

# 2017 GRI CONTENT INDEX

## GLOBAL REPORTING INITIATIVE



**Desjardins**

# GRI GUIDELINES

## GRI CONTENT INDEX

### DESJARDINS GROUP 2017 SOCIAL AND COOPERATIVE RESPONSIBILITY REPORT

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## SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECTS	DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS	PAGE(S) OF THE REPORT	OMISSIONS	EXTERNAL ASSURANCE
ECONOMIC	<b>EC1</b> Direct economic value generated and distributed	81 to 83, 85, 86, 106	N/A	No
	<b>EC8</b> Significant indirect economic impacts	36, 39, 52, 78, 79, 81, 82	N/A	No
	<b>EC10</b> Supplier assessment	106	N/A	No
SOCIAL LABOUR PRACTICES	<b>LA1</b> Turnover rate and new employee hires	64	N/A	No
	<b>LA2</b> Employee benefits	66	N/A	No
	<b>LA9</b> Average hours of training	67	N/A	No
	<b>LA10</b> Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	67	N/A	No
	<b>LA12</b> Composition of governance bodies and breakdown of caisse elected officers and employees	71	N/A	No
SOCIAL SOCIETY	<b>FS13</b> Access points in low-populated or economically disadvantaged areas by type	52, 53	N/A	No
	<b>FS14</b> Initiatives to improve access to financial services for disadvantaged people	23, 25, 52	N/A	No
	<b>FS16</b> Initiatives to enhance financial and cooperative literacy	17, 19 to 21, 35, 36, 52	N/A	No



**SPECIFIC STANDARD DISCLOSURES** *(continued)*

MATERIAL ASPECTS	DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS	PAGE(S) OF THE REPORT	OMISSIONS	EXTERNAL ASSURANCE
<b>SOCIAL SOCIETY</b>  (continued)	<b>SO1</b> Percentage of operations with implemented local community engagement, impact assessments and development programs	52, 53	As a survey of sites has not been conducted, the percentage is not available. Sites that received no local support are exceptions	No
	<b>SO4</b> Communication and training on anti-corruption policies and procedures	52, 75	N/A	No
<b>SOCIAL PRODUCT RESPONSIBILITY: MEMBER AND CLIENT EXPERIENCE</b>	<b>FS1</b> Policies with specific environmental and social components applied to business lines	91	N/A	No
	<b>FS7</b> Products and services designed to deliver a social benefit	22, 40 to 43	N/A	No
	<b>PR5</b> Results of surveys measuring member and client satisfaction	31	N/A	No
	<b>PR10</b> Initiatives developed by the organization to raise employee awareness of data protection	33	N/A	No
	<b>FS8</b> Products and services designed to deliver an environmental benefit	37, 38, 92, 94	N/A	No
	<b>FS10</b> Number of companies held in the organization's portfolio with which it has interacted on environmental or social issues	99	N/A	No
<b>FS11</b> Assets subject to positive or negative environmental or social screening	99	N/A	No	



**SPECIFIC STANDARD DISCLOSURES** *(continued)*

<b>MATERIAL ASPECTS</b>	<b>DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS</b>	<b>PAGE(S) OF THE REPORT</b>	<b>OMISSIONS</b>	<b>EXTERNAL ASSURANCE</b>
<b>ENVIRONMENTAL</b>	<b>EN5</b> Energy intensity	102		No
	<b>EN15</b> Direct greenhouse gas emissions (Scope 1)	102		Yes
	<b>EN16</b> Energy indirect greenhouse gas emissions (Scope 2)	102	As emissions for Qtrade Canada Inc. and Zag Bank are not available, the data is not included in these indicators	Yes
	<b>EN17</b> Other indirect greenhouse gas emissions (Scope 3)	102		Yes
	<b>EN18</b> Greenhouse gas emissions intensity	102		No
	<b>EN19</b> Reduction of greenhouse gas emissions	102		No
	<b>EN23</b> Total weight of waste	108	Data is only available and reported for buildings owned by Desjardins in Quebec, excluding the caisse network	No



## GRI METHODOLOGY

### GENERAL STANDARD DISCLOSURES

#### STRATEGY AND ANALYSIS (4-1 AND 4-2)

##### **G4-1 PRESIDENT'S STATEMENT**

See pages 10 to 12 of the Social and Cooperative Responsibility Report to read the president's statement.

##### **G4-2 KEY IMPACTS, RISKS AND OPPORTUNITIES**

###### **Identification and management of main risks**

At Desjardins Group, we believe it's important to periodically assess the environment in which we operate and to identify key risks, main risk factors and emerging risks. That's why we keep a log of risks that are likely to affect our results. We update this risk log at least annually and use it to make a quantitative and qualitative assessment of risk materiality, to determine our risk profile and to implement appropriate strategies to mitigate risk.

