



Desjardins

**Independent Limited Assurance Report on the selected sustainability
information included in the Rapport de responsabilité sociale et coopérative
2017 du Mouvement Desjardins**

For the year ended December 31, 2017

Prepared in accordance with:

International Standard on Assurance Engagements 3410, *Assurance Engagements on
Greenhouse Gas Statements* ('ISAE 3410')

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SECTION I: Independent practitioner’s limited assurance report on the “Rapport 2017 sur les émissions de gaz à effet de serre du Mouvement Desjardins” of the Rapport de responsabilité sociale et coopérative 2017 du Mouvement Desjardins

To the Board of Directors and Management of Desjardins

We have undertaken a limited assurance engagement of the “Rapport 2017 sur les émissions de gaz à effet de serre du Mouvement Desjardins” (together “the subject matter”) contained in the Rapport de responsabilité sociale et coopérative 2017 du Mouvement Desjardins for the year ended December 31, 2017. This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and individuals with environmental experience.

Scope and subject matter

Our scope is limited only and exclusively to the above mentioned appendices and is not extended to any other information, note, section and paragraph of the Rapport de responsabilité sociale et coopérative 2017 du Mouvement Desjardins.

We were not engaged to report on comparative figures for the prior years and we were not engaged to report on trends, variances and any other additional information not specifically mentioned in the following Scope and subject matter paragraph.

With reference to the “Rapport 2017 sur les émissions de gaz à effet de serre du Mouvement Desjardins” (the “GHG statement”), our limited assurance engagement was performed on the following:

- Scope 1 emissions
- Scope 2 emissions
- Scope 3 emissions

The organizational boundaries for each scope have been disclosed in the above mentioned GHG statement.

Desjardins’ Responsibility

Desjardins is responsible for the preparation of the “Rapport 2017 sur les émissions de gaz à effet de serre du Mouvement Desjardins” in accordance with the principles and requirements of ISO 14064-1 and the GHG Protocol – A Corporate Accounting and Reporting Standard Revised Edition (the “GHG Applicable Criteria”), applied as explained in the appendix. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Greenhouse Gas emissions report that is free from material misstatement, whether due to fraud or error.



Inherent Uncertainty

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

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

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

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 (*ISQC 1 – Quality control for firms that perform audits and reviews of financial statements and other assurance and related services engagements*, issued by the International Auditing and Assurance Standards Board, International Federation of Accountants) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention to indicate that the “Rapport 2017 sur les émissions de gaz à effet de serre du Mouvement Desjardins” is not stated, in all material respects, in accordance with the “GHG Applicable Criteria”.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance on the subject matter.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Desjardins’ use of the GHG Applicable Criteria, assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the statements. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.



Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of Desjardins' control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Desjardins' methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Desjardins' estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Desjardins' subject matter, including the "Rapport 2017 sur les émissions de gaz à effet de serre du Mouvement Desjardins", has been prepared, in all material respects, in accordance with the GHG Applicable Criteria applied as explained in these appendices.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the "Rapport 2017 sur les émissions de gaz à effet de serre du Mouvement Desjardins" included in the Rapport de responsabilité sociale et coopérative 2017 du Mouvement Desjardins for the year ended December 31, 2017 are not prepared, in all material respects, in accordance with the GHG Applicable Criteria.

Restriction on use

This report, including the conclusion, has been prepared solely for the Board of Directors and Management of Desjardins, to assist Management in reporting on the company's sustainability performance and activities. We permit the disclosure of this report within the Rapport de responsabilité sociale et coopérative 2017 du Mouvement Desjardins for the year ended December 31, 2017, to enable Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report on the selected information contained in the report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and Management of Desjardins for our work or this report, save where terms are expressly agreed and with our prior consent in writing.

PricewaterhouseCoopers LLP

February 23, 2018

Montreal (Quebec)

¹CPA auditor, CA, public accountancy permit No. A113424

**SECTION II: “Rapport 2017 sur les émissions de gaz à effet de serre
du Mouvement Desjardins”**

The Desjardins Group Greenhouse Gas Emission (GHG) Report was prepared in compliance with the principles and requirements presented in the revised version of the GHG Protocol Corporate Accounting and Reporting Standard. We used the GHG emission report to disclose our GHG emissions to the CDP (formerly the *Carbon Disclosure Project*) and to prepare the Desjardins Group Social and Cooperative Responsibility Report. All told, we reported 45,905 metric tons of carbon dioxide equivalent (CO₂e) of emissions for Scopes 1, 2 and 3.

The table below reports Desjardins's¹ emissions for Scopes 1, 2 and 3 for the year ended December 31, 2017.

Scope	Source of GHGs	Emissions in metric tons of CO ₂ e		Rise (Drop)
		2016	2017 ²	
Scope 1	Fossil fuel consumption for Desjardins-owned buildings	13,575	10,634	(21.7%)
	Coolant leaks (ODS ³)	240	157	(34.6%)
	Fuel consumption for the Desjardins vehicle fleet and shuttle	4,342	3,241	(25.4%)
Total Scope 1		18,157	14,032	(22.7%)
Scope 2	Steam and electricity consumption for Desjardins-owned buildings	5,038	4,844	(3.9%)
Total Scope 2		5,038	4,844	(3.9%)
Scope 3	Energy consumption for buildings rented by Desjardins	13,904	9,852	(29.1%)
	Fossil fuel consumption for business travel	10,554	8,878	(15.9%)
	Paper consumption	9,165	8,299	(9.4%)
Total Scope 3		33,623	27,029	(19.6%)
Total		56,818	45,905	(19.2%)

¹ Desjardins Group applies the financial control approach to determine the scope of reporting. The data covers the following components: Desjardins caisse network and business centres, Fédération des caisses Desjardins du Québec, Desjardins General Insurance Group, Desjardins Financial Security, Desjardins Capital, Desjardins Property Management, Développement international Desjardins, Desjardins Global Asset Management, Desjardins Securities, Desjardins Technology Group, Desjardins Investment Product Operations, Desjardins Investments and Desjardins Shared Services Group. Other Desjardins Group components not specified in this list are excluded from the calculations.

