



**Independent Limited Assurance Report on the selected sustainability
information included in the Desjardins Group Social and Cooperative
Responsibility Report 2019**

For the year ended December 31, 2019

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 “ Desjardins Group 2019 Greenhouse Gas Emissions Report” included in the Desjardins Group Social and Cooperative Responsibility Report 2019

To the Board of Directors and Management of the Desjardins Group

We have undertaken a limited assurance engagement of the “Desjardins Group 2019 Greenhouse Gas Emissions Report” (“the subject matter”) contained in the Social and Cooperative Responsibility Report of the Desjardins Group for the year ended December 31, 2019. This engagement was conducted by a multidisciplinary team including assurance practitioners and individuals with environmental experience.

Scope and subject matter

Our scope is limited only and exclusively to the above mentioned appendice and is not extended to any other information, note, section and paragraph of the 2019 Social and Cooperative Responsibility Report of the Desjardins Group.

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 “Desjardins Group 2019 Greenhouse Gas Emissions Report” (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.

The Desjardins Group’s Responsibility

The Desjardins Group is responsible for the preparation of the “Desjardins Group 2019 Greenhouse Gas Emissions Report” in accordance with the principles and requirements the GHG Protocol – A Corporate Accounting and Reporting Standard Revised Edition (the “GHG Applicable Criteria”), applied as explained in the appendix. The Desjardins Group is also responsible for such internal control as management determines necessary to enable the preparation of a “Greenhouse Gas Emissions Report” that is free from material misstatement.



Inherent Uncertainty

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

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

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

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the “Desjardins Group 2019 Greenhouse Gas Emissions Report” based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the “Desjardins Group 2019 Greenhouse Gas Emissions Report” is not fairly stated, in all material respects.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves performing procedures (primarily consisting of making inquiries of management and other within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement in preparing the “Desjardins Group 2019 Greenhouse Gas Emissions Report” in accordance with the Greenhouse Gas Applicable Criteria are likely to arise.

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

- Through inquiries, obtained an understanding of Desjardins Group’s control environment and information systems relevant to key performance indicators and 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 Group Desjardins’s methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group Desjardins’s estimates;
- Checked the mathematical accuracy of the calculation related to the Greenhouse Gas emissions variations on the comparative period January 1, 2018 to December 31, 2018 reported in the “Desjardins Group 2019 Greenhouse Gas Emissions Report”. This did not imply any assurance procedures on Greenhouse Gas emissions for the period January 1, 2018 to December 31, 2018.



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

Our Independence and Quality Control

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

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

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 “Desjardins Group 2019 Greenhouse Gas Emissions Report” included in the Desjardins Group Social and Cooperative Responsibility Report 2019 prepared in accordance with the Greenhouse Gas Applicable Criteria for the year ended December 31, 2019, is not fairly stated, in all material respects.

Restriction on use

This report, including the conclusion, has been prepared solely for the Board of Directors and Management of the Desjardins Group, to assist Management in reporting on the company’s sustainability performance and activities. We permit the disclosure of this report within the Social and Cooperative Responsibility Report 2019 the Desjardins Group for the year ended December 31, 2019, 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 the Desjardins Group for our work or this report, save where terms are expressly agreed and with our prior consent in writing.

¹
PricewaterhouseCoopers LLP

March 4, 2020

Montreal (Quebec)

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

SECTION II: “Desjardins Group 2019 Greenhouse Gas Emissions Report”

The Desjardins Group Greenhouse Gas Emissions (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 emissions report to disclose our GHG emissions to the CDP and to prepare the Desjardins Group Social and Cooperative Responsibility Report. The Desjardins Group reported a total **55,414 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, 2019.

Scope	Source of GHGs	Emissions in metric tons of CO ₂ e		Annual Variation
		2018	2019 ²	
Scope 1	Fossil fuel consumption for Desjardins-owned buildings	14,292 ³	15,898	11 % ⁴
	Refrigerant leaks (ODS ⁵)	112	299	167 % ⁶
	Fuel consumption for the Desjardins vehicle fleet and shuttle	2,672	2,266	(15 %)
Total Scope 1		17,076	18,463	8 %
Scope 2	Steam and electricity consumption for Desjardins-owned buildings	4,961	4,293	(13 %)
Total Scope 2		4,961	4,293	(13 %)
Scope 3	Energy consumption for buildings rented by Desjardins	8,244	7,169	(13 %)
	Fossil fuel consumption for business travel	9,073	10,588	17 %
	Paper consumption	20,762	14,901	(28 %)
Total Scope 3		38,079	32,658	(14 %)
Total		60,116	55,414	(8 %)

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, 2019 to December 31, 2019, for ODS, business travel and paper consumption, and October 1, 2018 to September 30, 2019, for energy consumption for buildings.

³ The corrections made in 2018 concern the energy consumption of the Caisses (properties both owned and leased). In 2018, the majority of natural gas bills were incorrectly consolidated with electricity invoices. The natural gas invoices were reallocated as in previous years and the calculations were redone, which explains the differences for the data related to energy consumption in the 3 scopes.

⁴ Increase is primarily due to the 27.4% increase in the area of the real estate investment portfolio.

⁵ Ozone-depleting substances.

⁶ Increase is primarily due to three leaks of ozone-depleting substances reported in 2019, including one of 113.6 kg of R410a (refrigerant gas) at the Complexe Desjardins.

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 utility 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 do not have any information on energy costs or consumption, we estimated a consumption average based on the size of the building in metres squared. We calculated the average using actual consumption volumes for other Desjardins buildings for the same year.

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

Refrigerant 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, direct diesel consumption was used.

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 do not have any information on electricity costs or consumption, we estimated a consumption average based on the size of the building in metres squared. We calculated the average using actual consumption volumes for other Desjardins buildings.

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

Emissions were calculated by multiplying electricity consumption 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 do not have any information on costs, we estimated a consumption average for each type of fuel based on the size of the building in metres squared, 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}

Since data on business travel by intercity bus is difficult to obtain from suppliers and represents a small percentage of GHG emissions from travel (less than 0.05%), it has been excluded from our 2019 emissions. The data collection process is being revised for 2020.

Paper consumption

Most of the paper we consume comes directly from our main suppliers. However, we had to estimate paper consumption for the Caisses network for the portion of paper provided by other suppliers, for whom we do not have data from. 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.

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- ⁱ Our GHG emissions were calculated using the GHG Protocol Corporate Accounting and Reporting Standard, which includes the following greenhouse gases: carbon dioxide, methane, and nitrous oxide. We used emissions factors from the National Inventory Report 1990–2017: Greenhouse Gas Sources and Sinks in Canada (Ottawa: Environment Canada, 2019). We applied Global Warming Potentials from the IPCC Fifth Assessment Report.
 - ⁱⁱ Intergovernmental Panel on Climate Change Fifth Assessment Report (2014); ASHRAE Standard 34.
 - ⁱⁱⁱ National Inventory Report 1990-2017: Greenhouse Gas Sources and Sinks in Canada (part 2 and part 3); EPA, Emissions & Generation Resource Integrated Database (eGRID) 2018; Regional greenhouse gas inventory: transportation and stationary energy, Southeast Florida Regional Compact climate change, Methodology Report 2019; ADEME Bilan GES.
 - ^{iv} Emission Factors from Cross-Sector Tools (Reference - EF Public worksheet) posted on the GHG Protocol website in March 2017.