We regularly monitor our qualitative and quantitative indicators to ensure that our risk profile remains within the risk appetite limits set by senior management and the Board of Directors.

Each quarter, Risk Management analyzes our risk profile and presents it to senior management and the Board of Directors. If a risk appetite indicator threshold or limit is exceeded, an action plan is set in motion and the information is sent to the governance bodies concerned.

A detailed presentation of our risk management principles can be found in the Risk Management section of the annual report's Management's Discussion and Analysis (<https://desjardins.com/annualreport>).

The complete mandate and composition of the commissions and committees that support the Board of Directors of the Fédération des caisses Desjardins du Québec (the Federation) in the performance of its duties are available on our website at [www.desjardins.com/ca/about-us/desjardins/governance-democracy/index.jsp](http://www.desjardins.com/ca/about-us/desjardins/governance-democracy/index.jsp). Additional information specifically about the Risk Management Commission and its governance practices can also be found there.





## Environmental risk

Environmental risk is the risk of financial, operational or reputational loss for Desjardins Group as a result of the impact of environmental issues, whether they occur through our credit or investment activities or our operations.

In addition to the potential financial losses we could incur through poor management of environmental risk, there's increased credit risk through the impairment of assets pledged as collateral. Given the nature of their activities, our property and casualty insurance subsidiaries also face greater natural disaster and climate change risks, and business relations with entities whose activities could attract media attention about social and environmental issues may generate reputational risk.

Environmental risk is an integral part of our integrated risk management framework. In December 2017, Desjardins Group announced new management practices to mitigate environmental risk and reduce our carbon footprint. These practices are discussed in section 4.4 of the Social and Cooperative Responsibility Report.

At Desjardins Group, we consider sustainable development a strategic risk. That's why we've instituted a sustainable development policy that applies to all our operations and we've updated our strategic plan and performance management practices to include priorities that support the development of a sustainable and responsible economy, including setting carbon footprint reduction targets and gradually including these targets in our performance objectives. We're also continuing to develop innovative, sustainable products and services for our members and clients. We periodically update our climate change risk analysis, and each year we report our climate change risk management and strategy to the CDP (formerly the Carbon Disclosure Project). In 2017, we earned a B grade from the CDP, beating the industry average of C—proof positive that our efforts are paying off.

## ORGANIZATIONAL PROFILE (4-3 TO 4-16)

### G4-3 NAME OF THE ORGANIZATION

Desjardins Group

### G4-4 PRIMARY BRANDS AND SERVICES

We offer a wide assortment of financial products and services for individuals, associations, cooperatives and businesses:

- Savings and investment solutions
- Securities brokerage services
- Debit, credit and prepaid cards
- Payment services
- Personal and commercial loans
- Property and casualty insurance
- Life and health insurance
- Group insurance and pension plans
- Wealth management
- Financial investment services (securities, mutual funds and venture capital)
- Trust services
- Global trade and finance



Our brand architecture looks like this:

- Master brand (Desjardins)
- Commercial brands, which include:
  - Pillar brands
  - Identity brands
- Institutional brands
- Endorsed brands
- Stand-alone brands

OUR BRANDS

DESJARDINS BRAND

Master brand



COMMERCIAL BRANDS

Pillar brands



Identity brands



INSTITUTIONAL BRANDS



#### ENDORSED BRANDS



Brands for DFS independent brokers



#### STAND-ALONE BRANDS



### G4-5 LOCATION OF HEADQUARTERS

100 rue des Commandeurs  
Lévis QC G6V 7N5

### G4-6 GEOGRAPHIC BREAKDOWN

We conduct most of our business in Canada. In the province of Quebec, Desjardins is the predominant financial institution, with a particularly strong presence in outlying areas with low population densities, where we are often the only financial institution present.

To learn more, see section 1.4 of the Social and Cooperative Responsibility Report, **Accessible experts and services**.



We have a presence in the United States, doing business as Desjardins Bank National Association (a retail banking provider) and Caisse centrale Desjardins U.S. Branch (which supports business members and clients in Florida). We also have a representation office in Europe.

In addition, our non-profit organization Développement international Desjardins (DID) operates in 30 countries around the world. DID is active in the following three areas:

- Expert advice
- Investments
- Creation and operation of entrepreneur financial centres

#### **G4-7 LEGAL FORM**

Desjardins Group includes a network of Desjardins caisses located in Quebec and Ontario as well as the Fédération des caisses Desjardins du Québec and its components, which include Capital Desjardins inc., Fédération des caisses populaires de l'Ontario Inc. and Fonds de sécurité Desjardins.