² From January 1, 2017 to December 31, 2017, for ODS, business travel and paper consumption, and October 1, 2016 to September 30, 2017, for energy consumption for buildings. Note that the period for energy consumption for buildings was changed in 2017. Before 2017, the period spanned the calendar year.

³ Ozone-depleting substances.

Methodology and assumptions

Scope 1

Fossil fuel consumption for Desjardins-owned buildings

For sites where fossil fuel consumption volumes are known, information was taken from invoices and reports from our energy providers and compiled by our energy data collection systems. These volumes include diesel, heating oil and natural gas consumed by Desjardins buildings per province.

For sites where we only have information on energy costs, volumes were estimated based on the average unit cost per province for each type of fuel.

For sites where we don't have any information on energy costs or consumption, we estimated a consumption average based on the size of the building in square metres. We calculated the average using real consumption volumes for other Desjardins buildings for the same year.

GHG emissions were calculated by multiplying fossil fuel volumes by Canadian emission factors.ⁱ

Coolant leaks (ODS)

We determined the accidental release of ODS by compiling data provided by property managers. Emissions were calculated by applying the Global Warming Potential for each substance.ⁱⁱ

Fuel consumption for the Desjardins vehicle fleet and shuttle

We calculated the fuel consumption of our Desjardins vehicle fleet in litres of gasoline and diesel using kilometres travelled and each vehicle's fuel consumption rating. For the Desjardins shuttle, we have an accurate measurement of diesel consumption.

Emissions were calculated by multiplying fossil fuel volumes by Canadian emission factors.ⁱ

Scope 2

Steam and electricity consumption for Desjardins-owned buildings

Electricity consumption data (in Canadian dollars or kilowatt-hours) is provided per province. Volumes are obtained as follows:

- For sites where electricity consumption is known, information was taken from invoices and reports from our electricity providers and compiled by our energy data collection systems.
- For sites where we only have information on electricity costs, volumes were estimated based on the average unit costs in kilowatt-hours per province.
- For sites where we don't have any information on electricity costs or consumption, we estimated a consumption average based on the size of the building in square metres. We calculated the average using real consumption volumes for other Desjardins buildings.

To estimate steam consumption, we measured the volume of condensate.

Emissions were calculated by multiplying electricity volumes by Canadian emission factors.ⁱ Steam emissions were calculated based on the emission factor provided by our supplier.

Scope 3

Energy consumption for buildings rented by Desjardins

Consumption data (measured in cost or volume) is provided per province and country.

For sites where we have information on electricity or fossil fuel costs, volumes were estimated based on the average unit costs per province or country for each type of fuel.

For sites where we don't have any information on costs, we estimated a consumption average for each type of fuel based on the size of the building in square metres, which we then converted to a quantity of energy.

Emissions were calculated by multiplying fuel, electricity and steam volumes by Canadian, U.S. and European emission factors.ⁱⁱⁱ

Fossil fuel consumption for business travel

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

We determined the total distance travelled by converting mileage costs claimed by employees. We then converted the total number of kilometres to litres based on an average fuel consumption rating.

Emissions are calculated using the same methodology described above for fossil fuels. Desjardins assumes all personal vehicles and rental vehicles run on gasoline.

Air travel data, represented in kilometres, was obtained from our travel agency and include flight segments and distance travelled. Flight segments were converted to metric tons of CO₂e using emission factors.^{iv}

Rail travel data was provided by VIA Rail. CO₂ emissions were calculated by multiplying kilometres travelled by emission factors.^{iv}

Bus travel data was determined by compiling the dollar value of bus tickets purchased from bus companies. The number of trips is estimated based on the average cost of a trip between Montreal and Quebec City and then multiplied by the distance in kilometres between Montreal and Quebec City to calculate kilometres travelled. CO₂ emissions are calculated by multiplying the number of kilometres by emissions factors.^{iv}

Paper consumption

Most of the paper we consume comes directly from our main supplier. However, we had to estimate paper consumption for the caisse network for the portion of paper provided by other suppliers. To determine the estimate, we took the total quantity of paper sourced by the caisses and divided it by the percentage of caisses that have accounts with our main supplier. GHG emissions on paper consumption are calculated based on the volume and recycled content of the different types of paper using the Environmental Paper Network's Paper Calculator.

ⁱ National Inventory Report 1990-2015: Greenhouse Gas Sources and Sinks in Canada.

ⁱⁱ Intergovernmental Panel on Climate Change Fifth Assessment Report (2014) and ASHRAE Standard 34.

ⁱⁱⁱ National Inventory Report 1990-2015: Greenhouse Gas Sources and Sinks in Canada; Emissions & Generation Resource Integrated Database 2014; The Climate Registry's 2016 Default Emission Factors; and ADEME Bilans GES.

^{iv} Emission Factors from Cross-Sector Tools (Reference - EF Public worksheet) posted on the GHG Protocol website in March 2017.