



2019 Social and Cooperative Responsibility Report

# WORKING TOGETHER



## Table of contents

Our approach .....	3
Highlights .....	11
Message from the President and CEO .....	12
1. Members and clients .....	14
2. Our co-op and its governance .....	34
3. Employees .....	45
4. Communities .....	59
5. Responsible finance .....	74
6. Climate .....	86
GRI .....	104



# OUR APPROACH

ROBUST REPORTING | GRI 102-40 | 102-42 | 102-43 | 102-44 | 102-46 | 102-47

## Ensuring transparency and adding value for our members and clients and their communities

Our Social and Cooperative Responsibility Report shows how environmental, social and governance (ESG) factors are gradually being integrated into everything we do at Desjardins. Prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards, this report emphasizes the importance we place on the ever-changing needs and expectations of our members and clients and on our cooperative nature. By striving to improve the well-being of people and communities, we're helping to develop a sustainable, responsible economy.

In 2007, we adopted the GRI methodology to ensure transparent, robust and comparable social responsibility reporting. GRI is a global standard for the finance

sector. By publishing this report along with our financial results, we're moving toward integrated reporting, as endorsed by the International Integrated Reporting Council. We monitor global developments in this area carefully and have seen a shift from corporate reporting that focuses solely on financial results to more comprehensive reporting that also includes social and environmental performance. Because climate change is our environmental priority, we've integrated the reporting recommendations of the Task Force on Climate-related Financial Disclosures. We also comply with CDP\* reporting requirements. Our greenhouse gas (GHG) emissions have been independently reviewed by PricewaterhouseCoopers LLP (PwC) as part of a

limited assurance engagement for Scope 1, 2 and 3 emissions. To learn more, read the [report](#).

At Desjardins, social responsibility goes hand in hand with our mission and cooperative values. It's an integral part of our strategic plan that helps us enrich the lives of people and their communities and drive overall performance for our members and clients.

\*CDP is a non-profit organization that studies the climate change impact of large publicly traded international companies.



# STAKEHOLDER SURVEY

## A robust approach

In 2017, we conducted a materiality analysis on our sustainable development priorities according to the GRI methodology, which is still topical in 2019. We surveyed 1,700 stakeholders to get a comprehensive look at their concerns regarding sustainable development. We started by analyzing and discussing topics internally to narrow it down to 20 focus areas, which were then organized according to the results from each stakeholder group. We sent the online survey to 1,005 employees, 500 elected officers (including members of our Youth Advisory Board), 157 caisse general managers and business centre managers, 15 business community representatives, 11 civil sector

organizations, 4 government representatives, 4 board members and 4 senior executives.

The survey confirmed that our priorities are in line with stakeholders' overall expectations and that we're demonstrating leadership in the energy transition and the fight against climate change. We plan to conduct a stakeholder survey every 2 years and present the results in our Social and Cooperative Responsibility Report.

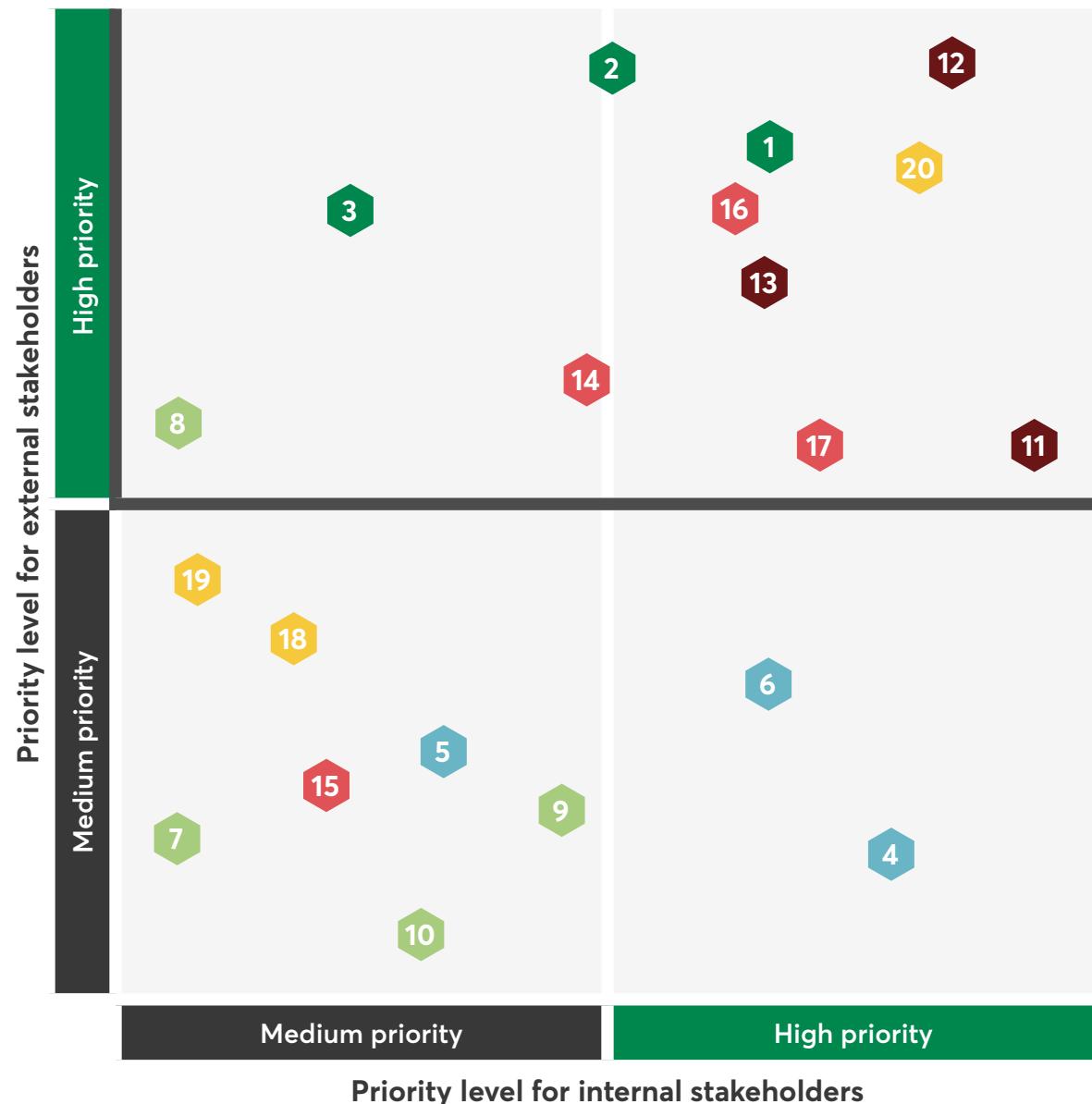
Since 2018, our ESG Steering Committee of senior managers from the business sectors and support functions has reviewed issues from an ESG standpoint

and advised Desjardins Group's senior management and Board of Directors. The committee is supported by a team of ESG experts.

We continued to dialogue with stakeholders in 2019. For instance, we talked with caisse chairs and general managers, who reaffirmed their commitment to prioritizing local initiatives to support sustainable development.



## MATERIALITY ANALYSIS



### Products and services

- 1. Cooperative and financial education of members and clients
- 2. Socially responsible products and services
- 3. Environmentally responsible products and services

### Workplace relations

- 4. Employee skills development and training
- 5. Equality and diversity in the workplace
- 6. An inspiring, motivating and secure work environment

### Environment

- 7. Alternative transportation
- 8. Climate change
- 9. Energy efficiency
- 10. Environmentally-friendly waste management

### Member/client relations

- 11. A distinctive member/client experience
- 12. Privacy protection
- 13. Effective governance

### Community relations

- 14. Individual and collective entrepreneurship
- 15. A greener and more unified economy
- 16. Economic value for communities
- 17. Community commitment and investment

### Structure and processes

- 18. Responsible supply chain
- 19. ESG risks
- 20. Ethics, integrity and compliance

## Our approach

# SOCIAL AND COOPERATIVE RESPONSIBILITY

## Overview

The table below lists the key sustainable development indicators for our 20 focus areas, based on the results of the stakeholder survey. The table provides an overview of Desjardins's performance in all 20 areas. Details for each focus area are presented throughout the report.

Focus area	Indicator	2019	2018	2017
<strong>Products and services</strong>				
Cooperative and financial education of members and clients	Investments in cooperation and financial education (in \$M)	7	7	8
Socially responsible products and services	Number of people who received assistance through the Desjardins Mutual Assistance Fund	18,078	22,203	19,242
Environmentally responsible products and services	Number of Green Program products and services, including SocieTerra funds and responsible investment ETFs	29	28	18
<strong>Workplace relations</strong>				
Employee skills development and training	Proportion of payroll invested in training and skills development (as a %)	3.12	2.90	2.65
Equality and diversity in the workplace	Representation of women in management roles (as a %)	58.7	59.0	57.5
An inspiring, motivating and secure work environment	Permanent employee retention rate (as a %)	93.0	93.9	94.6
<strong>Environment</strong>				
Alternative transportation	Number of employees in the Alternative Transportation Program	9,753	8,827	8,386
Climate change	Total GHG emissions (in metric tons of CO <sub>2</sub> equivalent)	55,414	60,116	46,019
	Carbon intensity (in metric tons of CO <sub>2</sub> equivalent/m <sup>2</sup> )	0.0250	0.0285	0.0216
	Percentage by which the carbon footprint of our assets invested in publicly traded securities is lower than the average footprints of companies that make up the stock and bond market indexes (our goal for year-end 2020 is 25%) (as a %)	14.5	N/A*	N/A*
Energy efficiency	Energy intensity (in gigajoules/m <sup>2</sup> )	0.87	0.88	0.88
Environmentally-friendly waste management	Recycling/recovery/composting ratio <sup>1</sup> (as a %)	56.96	62.76	62.01
<strong>Member/client relations</strong>				
A distinctive member/client experience	Number of members and clients surveyed to measure the Net Promoter Score	285,000	370,000	308,000
Privacy protection	Number of employees and managers trained on data protection	15,412	9,414	10,792
Effective governance	Director representation index in terms of the gender and age of members (as a %)	93.2	92.6	92.0
	Percentage of women caisse directors (as a %)	44.5	42.0	43.6
	Percentage of women delegates to the annual general meeting (as a %)	35.7	34.5	32.2

## Our approach

Focus area	Indicator	2019	2018	2017
<b>Community relations</b>				
Individual and collective entrepreneurship	Investments to support entrepreneurship (in \$M)	6.7	5.0	4.3
A greener and more unified economy	Investments and financing to support the renewable energy sector (in \$B)	2.75	2.33	2.15
	Number of non-profit organizations that are Desjardins members	46,364	46,450	41,713
Economic value for communities	Redistributions to members and communities (in \$M)	445	389	320
Community commitment and investment	Ratio of member and community redistributions to surplus earnings before member dividends (as a %)	17.1	16.7	14.9
<b>Structure and processes</b>				
Responsible supply chain	Value of purchases from suppliers that have been evaluated based on sustainable development criteria (in \$M)	895.1	800.0	720.4
ESG risks	Volume of assets subject to ESG screening <sup>2</sup> (in \$B)	99.5	93.5	90.3
Ethics, integrity and compliance	Number of employees and directors trained on managing conflicts of interest <sup>3</sup> (as a %)	9,829	16,151	26,526

<sup>1</sup> For locations where these services are offered.