The Quebec caisses, Fonds de sécurité Desjardins and the Federation are incorporated under the *Act Respecting Financial Services Cooperatives*, CQLR c C-67.3 (ARFSC).

The Ontario caisses and Fédération des caisses populaires de l'Ontario Inc. are incorporated under the *Credit Unions and Caisses Populaires Act*, 1994, S.O. 1994.

#### **G4-8 MARKETS SERVED**

We serve individuals, businesses, self-employed workers, non-profit organizations, public institutions and all three levels of government. We also strive to be the provider of choice for Canada's credit unions and other cooperatives, both inside and outside the financial services industry.

We offer members and clients across Canada a range of financial services for banking, payments and wealth management, as well as property and casualty insurance and health and life insurance for individuals and groups. We also assist clients who do business abroad. Our banking services in Florida are provided through Desjardins Bank National Association and Caisse centrale Desjardins U.S. Branch.

#### **G4-9 SCALE OF THE ORGANIZATION AS AT DECEMBER 31, 2017**

Total number of employees	45,547
Total income	\$17,101 million
Total assets	\$275,095 million
Number of Desjardins caisses and caisse points of service in Quebec and Ontario (including caisse head offices and service centres)	1,032
Product portfolio	<b>FS7 FS8</b>



## G4-10 WORKFORCE DISTRIBUTION

Workforce distribution	2017	2016	2015
Business sectors and support functions	27,661	29,207	28,280
Caisse network	17,886	18,448	19,374
Quebec	40,038	40,230	40,402
Ontario	4,828	4,808	4,677
Other provinces	590	2,505	2,445
Outside Canada	91	112	130
Permanent	91.8%	90.2%	90.6%
Contract	8.2%	9.8%	9.4%
Senior managers	0.8%	0.9%	1.0%
Managers	6.5%	7.1%	7.6%
Employees	92.7%	92.0%	91.4%
<b>Total workforce</b>	<b>45,547</b>	<b>47,655</b>	<b>47,654</b>

## G4-11 COLLECTIVE AGREEMENTS

In Canada, the right to organize is protected by law. Desjardins is fully compliant with all applicable labour legislation. In 2017, collective agreements covered:

- 18.6% of employees
- or
- 27.6% of caisse network employees, including employees in the Desjardins business centres

We consider all potential legal implications prior to any actions we take. It's our policy to respect the right to organize and to respect negotiated working conditions.



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## G4-12 SUPPLY CHAIN

At Desjardins, our procurement policy is standardized organization-wide and approved by the boards of directors of our various subsidiaries. It stipulates that any purchases, including products regularly used throughout the caisse network, must be made by the Procurement and Administrative Services Division (PASD).

We have a special Supplier Centre section on Desjardins.com. It provides detailed reference information that describes our supply and payment services, values and principles, supplier selection process, code of conduct for suppliers and procurement process from requisition to payment.

Professional services and technology represent the lion's share of purchases made by Desjardins.

⊕ To learn more, see section 4.7 of the Social and Cooperative Responsibility Report, **Our procurement practices**.

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## G4-13 SIGNIFICANT CHANGES TO THE ORGANIZATION

- The Federation and Caisse centrale Desjardins merged effective January 1, 2017, in order to optimize and streamline Desjardins Group's structure.
- Our Western Financial Group Inc. and Western Life Assurance Company subsidiaries were sold on July 1, 2017.
- A partnership was announced between provincial credit union centrals, Desjardins and the CUMIS Group to create one of Canada's largest independent wealth management firms, Aviso Wealth. The partnership will be finalized in the first half of 2018.

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## G4-14 PRECAUTIONARY PRINCIPLE

At Desjardins Group, we take our environmental impact seriously and have made environmental risks a part of our risk management framework. In reviewing credit applications from commercial, industrial, property or agricultural borrowers, we examine potential environmental risks against current standards. Environmental considerations are also an integral part of the risk analyses we conduct as part of our organizational development projects.



## G4-15 CHARTERS AND PRINCIPLES

As a corporate citizen committed to sustainable community development, Desjardins supports many initiatives:

- United Nations Environment Programme Finance Initiative – Member (2003)
- CDP (formerly the Carbon Disclosure Project) – Signatory (2013)
- Declaration of the International Co-operative Alliance – Signatory
- Final declarations of the International Summit of Cooperatives – Signatory (2012, 2014 and 2016)
- Principles for Responsible Investment (PRI) – Signatory (Desjardins Investments in 2009)
- Principles for Responsible Investment (PRI) – Signatory (Desjardins Global Asset Management in 2017)
- Statement by Financial Institutions on Energy Efficiency – Signatory (2015)
- European Association of Co-operative Banks COP21 statement – Signatory (2015)

Développement international Desjardins has supported the following initiatives:

- Principles for Responsible Investment (2014)
- Global Impact Investing Network (2014)
- Smart Campaign for the protection of microfinance clients (2011)

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## G4-16 ASSOCIATIONS

Desjardins maintains close relationships with a number of associations, institutions and public agencies. This may involve a member of our senior management or board of directors sitting on one of our partners' boards or participating in an advisory committee or working group, or it may take the form of financial support.

