustainable Bond Report, which will include allocation and impact reporting as detailed below. The report will be available to everyone on the [Desjardins.com](https://www.desjardins.com) website.

Allocation Reporting

Desjardins will provide at least the following details:

- I. Net proceeds raised from each Desjardins Sustainable Bond
- II. Aggregate amount of proceeds allocated to each eligible project category
- III. Allocation by geographic location
- IV. Refinancing versus new financing
- V. Balance of unallocated proceeds
- VI. Types of temporary unallocated funds placements and uses

Impact Reporting

Where feasible, Desjardins will provide reporting on relevant potential impact metrics for Eligible Assets described in tables 4 and 5 on pages 12 and 13.

Table 4: Potential Impact Reporting Metrics per ICMA Green Bond Principles

Eligible Categories	Potential Impact Reporting Metrics
Renewable Energy	<ul style="list-style-type: none"> • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) • Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Capacity of renewable energy plant(s) to be served by transmission systems (MW) • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent
Energy Efficiency	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh or percentage • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent
Green Buildings	<ul style="list-style-type: none"> • Number of green buildings of each certification • Area of certified green buildings in square feet and by certification level • Annual amount of waste that is prevented, minimized, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes p.a • Annual absolute (gross) water use before and after the project in m³/a, reduction in water use in % • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³/a and p.e./a and as % • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent
Data Centers	<ul style="list-style-type: none"> • Measured PUE during operation, with reference to regional benchmarks • Percentage of total energy consumption sourced from or matched with renewable energy, including direct procurement or power purchase agreements (PPAs) • Volume of water used per unit of IT energy consumption, highlighting efficiency measures and alignment with water conservation goals
Clean Transportation	<ul style="list-style-type: none"> • Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or passengers • Number of clean vehicles deployed (e.g., electric) • Annual GHG emissions reduced/avoided in tCO₂e p.a. • Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs) • Length of railways built
Sustainable Food Production	<ul style="list-style-type: none"> • Total surface financed (hectares), with reference to specific certification schemes where relevant • Number of maple trees tapped • Amount of organic products produced (metric tons or litres) • Number of organic products offered
Environmentally Responsible Management of Natural Resources and Pollution Control	<ul style="list-style-type: none"> • Total surface financed (hectares), with reference to specific certification schemes where relevant • Annual avoided and/or sequestered GHG emissions in tCO₂/year • Environmentally sensitive areas protected (acres) • Number of trees saved by certified forestry products • Annual absolute (gross) water use before and after the project in m³/a, reduction in water use in % • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m³/a and p.e./a or as % • Tons of waste reduced • Tons of secondary raw materials or compost produced • Absolute or % reduction in air/water pollutants • Number of people or % of population provided with improved municipal waste treatment or disposal services • Number of people or % of population with access to waste collection under the project • The absolute amount or % of residual non-separated waste before and after the project • Added monetary value created using waste

Table 4: Potential Impact Reporting Metrics per ICMA Green Bond Principles (continued)

Eligible Categories	Potential Impact Reporting Metrics
Nuclear Energy	<ul style="list-style-type: none"> ♦ Installed nuclear generation capacity (MW) financed or modernized ♦ Annual electricity production (MWh) from financed nuclear sources ♦ Estimated in GHG emissions avoided and/or reduced (tonnes of CO₂e) compared to equivalent fossil fuel sources ♦ Number of reactors modernized or extended in operational life ♦ Share of nuclear energy in the low-carbon energy mix supported by the financed projects
Low-carbon fuels	<ul style="list-style-type: none"> ♦ Estimated reduction in GHG emissions (tonnes of CO₂e) compared to equivalent fossil fuels ♦ Volume of low-carbon fuels produced or distributed (liters or tonnes) ♦ Share of low-carbon fuels in the energy mix of targeted sectors (transportation, industry, aviation) ♦ Number of vehicles, equipment, or facilities converted to the use of low-carbon fuels ♦ Avoided emissions through the use of synthetic fuels or advanced biofuels

Table 5: Potential Impact Reporting Metrics per ICMA Social Bond Principles

Eligible Categories	Potential Impact Reporting Metrics
Affordable Housing	<ul style="list-style-type: none"> ♦ Number of beneficiaries ♦ Number of affordable housing units built or refurbished
Socioeconomic Progress and Dynamism	<ul style="list-style-type: none"> ♦ Number and value of loans to micro, small and medium enterprises (MSMEs) ♦ Number of beneficiaries in the case of Indigenous Peoples' bands, councils, or governments ♦ Number of jobs supported/created/retained
Access to Essential Services	<ul style="list-style-type: none"> ♦ Number of beneficiaries ♦ Number of additional beds in hospitals ♦ Number of hospital and other healthcare facilities built/upgraded ♦ Number of health checks provided ♦ Number of residents benefiting from healthcare otherwise not accessible ♦ Number of educational institutions funded, location and type ♦ Number of students supported or spots made available in schools





External review

Second-Party Opinion

Desjardins has appointed Moody's Investors Service to provide an external review on the Desjardins Sustainable Bond Framework, and confirm its alignment with the ICMA GBP, SBP and SBG. This Second Party Opinion document is available on Desjardins' and Moody's Investors Service's respective websites.

Post-issuance external verification

Desjardins' Sustainable Bond Framework will also be subject to external verification by an external auditor. The auditor will verify:

- ♦ The compliance of assets financed by the Green, Social or Sustainable Bond proceeds with eligibility criteria defined in the use of proceeds section in this Framework
- ♦ Allocated amount related to the Eligible Assets financed by the Desjardins Sustainable Bond proceeds
- ♦ The management of proceeds and unallocated proceeds amount

The external auditor's report will be published on Desjardins' website.