<sup>2</sup> Desjardins assets and assets managed by Desjardins for third parties.

<sup>3</sup> Training launched in 2017.

This report is primarily for our members and clients and their communities. As such, the information is organized by their areas of interest and their sustainable development concerns.

## Our approach

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS AND THE PARIS AGREEMENT



### Our contribution

Cooperatives and mutuals around the world have committed to supporting the United Nations Sustainable Development Goals (SDGs). This table provides an overview of the impactful initiatives we've created to help us reach some of these goals. The SDG symbols appear at the start of each section of the report.

SDG	Our initiatives
1 NO POVERTY	The goal of our subsidiary <a href="#">Développement international Desjardins</a> (DID) is to give underprivileged populations around the world access to diversified, secure financial services that meet their needs. A pioneer in global microfinance, DID is now an international leader in this sector. Its inclusive finance approach focuses on empowering local communities. DID's support for the agricultural sector contributes directly to improving food security.
2 ZERO HUNGER	
10 REDUCED INEQUALITIES	
3 GOOD HEALTH AND WELL-BEING	Promoting good health and well-being is essential for sustainable development. We offer our members and clients solutions to protect them if their financial security is ever at risk. We support and raise awareness about educational initiatives to reduce traffic-related fatalities and injuries. We don't do business with companies that profit from the tobacco or vaping industries. We encourage healthy lifestyles and well-being for our employees and their families through our pension plans, group insurance plans and other initiatives, like access to telemedicine.

## Our approach

SDG	Our initiatives
<b>4</b> <small>QUALITY EDUCATION</small>	<p>Education is critical to improve people's lives.</p> <p>Our charitable organization, the Desjardins Foundation, is dedicated to helping young people stay in school and succeed academically. Every year, the Foundation awards numerous scholarships to recognize the efforts of students across Quebec and Ontario at all levels and in all fields, and to encourage them to stay in school.</p> <p>We support educational initiatives that encourage young people to become entrepreneurs and promote sustainable development and sustainable lifestyles.</p> <p>Our financial education programs empower our members and clients to make their own financial choices.</p> <p>We encourage our employees to develop their skills and pursue continuing education opportunities.</p>
<b>5</b> <small>GENDER EQUALITY</small>	<p>We recognize that diversity and inclusion are major factors in the overall success of our cooperative group, and we're committed to building an organization that reflects our society.</p> <p>We plan to reach gender parity on all senior management teams and the boards of directors of caisses, subsidiaries and the Federation by 2024.</p> <p>We're a member of the 30% Club Canada.</p>
<b>7</b> <small>AFFORDABLE AND CLEAN ENERGY</small>	<p>Desjardins and the Desjardins Group Pension Plan have a sizable infrastructure portfolio. Infrastructure investments are concentrated in the renewable energy sector, which accounts for 46.3% of this portfolio.</p>
<b>9</b> <small>INDUSTRY, INNOVATION AND INFRASTRUCTURE</small>	<p>We support industry innovation, research and development to improve sustainability. For example, we support the Coop Agri-Énergie Warwick project, the first agricultural cooperative in Quebec entirely dedicated to producing renewable energy from biomass.</p>
<b>8</b> <small>DECENT WORK AND ECONOMIC GROWTH</small>	<p>We contribute to the economic and social well-being of people and communities in many different ways.</p> <p>We've committed to investing <a href="#">\$50 million</a> every year to support initiatives that benefit thousands of young people ages 6 to 30, and up to 35 for young entrepreneurs, across Quebec and Ontario.</p> <p>We help micro-enterprises and SMEs grow and provide jobs in urban and rural areas.</p> <p>Through donations, sponsorships, caisse Community Development Funds and other funds, like the new \$150 million fund for the period 2020 to 2024, we support community development projects that help build a sustainable, responsible economy.</p> <p>We currently provide quality jobs to 47,849 people.</p>

# Our approach

SDG	Our initiatives
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION	We work together with our suppliers and employees to encourage responsible consumption and production methods. We help educate and train our employees, directors, young people and their families about ESG issues by supporting the Coop FA and its eco-citizenship education program.
<b>13</b> CLIMATE ACTION	We're taking steps to support a just energy transition, and we're leading the way toward a low carbon economy. We focus on defining current and potential risks and opportunities related to climate change.
<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS	As a cooperative financial group, we encourage participation and representation in decision-making through our democratic governance. We have a robust program and effective strategy to fight financial crime, money laundering and terrorist financing.

This report also presents:

- Our contribution to the Paris Agreement goals to reduce our carbon footprint, adapt to climate change and participate in a just energy transition
- Our new products, services, activities and commitments that reflect our goal of enriching the lives of people and communities

## OUR MAIN PUBLICATIONS

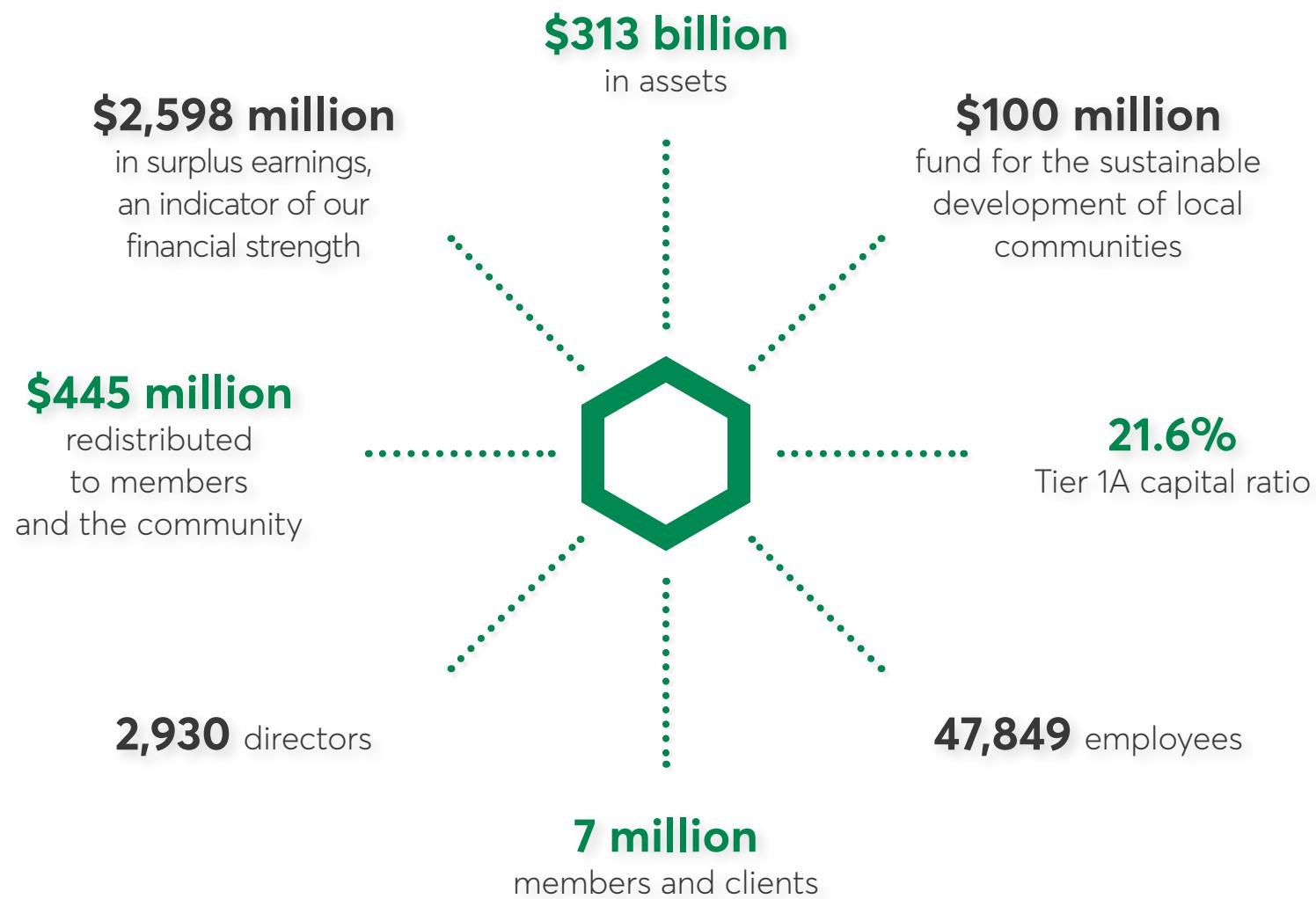
- The Social and Cooperative Responsibility Report includes a climate-related [disclosure](#) that integrates the reporting recommendations of the Task Force on Climate-related Financial Disclosures.
- [2019 Highlights](#).
- [Complete 2019 Annual Report](#).

### Note to readers

The letters M and B stand for millions and billions, e.g., \$5M means \$5 million and \$2B means \$2 billion.



### 2019 HIGHLIGHTS Desjardins Group



**Exclusive Desjardins Identity Protection** for all members and clients



**Guy Cormier**

President and CEO of Desjardins Group

## MESSAGE FROM THE PRESIDENT AND CEO

### A year of engagement and resilience

In 2019, our elected directors and our employees took the cultural shift to new heights and showed just how committed they are to always doing what's best for members and clients.

In response to the privacy breach, we rallied together to find the best possible protection solutions for our members and clients. Today, they can count on fraud and identity protection that's second to none in the Canadian financial services sector.

We also demonstrated our commitment to implementing security and reporting best practices by setting up the Desjardins Group Security Office.

I'd like to thank our members and clients for their understanding and solidarity. I'm so grateful they've placed their trust in us and continue to choose Desjardins to meet their needs.