### Cooperatives and mutuals

Canadian Association of Mutual Insurance Companies	Fondation pour l'éducation à la coopération et la mutualité
Canadian Coalition for Good Governance	Forum of Canadian Ombudsman
Canadian Credit Union Association	European Association of Co-operative Banks
International Confederation of Popular Banks	International Cooperative and Mutual Insurance Federation
Conseil de la coopération de l'Ontario	International Raiffeisen Union
Conseil québécois de la coopération et de la mutualité (and its members)	Cooperative leaders on B20 committees
Co-operatives and Mutuals Canada (and its members)	Réseau de la coopération du travail du Québec
Crédit industriel et commercial (subsidiary of Crédit Mutuel)	Société pour la coopération et le développement international
Filene Research Institute	International Summit of Cooperatives
International Co-operative Alliance (and its members)	Ontario Co-operative Association



## Finance and insurance

Financial Consumer Agency of Canada  
AON Risk Solutions  
Canadian Life and Health Insurance Association  
Mutual Fund Dealers Association of Canada  
Canadian Insurance Claims Managers Association  
Canadian Association of Financial Institutions in Insurance  
Investment Industry Association of Canada  
Canadian Bankers Association  
Autorité des marchés financiers  
Business Development Bank of Canada  
Bank of Canada  
Insurance Bureau of Canada (IBC)  
Office of the Superintendent of Financial Institutions  
Caisse de dépôt et placement du Québec  
Canadian Association of Direct Relationship Insurers  
Canadian Association of Special Investigation Units  
Canadian National Insurance Crime Services  
Canadian Securities Administrators  
Chambre de l'assurance de dommages  
Ontario Securities Commission  
Financial Transactions and Reports Analysis Centre of Canada  
Centre de développement en assurances et services financiers  
Cercle finance du Québec  
Chambre de la sécurité financière  
Financial Services Commission of Ontario  
Conseil des fonds d'investissement du Québec  
Conseil des professionnels en services financiers  
Conseil québécois du commerce de détail  
Corporation des assureurs directs de dommages  
Discover  
Euro Information  
Facility Association  
International Cooperative and Mutual Insurance Federation  
Finance Montréal  
Financière agricole du Québec – Développement international  
Fondaction  
International Fund for Agricultural Development  
Global Impact Investing Network  
Global Risk Institute  
General Insurance Statistical Agency  
Groupement des assureurs automobiles  
Health Claims for Auto Insurance  
Finance and Sustainability Initiative  
Institut d'assurance de dommages du Québec  
Montreal Institute of Structured Finance and Derivatives  
Investment Funds Institute of Canada  
Institute for Catastrophic Loss Reduction  
Interac  
Investissement Québec  
Institutional Shareholder Services  
Journal de l'assurance  
Mastercard  
Mouvement d'éducation et de défense des actionnaires  
Nexo  
Office de la protection du consommateur  
Ombudsman for Banking Services and Investments  
Ontario Chamber of Commerce  
Investment Industry Regulatory Organization of Canada  
Payments Canada  
Proparco  
Property and Casualty Insurance Compensation Corporation  
Proxfin  
Quebec International Economic Development Agency  
Réseau PRI Québec (principles for responsible investment)  
Réunion des organismes d'assurance mutuelle  
Canada Mortgage and Housing Corporation  
Canada Deposit Insurance Corporation  
Deposit Insurance Corporation of Ontario  
State Farm U.S.  
Statistics Canada  
National Association of Mutual Insurance Companies  
Traffic Injury Research Foundation  
UNI Financial Cooperation  
Visa International  
Women in Insurance Cancer Crusade