Amendments to this Framework

The SFWG will review this Framework on a regular basis, including its alignment to updated versions of the ICMA GBP, SBP and SBG as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to review by a qualified independent external reviewer. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by the external reviewer. The updated Framework, if any, will be published on Desjardins' website, will replace this Framework and will not apply retroactively to issuances already in progress at the time of its publication.

Disclaimer

This Sustainable Bonds Framework is provided for informational purposes only and is subject to change without notice. After the date of this document, Desjardins does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events or otherwise. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein, or the suitability of any sustainable financing instruments described herein to fulfill environmental, social and/or sustainability criteria. The Eligible Assets described herein may not satisfy expectations in respect of the use of proceeds from the sustainable financing instruments or the benefits arising from those instruments. Unless required by law, Desjardins does not undertake to update forward-looking statements, whether oral or written, that may be made from time to time by it or on its behalf. No liability whatsoever is or will be accepted by Desjardins for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

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Desjardins is not required to prepare or file this document under Canadian or U.S. securities laws. The information contained herein should not be read as necessarily having the same level of materiality as the information required to be disclosed in our securities law filings, and such information should not be considered to be incorporated by reference into any such filings.

Forward-Looking Statements

From time to time, Desjardins can make public communications that include oral or written forward-looking statements. This Sustainable Bonds Framework may contain statements of this type, that may also be included in other filings with Canadian securities regulators. All such statements are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. The forward-looking statements include, among other things, statements that are made in this document or that this document refers to regarding Desjardins' business, its economic and sustainability (environmental, social and decarbonization)-related objectives, vision, commitments, metrics and targets.

Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting Desjardins' investors in understanding Desjardins' vision, objectives, metrics and targets as well as its economic and sustainability-related objectives and impacts and may not be appropriate for other purposes. Such statements are typically identified by words or phrases such as "believe", "expect", "achieve", "foresee", "target", "anticipate", "intend", "estimate", "plan", "forecast", "aim", "commit", "strive" and "may", words and expressions of similar import, future and conditional verbs and positive and negative variations thereof.

By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. Especially in light of the uncertainty related to the financial, economic, political, and regulatory environments, it is therefore possible that, due to many factors, the assumptions formulated may be incorrect, or the predictions, forecasts, projections, expectations, conclusions, or other forward-looking statements as well as Desjardins' objectives and priorities may not materialize or may prove to be inaccurate and that actual results differ materially. Desjardins cautions readers against placing undue reliance on these forward-looking statements when making decisions, given actual results, conditions, actions or future events could differ significantly from the targets, expectations, estimates or intentions advanced in them, explicitly or implicitly.

A number of factors, many of which are beyond Desjardins' control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the forward-looking statements in this document. However, there are many factors that Desjardins may not foresee or anticipate accurately, which could affect its ability to engage in sustainability-related activities or achieve the expected results set out in these forward-looking statements. These factors include the lack of a standardized taxonomy for sustainability-related terms (particularly regarding meaning and scope), the absence of standardized methodologies for classifying sustainability-related activities or assessing their impacts, and the availability of complete, high-quality data (including those of Desjardins members and clients from whom Desjardins may need to obtain information), the assumptions underlying third-party decarbonization scenarios, economic trends (including interest rate fluctuations), the development and deployment of new technologies and manufacturing processes, border measures and the availability of sector-specific solutions, among other unforeseen events or conditions.

Additional information regarding the assumptions, risks and uncertainties underlying Desjardins' forward-looking statements are discussed in Desjardins' most recently published annual and any subsequent quarterly MD&As, which may be updated thereafter. Readers are cautioned that these risk factors are not exhaustive and other factors could also adversely affect Desjardins' or FCDQ's results. When relying on the forward-looking statements contained in this document to make decisions with respect to Desjardins or FCDQ, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

None of Desjardins, FCDQ or their affiliates undertakes to update any oral or written forward-looking statements that could be made from time to time by or on behalf of Desjardins, FCDQ or their affiliates, except as required under applicable securities legislation.

ADDITIONAL CAUTION REGARDING ESG-RELATED DISCLOSURES

In preparing this document, Desjardins has made various assumptions, including about technological, economic, scientific and legal trends and developments, in light of an evolving policy and regulatory environment. As such, the data, analysis, strategy and other information set out in this document remain under development and subject to evolution, amendment, update and restatement over time. Desjardins specifically cautions readers of the following:

- The terms "ESG", "net-zero", "carbon neutral", "sustainable finance", "carbon-related finance" and similar terms, taxonomies and criteria are evolving, and Desjardins' use of such terms may change to reflect such evolution. Any references to such terms in this document are references to the internally defined criteria of Desjardins and not to any particular regulatory definition or voluntary standard.
- Due to the inherent limits and uncertainties in climatology, sustainability science, risk analysis, and reporting, Desjardins relies on various market criteria, practices, taxonomies, methodologies, and standards (collectively, "ESG Standards") and makes estimates and assumptions it believes are reasonable to set its sustainability objectives and eligibility criteria. The evolution of the policy and regulatory environment relating to ESG issues, and climate-related issues in particular, may result in updates or revisions to forward-looking statements and other information contained in this document. There could also be changes to the ESG Standards that governmental and non-governmental entities, the financial sector, Desjardins and its member clients use to classify, assess, measure, report on and verify ESG activities. In some cases, applicable ESG Standards may not yet exist. Desjardins may update its ESG objectives, its plans to achieve them, its progress toward them, and its estimates of the impact of this progress, as appropriate, in light of new and evolving ESG Standards.
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