### Results that reflect the trust of our members and clients

Thanks to our members' and clients' support, we delivered a strong performance in 2019. We posted a surplus of \$2,598 million, up 11.7% over 2018, and generated operating income of \$17,909 million, up \$1,333 million over the previous year.

I'm particularly proud that our membership has grown for the fourth year in a row and that our Net Promoter Scores have held strong.

All of these things demonstrate our strength, our resilience and our ability to grow for our members and clients.

In 2019, we introduced product dividends, which take into account our members' entire business relationship with Desjardins entities. As a result, some 840,000 additional members—including 300,000 young people—received dividends in 2019. Dividends are a distinct advantage of being a member of a financial services cooperative.

## Message from the President and CEO

### Staying focused on our priorities

Throughout 2019, we continued our efforts to simplify the day-to-day management of finances and insurance for our members and clients. For example, while first-time homebuyers can still meet with a mortgage advisor in person if they want, we now also offer an all-in-one digital solution designed to help them achieve their dream of home ownership. Accessible on computers, tablets and smartphones, this solution guides them through the steps of buying their first home.

In addition to saving members and clients time, we're doing everything we can to keep improving the support we provide as they work toward and achieve their goals. Our products, services and advice all revolve around one aim: guiding our members and clients along the path to financial empowerment.

We provided strong socio-economic leadership in 2019. Our \$100 million fund supported projects focused on reinvigorating the social and economic landscapes of communities all across Quebec and Ontario.

Over the past year, we've expanded our commitment to young people. We now dedicate \$50 million annually to initiatives that help young people shine in areas like education, employment, entrepreneurship and eco-citizenship.

I'm also so proud to note that we're making great strides toward our goal of parity in decision-making bodies and management. In 2019, representation of women increased on our boards and in senior management. We're proud to have reached an important milestone: women now hold 30% of board and senior management positions overall, and this number is even higher in many parts of the organization.

### Strengthening our responsible finance and sustainable development commitments

We were the first Canadian financial institution to sign the *Principles for Responsible Banking*. Our 2 insurance subsidiaries also signed on to the *Principles for Sustainable Insurance* under the Desjardins Insurance banner. We're also long-standing signatories of the *Principles for Responsible Investment*.

By formally committing to these United Nations-backed principles, we're fast-tracking the integration of environmental, social and governance (ESG) criteria into our business model.

We continue to lead in the Canadian renewables sector with new green energy infrastructure investments. As at December 31, 2019, in partnership with the Desjardins Group Pension Plan, we had invested almost \$1.25 billion, or 46.3% of our infrastructure portfolio, in the sector.

By year-end 2019, we had reduced the carbon footprint of our assets invested in publicly traded securities by almost 15% compared to the benchmark indexes. We're on track to meet our goal of a 25% reduction by the end of 2020.

We're a strong advocate for a just energy transition. By championing green, responsible products and services, we hope to have a positive influence on our members and clients.

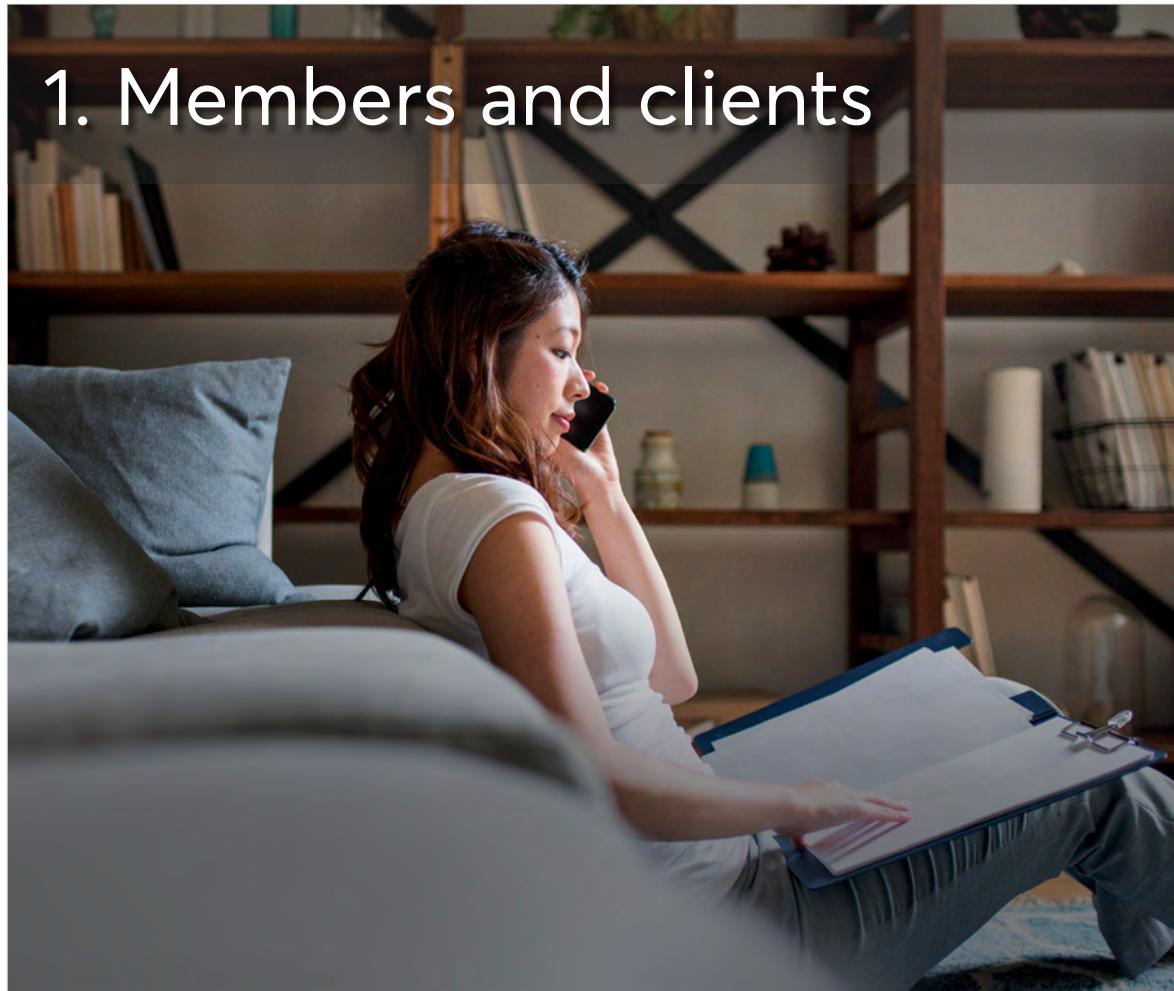
### Working together to enrich the lives of people and communities

2020 marks the start of my second term as president of Desjardins, and I'm full of enthusiasm and determination. I know I can count on the support of our elected directors, our managers and our employees. They're all committed to enriching the lives of our 7 million members and clients, and their communities. I'd like to thank them, from the bottom of my heart.



**Guy Cormier**

President and CEO of Desjardins Group

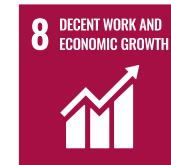


# 1. Members and clients

Nearly  
**220,000 young**  
people helped through  
stay-in-school and academic  
success programs

Over  
**86,600**  
**registrations**  
for the Personal Finance:  
I'm in Charge!®  
financial literacy program

**Desjardins  
Identity Protection**  
available to all Desjardins  
members and clients



## 1. Members and clients

# 1.0 MEMBERS AND CLIENTS

Doing what's best for our members and clients. For everyone at our cooperative financial group—employees, managers and directors alike—that's what our culture is all about. But what does it really mean? It means assisting our members and clients through every life event and continuously improving our business practices. And it means empowering our members and clients to make informed financial decisions.

## 1.1 PROTECTING OUR MEMBERS AND CLIENTS IS OUR PRIORITY

### Privacy breach

In 2019, we had a major data breach caused by a rogue employee who was fired immediately. From the start, our #1 priority was to protect our members and clients. We created Desjardins Identity

Protection, which gives members and clients all the help they need if their identity is stolen. Desjardins Identity Protection also includes Equifax credit monitoring for 5 years.

This was not a cyberattack. Passwords, security questions and PINs (personal identification numbers) were not compromised. To learn more, please see our annual report.

### Member and client privacy and data protection

Management approach | GRI 418 | 103-1 | 103-2 | 103-3

Information and privacy protection is a key concern in today's digital age. Personal information theft is an epidemic affecting all companies, and leaks from the inside are one of the biggest risks.

When it comes to protecting the personal information of our members and clients, we're subject to a number of legal and regulatory requirements.

Our Chief Privacy Officer is responsible for implementing and overseeing a privacy compliance program, our Chief Information Security Officer ensures that our actions are aligned with the IT risk appetite framework, and in 2020 we're launching a Security Office that will handle all aspects of privacy and information security.

Our employees are required to follow our *Privacy Policy* and *Code of Professional Conduct*. Failure to do so can result in disciplinary action up to and including dismissal. All new and existing employees must also complete privacy and information security training.

## 1. Members and clients

We handle privacy complaints in accordance with our *Complaint Management and Dispute Resolution Policy*. Each Desjardins component must comply with applicable regulations and review legitimate complaints using a process tailored to its line of business and operations. There's also a process in place for transferring complaints to the Chief Privacy Officer and to the Desjardins Group Ombudsman if needed.

What's more, we have a privacy breach reporting and resolution process. All actual and suspected privacy breaches must be reported to the Chief Privacy Officer, who will coordinate Desjardins's response. In the event of a major incident, a special multidisciplinary team will handle incident resolution.

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The privacy compliance program encompasses regulatory risk monitoring so that the compliance sector can report on the adequacy, effectiveness and application of the control mechanisms in place.

The chief compliance officer of each entity also reviews changes to the compliance program and compares it against the target to ensure we're making continuous, consistent improvements.

The Desjardins Group Monitoring Office provides an independent assessment of the design and effectiveness of the compliance management framework.

Lastly, we've set up a formal reporting process for senior management and various decision-making bodies to verify compliance issues.

### Providing privacy training | GRI PR10

So far, 52,234 employees and managers have completed the privacy training we introduced in 2016. In 2019 alone, 15,412 employees and managers took the training.

## 1.2 INNOVATING FOR OUR MEMBERS AND CLIENTS



### For homebuyers

#### Tools for first-time homebuyers

The My First Home feature on AccèsD and our mobile app helps members through every step of the homebuying experience. They can determine how much home they can afford, put together a homebuying plan and compare their favourite properties. They can move at their own pace and get help online or over the phone at any point in the homebuying process.