## Sustainable community development

Academos	Communauto
Teens Against Drinking and Driving (New Brunswick)	Community Futures
Agence métropolitaine de transport	Concertation Montréal
Agence universitaire de la Francophonie	Canada Green Building Council
Alberta Severe Weather Management Society	Quebec Employer's Council
Alloprof	Conseil patronal de l'environnement du Québec
Arrive Alive	Boreal Leadership Council
Canadian Education Association	Conseil québécois des entreprises adaptées
Canadian Political Science Association	Conseil régional de l'environnement de Montréal
Association des directeurs généraux des commissions scolaires	Coop Carbone
Responsible Investment Association	Coopérative de développement régional du Québec
Association québécoise d'information scolaire et professionnelle	Canada Safety Council
Association québécoise de la production d'énergie renouvelable	Montreal Council on Foreign Relations
Association québécoise des enseignantes et enseignants du primaire	Canadian Red Cross
Association québécoise pour la maîtrise de l'énergie	Éco Entreprises Québec
Consumer associations, such as family finance cooperative associations	Ecohome
Bourse Scol'ÈRE	Écotech Québec
CEFRIO	École d'entrepreneurship de Beauce
United Way/Centraide	École de technologie supérieure
International Reference Centre for the Life Cycle of Products, Processes and Services	École Vanier
Chaire d'actuariat (Université Laval)	Éducaide
Chaire de coopération Guy-Bernier (UQAM)	Éducaloi
Chaire de leadership en enseignement et en développement régional et économique (Université Laval)	Équiterre
Chaire Desjardins en finance responsable (Université de Sherbrooke)	Espace québécois de concertation sur les pratiques d'approvisionnement responsable
Chaire en développement des petites collectivités (UQAT)	Ethiquette
Chaire en éco-conseil (UQAC)	Fédération de l'âge d'or du Québec
Centre for Addiction and Mental Health	Fédération des chambres de commerce du Québec
Centre for Interdisciplinary Research and Information on Community Enterprises	Fédération des commissions scolaires du Québec
Board of Trade of Metropolitan Montreal	Fédération des Villages-relais du Québec
Chambre de commerce et d'industrie de Québec	Fédération québécoise des municipalités
Canadian Chamber of Commerce	Fondation Armand-Frappier (INRS)
Club canadien de Toronto	David Suzuki Foundation
Coalition des associations de consommateurs du Québec	Fondation de l'entrepreneurship
Coalition pour la souveraineté alimentaire	Fondation des Auberges du cœur
Strategic Direction Committee (Agence Universitaire de la Francophonie)	Montreal Canadiens Children's Foundation



## Sustainable community development (continued)

Mental Illness Foundation	Montreal Children's Hospital Foundation
Fondation du Cégep de Sainte-Foy	Mouvement québécois de la qualité
Fondation du Cégep de Lévis-Lauzon	NOVAE
Fondation du Cégep du Vieux-Montréal	Operation Red Nose
Fondation du Conservatoire de musique et d'art dramatique du Québec	OSEntreprendre
Fondation Jasmin Roy	Parachute Canada
Fondation La Dauphine	Place aux jeunes en region
Fondation les Voltigeurs	Quartier de l'innovation
New Pathways Foundation	Climate Reality Project Canada
Literacy Foundation	Recyc-Québec
Fondation Québec Jeunes	Regroupement national des conseils régionaux de l'environnement
Fondation québécoise en environnement	Réseau de transport de la Capitale
Fondation Sport-Études	Réseau des carrefours jeunesse-emploi du Québec
Fondation Université de Sherbrooke	Réseau des Centres de Formation en Entreprise et Récupération
Vanguard Foundation	Réseau intercollégial des activités socioculturelles
Fonds d'action québécois pour le développement durable	Réseau québécois du crédit communautaire
Groupe investissement responsable	Montreal Hooked on School
Habitat for Humanity Canada	Smart Prosperity
United Nations Environment Programme Finance Initiative	Société de transport de Lévis
InnoCité MTL	Société de transport de Montréal
Insertech	Société des relations internationales de Québec
Institut québécois des hautes études internationales (Université Laval)	Society for the Celebrations of Montréal's 375th Anniversary
Institute for Governance of Private and Public Organizations	Solidarité rurale du Québec
Institut de coopération pour l'éducation aux adultes	Southlake Regional Hospital Foundation
Institut de recherche et d'éducation pour les coopératives et les mutuelles (Université de Sherbrooke)	Soutien-O-sinistrés
Institut international des coopératives Alphonse-et-Dorimène-Desjardins (HEC Montréal)	Students Against Drinking & Driving Alberta
Institut québécois de planification financière	Sûreté municipale de Saguenay
International Women's Forum	SWITCH, l'Alliance pour une économie verte au Québec
Je fais MTL	Tablée des Chefs
Kids Help Phone	Toronto Region Board of Trade
Kids Now Canada	Union des producteurs agricoles
La Ruche	University of Ottawa
Leucan	Université Laval
MOBA (transportation division of Développement économique Saint-Laurent)	Université du Québec à Chicoutimi
Mobili-T, le Centre de gestion des déplacements de Québec	Université du Québec à Rimouski