#### Plain-language mortgage agreements

We put our agreements for the Versatile Line of Credit, linked loans and mortgage renewals in plain language and added illustrations so they're easier to understand.

## 1. Members and clients



### For members who want to improve their money management

#### Debt consolidation

We put together a credit counselling team to help members in financial trouble. Members can request assistance online or by phone. The team will then help them choose the right debt consolidation solution for their needs and follow up with them 6 months after their debt has been consolidated.

#### Non-sufficient funds (NSF) alerts

Since 2018, members have been able to sign up to get alerts when they don't have enough funds to cover a preauthorized payment. In 2019, we sent 1.7 million alerts so members could take action and avoid NSF fees.



### For business members and clients

#### Streamlined credit applications

We streamlined the credit application process and slashed approval times for very small businesses. We now process many applications within 48 hours, with disbursement possible in as little as 5 days.

#### New source for global trade information

We partnered with Export Development Canada (EDC), becoming the first Canadian financial institution with our own section on the EDC website where we post content about global trade for our business members and clients.



### For members and clients who want to do more on their own

#### Choosing a callback time

With the new click-to-callback feature on our website and mobile app, members can choose when they want us to call them back.

#### Selecting the right transaction plan

Members can decide which transaction plan is right for them on AccèsD, with help from a virtual assistant if they need it. The plan will take effect immediately.

#### Determining how much life insurance they need

We put a calculator on [Desjardins.com](https://Desjardins.com) to help members and clients determine how much life insurance they need.



### For insurance clients

#### Preventing distracted driving

In Quebec, Ajusto now takes into account smartphone distractions when calculating driving scores. Our goal is to prevent distracted driving, reduce collisions and save lives.

#### Eliminating duplicate travel insurance

We have measures in place to prevent members and clients from taking out duplicate travel insurance, and we've called up members and clients with duplicate policies to offer them a premium refund.

## 1. Members and clients

### Explaining premium increases up front and transparently

Home and auto insurance premiums are on the rise across the industry due to an increase in distracted driving claims, climate change-related extreme weather and higher auto part prices.

We contacted policyholders ahead of time to explain why their premiums were going up and to give them advice on how to lower them. We also improved the online auto quote process in Quebec and put the site in plain language.



**Best overall digital experience of Canadian P&C insurance providers – J.D. Power**



### 1.3 OFFERING EXCLUSIVE SERVICES AND ADVANTAGES

Exclusive advantages  
for members

#### For personal members

Our members enjoy all kinds of exclusive perks we call Desjardins Member Advantages:

- About 20 discounts, rebates and exclusive rates on financial products and services for individuals, including many just for young people.
- About 30 exclusive offers and privileges valid for goods, services and major events like the Festival d'été de Québec and the Grand défi Pierre Lavoie, with more added all the time.
- Member events and activities put on regularly throughout the caisse network.
- Identity Theft Assistance, Estate Assistance, Travel Assistance and Roadside Assistance® for members under 25. These services are just another example of our cooperative commitment to member well-being.

®Desjardins Roadside Assistance is a registered trademark of Desjardins Financial Security Life Assurance Company used with permission by Desjardins General Insurance Inc. This program is administered by Assistel Inc.

#### For business members

On top of the advantages for personal members, business members get 15 exclusive offers on business and financial products and services. These Desjardins Member Advantages are tailored to businesses of all sizes and include a welcome kit and special offers on payment, financing, insurance and savings solutions.

### 1.4 SUPPORTING EDUCATION AND COOPERATION

#### Financial and cooperative education

Management approach | [GRI 103-1](#) | [103-2](#) | [103-3](#)

Financial education has always been central to Desjardins's mission and important for members and clients. We help design and deliver financial and cooperative education programs for members, clients, individuals and communities. Some of these programs are developed and presented in partnership with educators and consumer protection advocates in Quebec and Ontario.

In 2019, we invested \$7 million in programs to foster healthy financial habits, financial wellness and financial empowerment. We have an internal financial education policy that informs our education initiatives, guides our financial education efforts and incorporates financial education into our business practices. We also have mechanisms in place to ensure these programs are updated regularly.

We assess participant satisfaction with financial education programs like Personal Finance: I'm in Charge®. However, it's difficult to measure the long-term effects of our programs on the financial empowerment of individuals and businesses.

#### FOR STUDENTS AND YOUNG PEOPLE

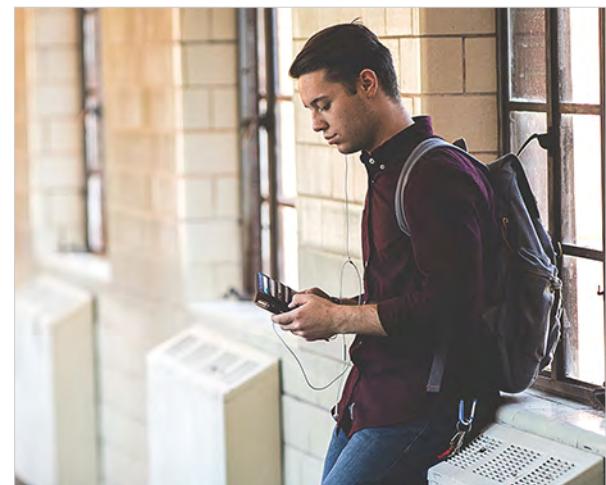
**Supporting students** | [GRI FS16](#)

##### **Desjardins Foundation – Empowering young people to reach their full potential**

The Desjardins Foundation is the philanthropic arm of Desjardins. Its mission is to help young people stay in school and succeed academically. The Desjardins Foundation:

- Awards scholarships
- Gives grants to support special projects benefiting young people
- Provides direct assistance to young people through partner organizations
- Gives parents tools to support their children throughout their schooling

In 2019, the Desjardins Foundation:



Awarded nearly **\$3 million** to support students, bringing the Foundation's 50-year total to nearly **\$28 million**

Supported almost **220,000 young people** in Quebec and Ontario—**16%** more than the year before

The next page provides a detailed look at what the Foundation did in 2019.

## 1. Members and clients

### Desjardins Foundation – #DesjardinsFoundation Prizes

Through the #DesjardinsFoundation Prizes, we award school and community leaders grants of up to \$3,000 for projects benefiting kindergarten, elementary and high school students. Desjardins employees and directors vote on the winning projects.

2019 at a glance:

- **371 projects** supported, for a total of nearly 1,000 projects since the prizes were created in 2016
- **\$828,000** awarded, 26% more than the previous year, for a total of \$2.2 million awarded to date
- **59,000 young people** in Quebec and Ontario impacted—33% more than the year before—for a total of 157,000 since 2016

As an extra incentive, schools with a school caisse can win an additional \$1,000 by submitting a project with a financial education component.

### Desjardins Foundation – Scholarships

In 2019, the Desjardins Foundation rolled out a new scholarship website to streamline and enhance the application experience.

The Foundation awarded 641 scholarships totalling \$1,085,000 to Desjardins caisse members in Quebec and Ontario who are pursuing a post-secondary education. The winners are all students who stand out in one or more of the following categories:

- Obstacles overcome: We encourage students who have had to overcome obstacles on their academic journey.
- Community involvement: We recognize young people who are active in their school and community.
- Financial need: We support students who truly need financial assistance to continue their education.

Desjardins Foundation scholarships are one way we recognize and reward students for their hard work. And last year, some 60 Desjardins caisses awarded nearly 1,000 scholarships totalling almost \$705,000 through the website.



### Desjardins Foundation – Grants to partner organizations

The Desjardins Foundation awarded over \$1 million to around 30 partner organizations that work to keep youth in school and help them succeed academically. These organizations worked directly with 86,000 young people in 2019. With our financial assistance, these partner organizations also provide tools and support to parents of school-aged children. Approximately 74,000 parents received support to help their children throughout their academic journey. Here are a few examples:

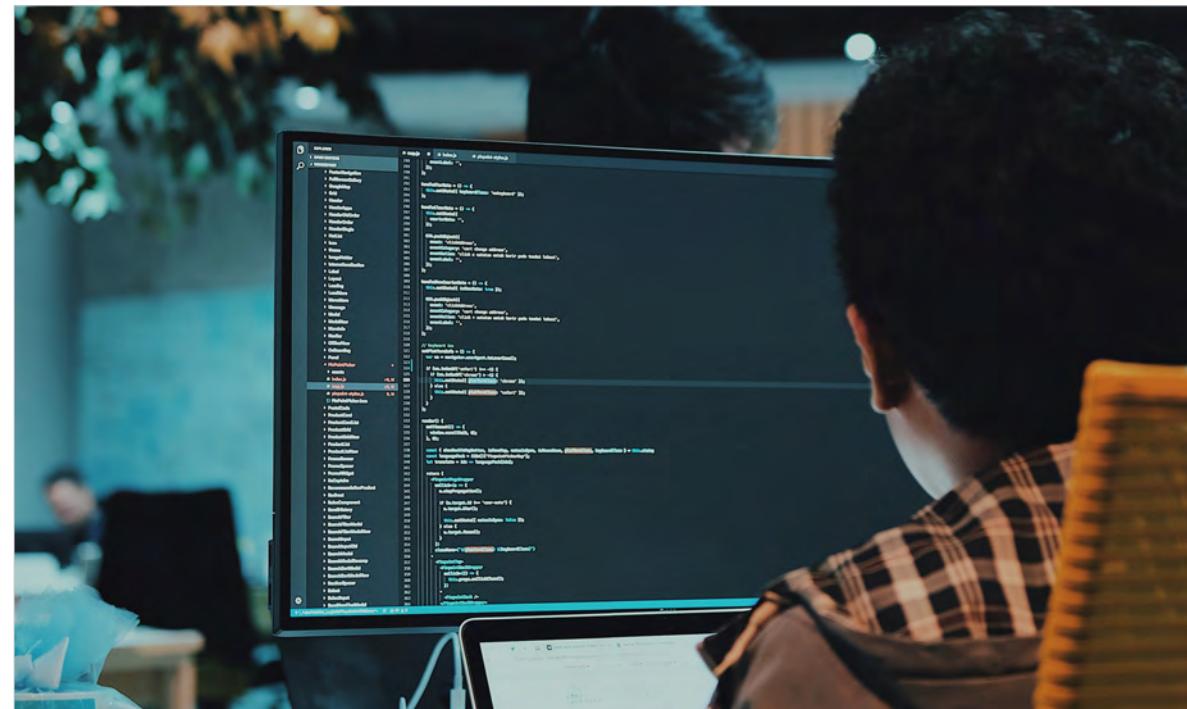
- The Desjardins Foundation supported the work that Fondation Jeunes en Tête and Kids Now do with young people to improve their mental health and wellness—2 prerequisites for academic success.

## 1. Members and clients

- The Foundation provided financial support for the Jasmin Roy Sophie Desmarais Foundation to produce educational videos featuring puppets to explain differences to children. The initiative helps kids relate better to children on the autism spectrum and children with ADD or ADHD to help create positive, caring environments for everyone.
- In February 2019, the Foundation had an intern-for-a-day program for 10 First Nations youth from across Quebec. They got a chance to learn about finance and administration careers and meet our president, Guy Cormier.

### Introducing programming to 5- to 12-year-olds with Code MTL

We've teamed up with Code MTL, an initiative of the Fondation de la Commission scolaire de Montréal that works to improve digital literacy among students ages 5 to 12 through visual programming. Code MTL uses Scratch educational software, which has been used by 15 million children around the globe to create and share 40 million programming projects. Scratch was developed by the renowned Massachusetts Institute of Technology in collaboration with Montreal's Playful Invention Company.



### Supporting the financial literacy of young people

#### School caisse | GRI FS16

Since 1907, we've been working with parents and schools to educate children about saving. Together we teach elementary students the basics of saving, the economy and cooperation.

In 2019, a total of **93,872 children in 1,489 schools** in Quebec and Ontario were members of a school caisse.

The 2019 numbers for [www.schoolcaisse.com](http://www.schoolcaisse.com) speak for themselves:

**63,789**  
unique visitors

**508,913**  
page views

**8,677**  
online enrolments

The site is full of activities, videos and games to:

- Help children become independent, responsible and capable
- Spark their interest in cooperative values
- Foster their awareness of the importance of sound financial management
- Get parents involved in their child's financial education

The site also features Calculo, a tool that has helped nearly 16,000 young people set savings goals.

## 1. Members and clients

In 2019, we standardized youth dividends. These dividends reward young people for their regular savings habits—not for how much they save. Each child who makes at least 7 deposits receives a \$10 dividend to encourage them to get in the habit of saving. For the 2018–2019 school year, we paid \$271,890 in youth dividends to 27,189 eligible school caisse members ages 5 to 12 in Quebec and 5 to 14 in Ontario.

### **Finance Lab: By high schoolers, for high schoolers | GRI FS16**

We've launched a new model that better serves the needs and goals of young people. Finance Labs are associations set up in high schools that operate like cooperatives. They're governed by boards of directors that the members—the students of the school—elect at an annual meeting. Students at participating schools can:

- Learn about mobile payments in a secure setting
- Start up business projects at school and get technical and financial support
- Experience what it's like to be part of a democratically managed business

Finance Labs were first launched as a pilot project starting in 2017, and they were a resounding success. As at December 31, 2019, there were 37 new and existing Finance Labs across Quebec, nearly 33,000 students had access to Finance Lab services and almost 200 had served as a director.

### **A different way to save with My Savings Plan**

My Savings Plan encourages 13- to 30-year-olds to save. Young people set savings goals, determine how quickly they want to achieve them and schedule regular transfers. If their financial situation changes, they can always adjust their transfers online or on their mobile device. They can also get personalized advice however is most convenient for them (at a caisse, online or by phone). They get a competitive daily interest rate, an annual bonus and an additional bonus if they meet their savings goal. If something comes up that derails their plan, they can get their savings back, including any bonuses earned.

### **Financial literacy for teens**

For the third straight year, we teamed up with TV channel VRAK to help teens navigate the world of money. We held a contest for 15- to 17-year-olds called **Mes premières fois** featuring a comedian popular with young people, and on the VRAK website we posted fun, informational content about getting their first job, saving for their first big trip and buying their first car.

### **Helping young adults manage their finances with Personal Finance: I'm in Charge | GRI FS16**

Personal Finance: I'm in Charge® is a distinctive, highly successful financial literacy program for young adults and newcomers to Canada. It addresses such pressing issues as high debt levels and peer pressure to spend. The program has 17 modules on topics like budgeting, paying for school and responsible investing. It's put on by Desjardins-accredited trainers through a partnership between community organizations, schools and local caisses. In 2019, Desjardins Insurance, the Fédération des caisses Desjardins du Québec and the YMCA of Greater Toronto joined forces to bring this program to 700 young people in the Greater Toronto Area.

2019 at a glance:

Over <b>\$3.3 million</b> invested by the Fédération des caisses Desjardins du Québec and caisses	<b>86,678</b> registrations, for a total of <b>292,038</b> since 2013	Satisfaction rate of <b>98%</b>
<b>207</b> participating caisses in Quebec and Ontario	<b>103</b> community, union and school partners, including <b>4</b> CEGEPs	<b>340</b> accredited trainers

## 1. Members and clients

### FOR ADULTS

#### Helping young adults manage their finances

At Desjardins, we want to help young adults on their financial journey. That's why we launched Basics + Fun + Dreams, a campaign that helps 18- to 30-year-olds set priorities based on their needs, wants and goals. We also have a campaign to impress upon them the importance of meeting with a financial services advisor, especially for major life events.



In April 2019, a dozen Desjardins volunteers in Quebec helped 26 young people living in Auberges du cœur shelters prepare their tax returns.



**2nd coolest financial institution  
according to Quebec millennials  
– Leger's 2019 Youth Study**

#### Teaching young adults about investing with our exclusive Broker@ge 18-30 program

Broker@ge 18-30 is an exclusive offer by Desjardins Online Brokerage (Disnat) that teaches 18- to 30-year-olds, especially those interested in investing in the stock market, about the importance of managing their finances. In 2019, a total of 1,600 young people across Quebec attended more than 30 seminars at universities and other locations. Over 12,100 young people have taken advantage of this exclusive offer since it was introduced in January 2016.



**Desjardins Online Brokerage  
ranked highest in self-directed investor  
satisfaction in Canada – J.D. Power**

#### Keeping members in the know with our personal finance newsletter | GRI FS16

Nearly 1.5 million personal and business members receive a personalized Desjardins newsletter each month. These newsletters direct readers to [Desjardins.com](#) for personal finance advice and action plans. The 128 participating caisses and Desjardins Business centres can include local information in their newsletters for members.

To subscribe to the newsletter or check out our personal finance advice:  
[www.desjardins.com/coopme](http://www.desjardins.com/coopme)

#### Boosting investment IQs with the investment learning centre

To further the financial education of our members and clients and help them make informed decisions about their investments, Disnat holds more than 250 educational events each year. Videos, a calendar of events and other information are available in the online learning centre. These events are part of our commitment to helping our members and clients become better investors.

## 1. Members and clients

### Improving financial health with the Financial Wellness Centre

In the Financial Wellness Centre on the group retirement savings website, plan members can check their nest egg and find the resources they need, including:

- Educational material that has been selected by experts from across Desjardins
- Short educational videos on a variety of subjects
- Training sessions with our qualified advisors covering retirement and savings
- In-plan advice and financial planning services delivered by our licensed representatives

Helping plan members achieve financial health has the added advantage of making plan sponsor benefits packages more attractive.

### Teaching policyholders how to prevent weather-related damage and other risks

For a number of years, we've been working to educate policyholders about risk prevention so they can protect their property. On [Desjardins.com](#) and [desjardinsgeneralinsurance.com](#), we have blogs featuring info and tips on home, auto and business insurance.



Radar, a feature that sends personalized weather notifications, was a finalist in the large corporation category – 2019 OCTAS awards

We also have the Desjardins Insurance Home-Auto mobile app with features like Radar™ and Alert®. With Radar, policyholders get a notification when severe weather is in the area so they can prevent damage to their home and property. With Alert, policyholders get a free water and freeze detector for their home that sends alerts to their smartphone so they can limit the damage.

Extreme weather is becoming more common with climate change, so we're helping protect people and their property.

TM Radar is a trademark of Desjardins General Insurance Group Inc., used under licence.

® Alert is a registered trademark of Desjardins General Insurance Group Inc., used under licence.

### Preventing financial abuse | GRI FS14

We're a cooperative financial institution, so we know that financial abuse is a real problem. That's why we launched the In Charge of Your Life and Your Property program in 2005 to combat financial abuse of the vulnerable. Caisses hold information sessions on preventing financial abuse to help individuals manage their finances carefully. Caisses also work with local organizations to combat this form of exploitation.

### Promoting the cooperative model at Espace Desjardins

Espace Desjardins in Complexe Desjardins in Montreal showcases our cooperative financial group and highlights our values, cooperative difference, global reach and commitment to the financial literacy of young people and communities at home and abroad. It offers visitors an interactive, multimedia experience featuring inspiring stories of innovation and creativity. Since it opened in 2014, nearly 49,000 visitors from all over the world have come for guided tours, talks, workshops and special events, including 9,425 visitors in 2019 alone. The visitor satisfaction rate is 99%.



## 1. Members and clients

### FOR ENTREPRENEURS



#### Providing tools and advice to entrepreneurs | GRI FS16

With our vast network of experienced directors, we're able to help entrepreneurs set up governance bodies, such as boards of directors and advisory committees. Approximately 90 out of more than 250 potential directors are already active with partner businesses.

We provide all kinds of assistance to entrepreneurs. In addition to supporting programs at the École d'Entrepreneurship de Beauce, in 2019 we offered a 2-day boot camp at the school for over 200 members and clients. To date, over 700 entrepreneurs have completed this training. We also foster entrepreneurship by connecting business owners who face similar challenges.

Entrepreneurs have access to decision-making tools in the [Tools and Tips for Your Company](#) section of [Desjardins.com](#). These include interactive business and marketing plans and more than 60 fact sheets on the business stages.

New entrepreneur members get exclusive financial offers and online tools included with their welcome kit. Our experts are also happy to help them with the day-to-day management of their business. Whatever the size of their business or the stage it's in (startup, growth or transfer), entrepreneurs can get expert advice in the [Your Business](#) section of [Desjardins.com](#).



[Desjardins.com](#) has information and advice on transferring a business and information for European entrepreneurs looking to do business in Canada, including the guides [Entreprendre et conquérir le marché canadien](#) and [S'installer et travailler au Canada](#) (both in French only). We've also put together a French-language guide titled [Entreprendre et conquérir le marché français](#) to help Canadian entrepreneurs and investors looking to do business in France. It covers the French banking system, reviews some economic, legal and tax differences, and contains a wealth of information for Quebec-based entrepreneurs.

The Desjardins International Gateway is a service available to help businesses in all industries go global. It relies on a network of partners with 30 years of experience operating out of 40 offices in over 50 countries. More than 200 businesses have attended an international week presentation.