### Sustainable community development (continued)

Université du Québec en Abitibi-Témiscamingue	Ville de Québec
Université du Québec en Outaouais	Vivre en Ville
Université du Québec à Trois-Rivières	Voyagez Futé
Ville de Lévis	YMCA's of Quebec
Ville de Montréal	

## IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES (4-17 TO 4-23)

### G4-17 ENTITIES INCLUDED

The main components included in the group scope of Desjardins Group were incorporated in Canada, and their principal place of business is also in Canada. The following table presents the nature of the operations of these components and the proportion of ownership interests held in each of them:

Component	Nature of operations	As at December 31, 2017 <sup>1</sup>	As at December 31, 2016 <sup>1</sup>	As at December 31, 2015 <sup>1</sup>
Caisse centrale Desjardins <sup>2</sup>	Desjardins Group treasurer and financial agent on the Canadian and international markets	N/A	100%	98.1%
Desjardins Capital Inc.	Issuance of securities on the markets and financing of the Desjardins caisses	100%	100%	100%
Desjardins Financial Holding Inc.	Holding company	100%	100%	100%
Zag Bank	Financial institution	100%	100%	100%
Desjardins Financial Corporation Inc.	Holding company	100%	100%	100%
Desjardins Global Asset Management Inc.	Asset management	100%	100%	100%
Desjardins General Insurance Group Inc.	Property and casualty insurance	100%	100%	100%
Property and casualty insurance subsidiaries <sup>3</sup>	Property and casualty insurance	90%	90%	90%



## G4-17 ENTITIES INCLUDED *(continued)*

Component	Nature of operations	As at December 31, 2017 <sup>1</sup>	As at December 31, 2016 <sup>1</sup>	As at December 31, 2015 <sup>1</sup>
Desjardins Financial Security Life Assurance Company	Life and health insurance and financial services	100%	100%	100%
Desjardins Investments Inc.	Design, administration and distribution of insurance and savings products	100%	100%	100%
Western Financial Group <sup>4</sup>	Insurance brokerage and financial services	-	100%	100%
Western Life Assurance Company <sup>4</sup>	Life and health insurance	-	100%	100%
Western Financial Insurance Company <sup>5</sup>	Property and casualty insurance	-	100%	100%
Desjardins Trust Inc.	Asset custody and trust services	100%	100%	100%
Desjardins Technology Group Inc.	Development and maintenance of Desjardins Group technology	100%	100%	100%
Qtrade Canada Inc. <sup>6</sup>	Online brokerage and wealth management services	80.8%	77.2%	70.1%
Desjardins Securities Inc.	Securities brokerage	100%	100%	100%

<sup>1</sup> Represents also the proportion of voting rights held by Desjardins Group in these subsidiaries, except for Qtrade Canada Inc., in which Desjardins Group holds 100% of the voting rights.

<sup>2</sup> On January 1, 2017, the Federation amalgamated with Caisse centrale Desjardins by absorption thereof. As a result of this amalgamation, the Federation holds all the rights and assumes all the obligations of Caisse centrale Desjardins, in addition to its own rights and obligations. This transaction had no material impact on Desjardins Group's Combined Balance Sheet on the date it was completed.

<sup>3</sup> Represents a group of six property and casualty insurance subsidiaries.

<sup>4</sup> Subsidiary sold on July 1, 2017. For more information, see Note 20, "Significant disposals" to the annual financial statements.

<sup>5</sup> Subsidiary sold on January 1, 2017. The transaction had no material impact on Desjardins Group's Combined Balance Sheet.

<sup>6</sup> Subsidiary classified as disposal group held to be transferred as at December 31, 2017. For more information, see Note 21, "Disposal Group held to be transferred" to the annual financial statements.

## G4-18 PROCESS FOR DEFINING REPORT CONTENT AND G4-19 – MATERIAL ASPECTS

The process for defining report content and the material aspects can be found on pages 4 to 8 of the Social and Cooperative Responsibility Report.



## G4-20 AND G4-21 ASPECT BOUNDARY WITHIN/OUTSIDE THE ORGANIZATION

Aspect	Boundary of aspects covered in this report	
	Within: Cooperative network and components directly involved in financial operations	Outside: Members, clients, suppliers, business partners, governments <sup>1</sup> , local communities, etc.
1 Governance	Included	Included: Members, clients, governments and local communities
2 Ethics and Integrity	Included	Included: Members, clients, suppliers, business partners, governments and local communities
3 Economic Performance	Included	Included: Members, clients, suppliers, business partners, governments and local communities
4 Indirect Economic Impacts	Included	Included: Members, clients, suppliers, business partners, governments and local communities
5 Product Responsibility	Included	Included: Members, clients, business partners, governments and local communities
6 Shareholder Engagement	Included	Included: Members, clients, business partners and local communities
7 Procurement Practices	Included, with the exception of Qtrade Canada Inc. and Zag Bank	Included: Suppliers
8 Member and Client Experience	Included	Included: Members and clients
9 Financial and Cooperative Education	Included	Included: Members, clients and local communities
10 Local Communities	Included	Included: Members, clients, governments and local communities
11 Labour/Management Relations	Included	Not included
12 Training and Education	Included	Not included



## G4-20 AND G4-21 ASPECT BOUNDARY WITHIN/OUTSIDE THE ORGANIZATION *(continued)*

Aspect	Boundary of aspects covered in this report	
	Within: Cooperative network and components directly involved in financial operations	Outside: Members, clients, suppliers, business partners, governments <sup>1</sup> , local communities, etc.
13 Diversity and Equal Opportunity	Included	Included: Members and governments
14 Anti-corruption	Included	Included: Members, clients, suppliers, business partners, governments and local communities
15 Member and Client Privacy and Data Protection	Included	Included: Members, clients, suppliers, business partners, and governments
16 Management of Greenhouse Gas Emissions and Energy	Included, with the exception of Qtrade Canada Inc. and Zag Bank	Included: Governments
17 Residual Waste	Included, but internal data is only available for Quebec, excluding the caisse network and any buildings rented by Desjardins	Included: Governments

<sup>1</sup> "Governments" refers to the three levels of government: federal, provincial and municipal.

### G4-22 RESTATEMENTS OF INFORMATION

Starting in 2017, GHG emissions were calculated for all sources over which we have financial control, including rental space we occupy and space we own that is occupied by third parties (real estate investments). Estimates were used for these sites when data was not available. This adjustment was made retroactively to 2014. In order to perform data quality control earlier in the reporting cycle and reduce the risk of incomplete data, the data collection period for Energy indicators was changed to November 1, 2016–October 31, 2017. The data collection period for all other indicators remained unchanged (January 1–December 31, 2017).

Where minor restatements were necessary, it has been indicated in the text.

### G4-23 SIGNIFICANT CHANGES IN THE SCOPE AND ASPECT BOUNDARIES

This report reflects Desjardins Group's commitment to complying with the strictest social responsibility reporting standards, namely GRI G4 methodology and integrated reporting. Changes made in 2017 are compliant with GRI G4 requirements. In 2017, we finalized the sale of Western Financial Group Inc., so that entity is not included in this report. Minor changes in scope that have been made to certain elements are specified in the corresponding text.



## STAKEHOLDER ENGAGEMENT (4-24 TO 4-27)

### G4-24 LIST OF STAKEHOLDERS

### G4-25 SELECTION CRITERIA

### G4-26 APPROACH

### G4-27 KEY TOPICS AND CONCERNS

Indicators G4-24 to G4-27 can be found on pages 4 to 8 of the Social and Cooperative Responsibility Report.

## REPORT PROFILE (4-28 TO 4-33)

### G4-28 REPORTING PERIOD

The annual report covers the period from January 1 to December 31, 2017.

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### G4-29 DATE OF PREVIOUS REPORT

The previous report was published in March 2017 and covered operations for the 2016 calendar year.

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### G4-30 REPORTING CYCLE

Since publishing our first Social and Cooperative Responsibility Report in 2004, we have been disclosing our social and cooperative responsibility performance every year.

See the full list of our past reports: <https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/reports>

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### G4-31 CONTACT POINT

- For any questions about this report, contact the social responsibility report team by email at [rse\\_coop@desjardins.com](mailto:rse_coop@desjardins.com).
  - For more information on social and cooperative responsibility at Desjardins, visit the Social Responsibility and Cooperation section of the website. <https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/>
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### G4-32 "IN ACCORDANCE" OPTION

Desjardins Group affirms that the Social and Cooperative Responsibility Report was produced in accordance with the Core option of the Global Reporting Initiative G4 Guidelines.



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## **G4-33 EXTERNAL ASSURANCE**

All disclosed data was validated internally by senior management. Our 2013 and 2014 reports also underwent an internal audit, and corrections were incorporated in subsequent reports. In 2017, PricewaterhouseCoopers LLP independently verified our greenhouse gas emissions and provided limited assurance on our Scope 1, 2 and 3 greenhouse gas emissions. [See their report for more information.](#)

## **GOVERNANCE (4-34 TO 4-55)**

### **G4-34 GOVERNANCE STRUCTURE**

The purpose of Desjardins Group's corporate governance practices is to enable us to carry out our mission, which is to contribute to improving the economic and social wellbeing of people and communities. The Federation oversees the development and application of a Desjardins-wide governance framework that takes into account its cooperative nature, its social responsibility objectives, the complexity of its activities, and Autorité des marchés financiers guidelines. This framework covers the activities of the Federation, Fonds de sécurité Desjardins, the Fédération des caisses populaires de l'Ontario Inc., Desjardins's subsidiaries and the caisses. As certain components are subject to specific regulations, the framework largely complies with rules established by the Canadian Securities Administrators and the Office of the Superintendent of Financial Institutions, as well as industry best practices.