#### Fostering entrepreneurship

##### Supporting the growth of small and medium enterprises

Since 2019, the Momentum Fund has provided grants of up to \$10,000 to 163 entrepreneurs in the fields of innovation, global market development, energy efficiency, business transfer, and talent acquisition and retention.

##### Promoting social entrepreneurship with the Dragons

Desjardins entered the Dragons' Den for the 2019 season of the CBC show. We were featured during segments on the GoodSpark program, which supports Canadian social entrepreneurs who work with young people in the areas of education, employment, health and social engagement. The Dragons provided additional funding to ventures featured on the show.

## 1. Members and clients

### Encouraging young people to become entrepreneurs

#### Helping local immigrant entrepreneurs

We've teamed up with the Regroupement des jeunes chambres de commerce du Québec for the provincial government's Immigrant Entrepreneurs in Regions of Quebec program. This initiative runs trade missions in outlying regions of Quebec to help young immigrant entrepreneurs settle in these areas, get their businesses up and running and help grow the local economy.

#### Cultivating young entrepreneurs

We joined forces with 2 other finance leaders to launch Devenir Entrepreneur, a wide-reaching campaign that aims to inspire young people to become entrepreneurs and help them get their business off the ground. The campaign's website, [www.devenirentrepreneur.com/en](http://www.devenirentrepreneur.com/en), is a great resource for anyone who wants to know more about starting their own business, and it also has a section designed especially for elementary and high school teachers.

#### Introducing entrepreneurship at an early age

For over 20 years, we've been working with OSEntreprenere to cultivate the entrepreneurial spirit in students from elementary school to university.

Fondation Montréal inc. supports Montreal's most promising entrepreneurs by providing grants and access to a network of high-level business people and experienced business community volunteers. In 2019, we presented Soirée Mtl inc., a fundraiser that showcases young entrepreneurs and connects them with influential members of the business community.

We also work with Place aux jeunes en région, an organization that encourages young people to settle in outlying regions and helps local business members recruit talent. The organization puts together exploratory missions so young people can visit local businesses and learn about entrepreneurship.

#### Mentoring young entrepreneurs

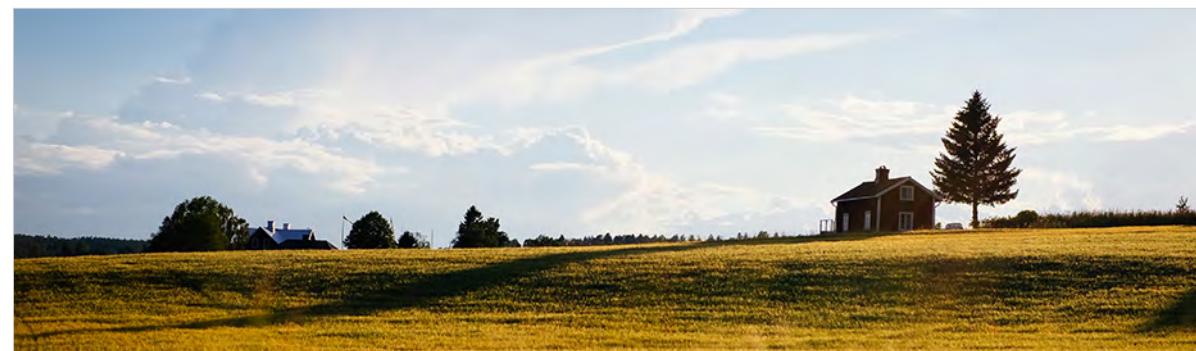
In 2019, we mentored 2 young entrepreneurs as part of Adopt Inc., a program open to all Quebec entrepreneurs 18 to 39 who have started their own business. Participants must be working full time at their own business and be a majority shareholder. The program allows young entrepreneurs to fully focus on growing their business for a year while getting financial support, coaching and training and attending a boot camp offered by Desjardins at the École d'Entrepreneurship de Beauce.

#### Financing young entrepreneurs

The Créavenir Youth Entrepreneurship Program helps entrepreneurs 18 to 35 who have trouble accessing traditional financing. A description of this and all our solidarity-based finance programs can be found in section 5 of this report, **Responsible finance**.

#### Supporting the next generation of farmers | GRI FS7

At Desjardins, we understand the importance of lending a helping hand to a new generation of local farmers. That's why we're active in the Fonds coopératif d'aide à la relève agricole, a fund that helps young cooperative farmers get financial and professional support and improve their skills.



## 1. Members and clients

### FOR IMMIGRANTS

#### Helping immigrants get settled | GRI FS14

##### **Desjardins.com**

We've completely updated the newcomers section of [Desjardins.com](#) to make it easier for them to find the information they need. It has information to help immigrants understand the Canadian financial system and get settled, whether they're permanent residents or temporary residents like international students.

##### **Teams and locations serving immigrants**

Newcomers face all kinds of challenges when they get to Canada, like finding a job and housing. Money can be tight, and they may need a lot of support. That's where our newcomer support team and caisse network service centres come in. We also have 13 caisses and service centres that cater to cultural communities (Italian, Lithuanian, Portuguese and Ukrainian). And with the Desjardins Microcredit to Businesses program, we help newcomers who want to start or grow a business.

##### **Offers for newcomers**

- A number of advantages, including no service charges for one year for eligible newcomers
- Access to an unsecured credit card for newcomers with no credit history in Canada
- The ability to open an account while in their home country
- The option to transfer funds to their account before they get here
- Access to Visitors to Canada Insurance for newcomers awaiting provincial health insurance and visa holders with no insurance
- Driving experience recognized when applying for auto insurance (for drivers from eligible countries)

##### **Quebec Immigration and Integration Fair**

For the eighth year in a row, we took part in the Quebec Immigration and Integration Fair. As an event partner, we provided visitors with information on all our products and services, helped them open accounts and offered virtual reality tours of some of our service centres.

##### **Quebec Immigration Summit**

Desjardins was a content partner for the inaugural Quebec Immigration Summit, a one-day annual gathering of Quebec's immigration professionals.



## 1. Members and clients

### 1.5 CONVENIENT SERVICES AND EXPERTISE | GRI 102-4 | 102-7

#### In Quebec and Ontario

In Quebec and Ontario, members have access to:

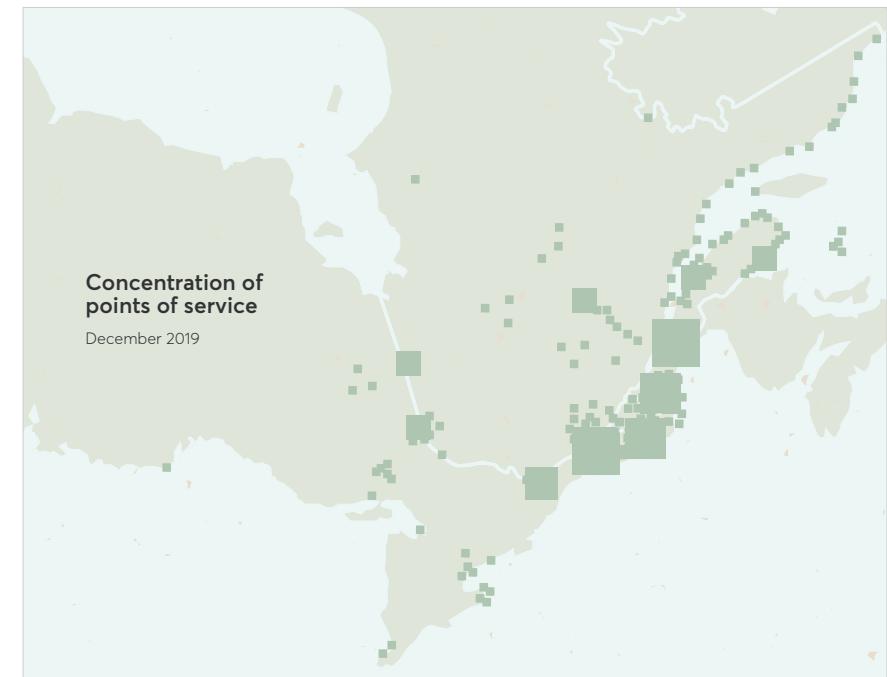


Desjardins has more locations than any other financial institution in Quebec, especially in outlying areas with low population densities where we're often the only financial institution with a physical presence.

In Ontario, as at December 31, 2019, the caisse network included:

- 11 caisses with 48 branches and 63 ATMs. On January 1, 2020, these caisses merged to serve their members and communities better and ensure the long-term success of Caisse Desjardins Ontario Credit Union Inc.
- A Desjardins branch in the heart of Toronto's financial district offers our full line of Desjardins products and services under one roof and assists personal and business members in Quebec and Ontario looking to move to Toronto.

Members also have access to 26 points of service and 26 free ATMs through our agreement with Caisse populaire Alliance.



## 1. Members and clients

### Other services in Quebec and Ontario

Quebec and Ontario members and clients have access to thousands of employees and advisors in our life and health insurance, property and casualty insurance, securities and wealth management subsidiaries.

We're constantly rethinking the way we operate to meet our members' ever-changing needs. In 2019, members carried out 251 million financial transactions on AccèsD and the Desjardins Mobile Services app, 16.0% more than the year before. Teller and ATM transactions dropped by 2.1% and 5.9%, respectively.

In 2019, we finished installing new ATMs, which feature touchscreens and accept envelope-free deposits for a simpler, more user-friendly experience. In Quebec, Desjardins has more ATMs than any other financial institution.

As at December 31, 2019, a total of 220 caisses offered telephone service every day of the week. And in 2018, we extended our telephone service hours to take calls from 6:00 a.m. to midnight, 7 days a week. Our members can get information and advice about banking and investing and make an appointment with a caisse advisor. Many caisses have also extended their hours and are now open on weekends to accommodate their members' schedules. What's more, our Online Business Centre is now open weekends from 8:30 a.m. to 4:30 p.m.

### Other ways we're making it easier to access our products and services | GRI FS14

- All Desjardins ATMs are accessible to people with visual impairments or reduced mobility. Members can already use their voice to make everyday transactions like deposits, withdrawals and bill payments at our new ATMs, and additional transactions will become available throughout 2020.
- Members who can't use an ATM due to a permanent disability are eligible for ATM rates even if they complete their transactions at the teller.
- We offer solidarity-based finance products and related budget counselling and education services to those in need.
- Our goal is for all new digital content on our websites and mobile apps to meet W3C's Level 2.0 AA Web Content Accessibility Guidelines (WCAG).

### Meeting all kinds of needs

#### **Desjardins 360<sup>d</sup>**

Desjardins 360<sup>d</sup> is the only concept of its kind in North America. These hip, friendly financial service centres work with caisses to serve young members and workers ages 18 to 30 on the campuses of Concordia University, Université de Montréal, Université du Québec à Montréal, Université du Québec à Trois-Rivières, Université Laval, Université du Québec à Chicoutimi and now Université de Sherbrooke as well.

#### **Mobile branches**

Our mobile branches are another innovative way members can do business with Desjardins. We've transformed 2 buses into modern, welcoming financial service centres on wheels. Members and clients can walk right in and speak with an advisor, complete teller transactions and use the ATM.

We use these retail-inspired branches in a variety of settings primarily for business development purposes. Mobile branches can also be used as a temporary caisse in the event of a closure due to a natural disaster or other emergency. They're powered by built-in solar panels and run on biodiesel.

## 1. Members and clients

### Signature Service

Signature Service assists members who have sophisticated financial needs. In 2019, we opened 2 new Signature Service offices (Caisse de groupes and Haut-Richelieu-Yamaska), bringing the total number of locations to 17.

### New Studio location at Montreal-Trudeau Airport

Members and clients can visit our new Montreal airport location and get the same expert financial advice they do at our downtown Montreal, Lumicité, West Island and other Studio locations, which also cater to members of cultural communities and newcomers.



### In the rest of Canada | GRI 102-7

Outside Quebec and Ontario, we rely on our life and health insurance and property and casualty insurance subsidiaries as well as the cooperative community and the caisses in Manitoba and New Brunswick to offer our members and clients financial products and services tailored to their needs:

- Thousands of advisors and representatives in our affiliate networks offer our products and services to individuals and businesses. These networks include Desjardins Financial Security Independent Network, Desjardins Financial Security Investments and over 450 Desjardins agents.
- 59 points of service and 94 ATMs in Manitoba and New Brunswick through our partners Caisse Financial Group (Manitoba) and UNI Financial Cooperation (New Brunswick).

Aviso Wealth is one of the leading wealth management firms in Canada. It offers Canadian credit unions a full range of wealth management services. It's jointly owned by Desjardins and a partnership of provincial credit union centrals and CUMIS.

We also have a 96% interest in Collabria Financial Services Inc. (Collabria), a subsidiary that provides payment and credit card solutions to credit unions across Canada. There are over 300 credit unions in Canada, and for many of them, issuing credit cards in-house is not an option. Collabria provides custom payment solutions to help credit unions take control of their operations and improve member service.



### In Florida

Desjardins Bank serves Desjardins caisse members and Canadians in Florida and across the United States. Our members can use Desjardins Bank whether they're permanent residents, snowbirds or just visitors. Desjardins Bank's head office and 3 branches are in areas popular with Canadians: Hallandale Beach, Pompano Beach, Lauderhill and Boynton Beach. Desjardins Bank provides quality service in English and French at these locations.



### In Europe

Our Desjardins Representative Office (Europe) supports our growth in both the personal and business markets. In 2019, it opened 854 new accounts, 28% more than the year before.

## 1. Members and clients

### On social media

Social media is the best way to communicate with many of our members and clients. We manage vibrant, active online communities:



**27,500**

followers on Twitter:  
[twitter.com/  
desjardinscoop](http://twitter.com/desjardinscoop)



Over **316,000**

followers on Facebook:  
[www.facebook.com/  
desjardins](http://www.facebook.com/desjardins)



**20 million**

views on YouTube:  
[www.youtube.com/user/  
mouvementdesjardins](http://www.youtube.com/user/mouvementdesjardins)



**122,000**

followers on LinkedIn:  
[www.linkedin.com/  
company/desjardins](http://www.linkedin.com/company/desjardins)



**146,000**

followers on Instagram:  
[instagram.com/  
desjardinscoop](http://instagram.com/desjardinscoop)

All caisses use Facebook  
to communicate  
with their members and get their input.  
Each week, over **2.5 million** people  
view Desjardins's Facebook posts.

New  
**Desjardins Business showcase**  
page on LinkedIn

**Note:** Total number (French and English).



## 1. Members and clients

### 1.6 IMPROVING THE MEMBER/CLIENT EXPERIENCE

#### Member/client experience

Management approach | [GRI 103-1](#) | [103-2](#) | [103-3](#)

We're a cooperative financial group serving individuals and communities, so we're keenly focused on the member/client experience. We're working to improve this experience on all channels members and client use to do business with us, whether online or in person, in Quebec or Ontario or anywhere else.

Here are some of the many ways we're improving the member/client experience.

##### **Net Promoter System**

The Net Promoter System is a management framework that involves getting member and client feedback about their interactions with us, then using this feedback to make continuous improvement. We're gradually expanding this system to cover most of the interactions we have with our members and clients.

##### **Mystery clients**

We ask actual members to be mystery clients and assess caisse service standards.

##### **Desjardins Web Panel**

We ask members and clients who've expressed an interest in sharing their views and experiences to take part in Desjardins Web Panels. Over 3,000 member and client volunteers take part in this confidential online process.

##### **Focus groups**

We conduct in-person and online focus groups to get qualitative data from our members and clients. Topics include needs and expectations regarding products and services, changes made in response to member/client feedback, opinions about advertising campaigns and concepts, and how Desjardins's cooperative values are reflected in our operations and community initiatives.

##### **Online communities**

We use online communities to get qualitative data on member/client needs, expectations and behaviours. Each online community has between 25 and 50 people who complete a workbook over the course of several days to encourage personal reflection and group discussion.

##### **Dissatisfaction management**

In 2018, we launched a new dissatisfaction management approach for personal services. When a member is dissatisfied, frontline employees can now do what it takes to resolve the issue.

# 1. Members and clients

## Internet and social media

We have a dedicated social media team that handles complaints and negative feedback posted on social media sites like Facebook and Twitter. The AccèsD team handles all other complaints, negative feedback and suggestions we receive online.

## Complaint handling

Here's the complaint process available to members and clients:

**Step 1:** Tell an employee or manager. If the complaint concerns a caisse or Desjardins Business centre, they can also tell the caisse chair.

**Step 2:** File an official complaint with the customer service department of the caisse network or subsidiary. Official complaints are kept confidential, and the member or client will receive a response in a timely manner.

**Step 3:** File a complaint with the Desjardins Group Ombudsman, the final in-house arbiter of complaints. They offer an independent avenue to adjudicate unresolved complaints. The Ombudsman impartially hears both parties, reviews the documentation available and recommends ways we can improve our products and services.

**Step 4:** File a complaint with the appropriate regulator. If they're still dissatisfied with the way their complaint was handled, the member or client can go to Quebec's Autorité des marchés financiers or their province's equivalent.

Most complaints follow this process, though the steps may vary by Desjardins legal entity.

In addition to this process, we regularly review our frontline sales processes and practices to make sure they're in line with member/client expectations. We also work to ensure that our members and clients are always treated fairly and give our employees the tools they need to follow sound commercial practices.

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We use the Net Promoter System to continuously assess and improve the member/client experience. This system is a recognized management framework used around the world in a number of industries. We use it across our organization to identify sources of satisfaction and dissatisfaction and prioritize improvements to the member/client experience.

## Satisfaction surveys | GRI PR5

In 2019, we assessed over 40 types of interactions we have with our members and clients. We had statistics from previous years for most of them so we could measure the effectiveness of our initiatives. We also surveyed 285,000 members and clients to determine our Net Promoter Score.

Member and client feedback revealed that our main strength is the service our advisors and agents provide.

We're always encouraging colleagues to share best practices to offer consistent service across the organization.

Training on sound commercial practices is available to caisse network employees and the teams that support them. In 2019, a total of 3,779 employees completed this training, which stems from Desjardins Group's *Sound Commercial Practices Policy*, which we adopted in 2017 to ensure compliance with Autorité des marchés financiers guidelines.

## 2. Our co-op and its governance



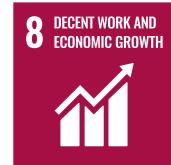
Dividends for over  
**3.3 million members,**

a key part of  
our cooperative difference

Partnership with  
**La Ruche**

crowdfunding platform to support  
local community projects

**Most influential**  
financial institution  
according to Quebecers



## 2. Our co-op and its governance

# 2.0 OUR CO-OP AND ITS GOVERNANCE

Democratic, representative governance is a defining feature of our cooperative. As at December 31, 2019, we had 2,930 directors who are all committed to member and client satisfaction and the long-term success of our caisses. Their deep understanding of community needs is integral to building strong relationships with our members and clients. Our governance structure provides a strong foundation for the collaborative approach we take to addressing local issues in different areas, making us a socio-economic leader in the communities we serve.

## 2.1 PURPOSE AND VALUES

### Our purpose



### Our values

Drawing on the values and principles of the International Co-operative Alliance, we've adopted the following values:

- Money serving human development
- Personal commitment
- Integrity and rigour in the cooperative enterprise
- Democratic action
- Solidarity with the community
- Intercooperation

## 2.2 PEOPLE-FOCUSED GOVERNANCE

### Governance

Management approach | GRI 103-1 | 103-2 | 103-3

At Desjardins, the primary purpose of our corporate governance practices is to support our mission of contributing to improving the economic and social well-being of people and communities. The Fédération des caisses Desjardins du Québec (the Federation) oversees the development and application of the Desjardins-wide governance structure, which takes into account our cooperative nature, our sustainable development objectives, the complexity of our operations, and Autorité des marchés financiers (AMF) guidelines. This structure covers the activities of the Federation, the Desjardins Security Fund, Desjardins subsidiaries, Quebec and Ontario caisses and the Fédération des caisses populaires de l'Ontario Inc. As certain components are subject to specific regulations, the structure complies with rules established by the Canadian Securities Administrators, the Office of the Superintendent of Financial Institutions and the Financial Services Regulatory Authority of Ontario, as well as industry best practices.

## 2. Our co-op and its governance

Our objective is to have effective and efficient governance, based on strong values, that takes into account the long-term interests of the organization and its members and clients.

The Federation has a governance policy in place to ensure sound governance. Our governance framework consists of documents, processes, reporting mechanisms and an independent audit, all of which consider applicable legislative and regulatory requirements, including AMF guidelines.

The Federation's Board of Directors (board) is responsible for implementing and assessing its governance framework. This framework is consistent with the complexity of our operations, our risk profile, our ownership and organizational structures, and our available resources. It also outlines the division of responsibilities between the board, its commissions and committees, and senior management.