The information required for indicators G4-35, G4-36, G4-38 to G4-47 and G4-51 to G4-53 is included in Desjardins Group's corporate governance disclosure (available on [SEDAR](#)).

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### **G4-37 CONSULTATION ON ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS**

This item is described in indicators **G4-24 through G4-27**.

The Board of Directors is the highest governance body dealing with economic, environmental and social topics.

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### **G4-48 REPORT APPROVAL**

Upon the recommendation of the Cooperation and Network Liaison Commission, the Board of Directors approves the social and cooperative responsibility section of the annual report.

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### **G4-54 COMPENSATION RATIO**

Ratio of the annual total compensation of the president and CEO to the average annual total compensation for all permanent full-time Desjardins Group employees

The compensation ratio is calculated by the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group every year. The 2017 ratio is 32 times the average compensation of permanent full-time employees.

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### **G4-55 BOARD ATTENDANCE FIGURES**

In 2017, the attendance rate for meetings of the Federation's Board of Directors was 98.1%.





## ETHICS AND INTEGRITY (4-56 TO 4-58)

### G4-56 ORGANIZATIONAL VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOUR

#### CULTURE OF INTEGRITY

The Board of Directors is responsible for promoting the values of Desjardins Group—money at the service of human development, democratic action, personal commitment, integrity and rigour in the cooperative enterprise, solidarity with the community, and intercooperation—with a view to earning the trust of the public and of members and clients in their financial services cooperative. The Board is also responsible for enforcing Desjardins Group's rules of professional conduct. Desjardins Group's *Code of Professional Conduct* (the Code), which is available to the public on Desjardins.com, applies to all Desjardins Group entities. It includes two sections: one covering Desjardins Group's ethics, mission and values, and a second outlining all rules of professional conduct. In addition, online training on professional conduct and conflicts of interest is provided for all Desjardins employees and officers. All employees must sign an acknowledgement every year that they have read the Code.

### G4-57 MECHANISMS FOR SEEKING ADVICE

The Board of Ethics and Professional Conduct adopts rules of professional conduct for the officers of Desjardins, including those of its subsidiaries, and for the employees of the Federation and the caisses. These rules must be ratified by the Board of Directors before they come into effect. Furthermore, the Board of Ethics and Professional Conduct works collaboratively with the subsidiaries, but has no authority over them.

Within the caisse network, the Board of Supervision of each caisse oversees the operations of the caisse in terms of ethics, professional conduct and cooperation. It issues opinions and makes recommendations to the Board of Directors. It also:

- Ensures that the values, principles and rules of the Code are promoted, and handles professional conduct issues that fall under its purview
- Identifies and analyzes situations that raise ethical issues for the caisse, especially those relating to Desjardins's mission and values

The Federation also offers advisory services for all of Desjardins Group.

### G4-58 REPORTING MECHANISMS

The Federation has a Board of Ethics and Professional Conduct whose members are all independent of Desjardins Group management and the Board of Directors. For Desjardins caisses, responsibility for ethics and professional conduct rests with the Board of Supervision in Quebec, and with an Audit Committee comprising caisse officers in Ontario. Desjardins Group also has a policy for reporting actions that violate laws and regulations or the Code. The policy features a confidential reporting mechanism to preserve the anonymity of individuals who use it.

The Federation oversees the financial reporting process and the disclosure of any material changes that may affect the financial position of Desjardins Group. It also uses various channels to ensure effective communication with its many stakeholders. These mechanisms include the Ombudsman, the Desjardins Group ethics and professional conduct support team and the caisse complaint handling procedure.

Other mechanisms within Desjardins Group:

- Annual general meetings
- Disclosure of quarterly financial results
- Desjardins publications (including annual reports)
- Toll-free telephone numbers
- Intranet portals
- Portal designed especially for caisse officers
- Desjardins.com (which includes information on the Co-opme Program on education, cooperation and dialogue with our members and clients, as well as a member relations section)
- The Federation's Member Services Committee
- Procedure for reporting violations of the Code and other governance documents
- Newsletters
- Social media (Facebook, YouTube, LinkedIn, Twitter, etc.)