### 2.3 MODERN DEMOCRATIC GOVERNANCE

We made some changes to the governance structure in 2019, including:

- For the first time, directors and members of the Board of Ethics and Professional Conduct (BEPC) were elected at the annual general meeting based on an enhanced group profile.
- The representation of women increased on boards in the caisse network, the Federation and Desjardins subsidiaries, moving us closer to our goal of achieving parity by 2024.
- Acting on decisions made at the 2019 annual general meeting, the board named 2 external directors for the first time. Both are women.

- [Desjardins.com](#) now features the profiles of Federation board members and BEPC members who sit on governing bodies.
- We updated our electoral process to include a selection process by the independent Election Committee, whose mandate was reviewed. On December 16, 2019, the incumbent President and CEO, Guy Cormier, was re-elected by acclamation.

To learn more: See the **Governance** section of Desjardins Group's annual report.



## 2. Our co-op and its governance

### Overview of caisse and Federation democratic structures



#### Community collaboration groups

These groups bring together caisses in a specific area whose members share a social and economic connection.

Each caisse is represented by either its chair or another director appointed each year by the caisse. The group must also have at least one young director or young intern director.

#### Desjardins Collaboration Forum

The Desjardins Collaboration Forum is made up of the directors from each community collaboration group; caisse general managers; one young director or young intern director appointed by each community collaboration group; the members of the Board of Directors and the Board of Ethics and Professional Conduct; and the Desjardins Group President and CEO.

#### Electoral college

The electoral college elects the Desjardins Group President and CEO. It comprises the chair of each caisse or the director who acts on their behalf in the community collaboration group and the Desjardins Collaboration Forum.

Each vote is weighted according to the number of members in each caisse.

#### Election Committee

The Election Committee comprises 5 directors appointed by the Board to ensure the integrity of the electoral processes.

## 2. Our co-op and its governance



### A democratic organization

At Desjardins, we have a democratic, member-run governance structure. This helps us develop close connections with our members and clients and stay attentive to how their needs and expectations change. Every member, regardless of their financial situation, can have their voice heard and participate in different governing bodies. Members who are elected as directors are responsible for representing members and clients and making sure we provide the best possible solutions to meet their needs, in keeping with our purpose.

To learn more about governance and the cooperative model:

[www.desjardins.com/ca/about-us/desjardins/governance-democracy/how-cooperatives-work/index.jsp](http://www.desjardins.com/ca/about-us/desjardins/governance-democracy/how-cooperatives-work/index.jsp)



### Changes to member dividends

We've updated our member dividends to make them fairer, simpler and representative of our members' entire business relationship with Desjardins. In 2019, our members received the first wave of dividends calculated based on these changes:

- With the creation of product dividends, our members' entire business relationship with Desjardins entities is now taken into account.
- There are special eligibility rules for members ages 30 and under to account for their financial situation and ensure greater equity between members.
- All caisses now have the financial capacity to pay member dividends.

Thanks to these changes, 840,000 more members—including 300,000 under the age of 31—received dividends. Dividends are a distinctive feature of cooperatives and in 2019, over 3.3 million members shared a portion of the annual surplus earnings. This new approach is the result of an extensive consultation process with member representatives.

### Including youth in decision-making

Our Youth Advisory Board is made up of 4 caisse members, 4 caisse directors and 4 Desjardins employees, all between the ages of 18 and 35. Its mandate is to give our board and Management Committee insight into the priorities of young adults. By giving our young members a voice, the Youth Advisory Board helps us improve the way we serve and meet the needs of young people.



### Giving young people a voice and preparing the next generation

Our Young Intern Director Program provides an opportunity for young people between the ages of 18 and 30 to:

- Represent their community on their caisse's board of directors
- Play an active role on the board, without voting rights
- Contribute to the democratic processes of Canada's leading cooperative financial group

This program gives participants hands-on experience supporting our mission of financial education and cooperation and our commitment to young people and communities.

As at December 31, 2019, we had 143 young intern directors in Quebec and Ontario.

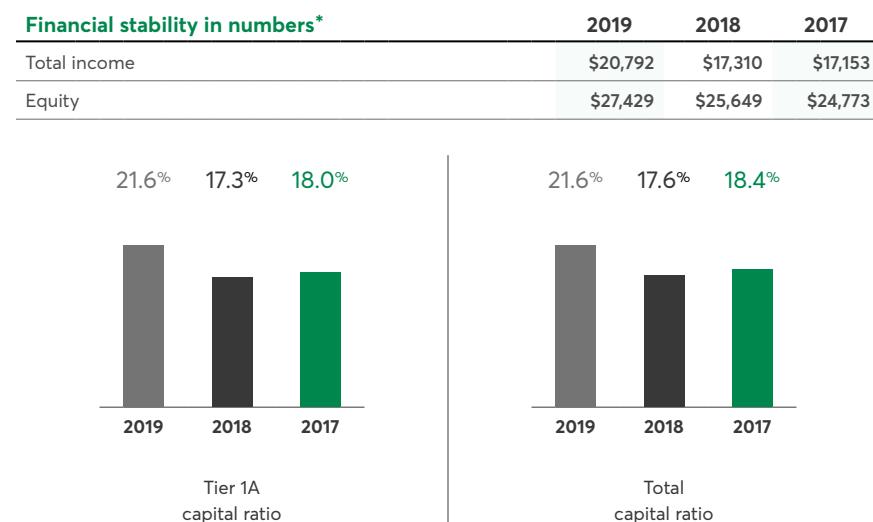
To learn more about the Young Intern Director Program:

[www.desjardins.com/ca/personal/you-are/youth/teens/desjardins-you/young-intern-officer-program/index.jsp](http://www.desjardins.com/ca/personal/you-are/youth/teens/desjardins-you/young-intern-officer-program/index.jsp)

## 2. Our co-op and its governance

### Bolstering financial stability with capital shares

In 2019, our members purchased \$105 million in Federation capital shares, for a total of over \$4.9 billion since their inception. These shares contribute to our financial stability. In line with the principles supported by the International Co-operative Alliance and the values of our founder Alphonse Desjardins, who stressed the importance of adequate capitalization for each caisse, we focus first and foremost on strengthening our capital base. This approach has proven successful time and again.



#### Breakdown of membership shares

Caisse-issued permanent shares	\$212	\$497	\$750
Caisse-issued qualifying shares	25	25	25
Caisse-issued surplus shares	34	57	82
Federation-issued capital shares	4,863	4,771	4,504
	<b>\$5,134</b>	<b>\$5,350</b>	<b>\$5,361</b>

\*(in millions of dollars and as a percentage)

Our strong capitalization makes us a very stable institution, and our prudent financial approach helps protect our members' and clients' wealth.

### 2.4 CONCRETE ADVANTAGES FOR COOPERATIVES

At Desjardins, we firmly believe in the importance of cooperatives and mutuals. We actively contribute to their growth through our day-to-day operations and community development initiatives. As a cooperative institution, we understand the challenges facing other cooperatives and mutuals.

#### Supporting cooperative entrepreneurs

The Caisse d'économie solidaire Desjardins, which has developed unique expertise in collective entrepreneurship in Quebec, provides the caisses and Desjardins Business centres with advisory services for cooperatives. These services include designing custom financing packages. As at December 31, 2019, the Caisse d'économie solidaire Desjardins had 3,595 cooperative business members.

We also work closely with larger cooperatives and help them adapt to changes in the market. We offer a full range of financial services to these cooperatives, and our \$100 million fund supports some of them with the transition to Industry 4.0 by promoting an end-to-end shift to digital technology in the production and manufacturing sectors.



## 2. Our co-op and its governance



### Supporting the cooperative movement

We share our expertise in cooperation and provide financial support to numerous national and international industry-specific groups that:

- Promote cooperation
- Actively develop the cooperative model
- Foster cooperative education

We support these groups through significant investments in technology and human resources. We also share our expertise with hundreds of visitors from around the world who are interested in the cooperative model.

***We contribute financially to a partnership agreement for the development of cooperatives that was signed between Quebec's Ministère de l'Économie et de l'Innovation and the Conseil québécois de la coopération et de la mutualité.***

Annual financial support for cooperative organizations across Canada and abroad <sup>1,2</sup>	Member	Member of the board (or a committee)	Financial contribution (in \$)		
			2019	2018	2017
International Co-operative Alliance		X	-	-	-
Conseil québécois de la coopération et de la mutualité	X	X	1,029,878	898,623	936,775
Cooperation Council of Ontario	X	X	68,188	67,602	67,601
Co-operatives and Mutuals Canada	X	X	350,000	350,000	417,316
International Confederation of Popular Banks	X	X	158,098	175,607	147,970
Filene Research Institute	X		-	-	65,300
Crédit industriel et commercial (subsidiary of Crédit Mutuel)		X	-	-	-
Fondation pour l'éducation à la coopération et à la mutualité		X	35,334	23,925	30,865
European Association of Co-operative Banks	X	X	62,325	63,458	55,822
International Cooperative and Mutual Insurance Federation	X	X	116,000	116,000	209,423
International Raiffeisen Union	X		9,618	11,224	9,395

<sup>1</sup> Amounts shown don't include financial contributions from caisses to these cooperatives or to other local and regional cooperatives.

<sup>2</sup> Amounts are converted to Canadian dollars using the exchange rate in effect at the time the payment was made.

### Supporting a cooperative housing pilot project

We're collaborating on an initiative developed by the Confédération québécoise des coopératives d'habitation to make housing more accessible for low-income individuals. There's a shortage of affordable housing in Quebec, and the province also has the highest proportion of renters in Canada.

This pilot project will allow housing co-op members to buy a unit for 75% of the cost. When they sell the unit, the member keeps 100% of the initial value and leasehold improvements, but only 50% of any capital gains.



**#7 on Corporate Knights' ranking  
of the Best 50 Corporate Citizens in Canada**

## 2. Our co-op and its governance

### 2.5 SUPPORT FOR LOCAL COMMUNITIES

#### Local communities

Management approach | [GRI 413](#) | [103-1](#) | [103-2](#) | [103-3](#)

At Desjardins, our purpose is to enrich the lives of people and communities.

The cooperative business model is a powerful force for community development, and its values of solidarity, self-help and support for entrepreneurship make it an ideal fit for local communities.

We're firmly rooted in Quebec and growing our presence in Ontario. We're pleased to partner with local, regional, national and international organizations. Our network of partners and socio-economic and environmental leaders puts us at the forefront of the community development and shared prosperity movement.

The AMF has designated Desjardins as a domestic systemically important financial institution in Quebec. Domestic systemic importance is measured in terms of the impact that distress or insolvency of a financial institution would have on the domestic economy.

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At Desjardins, we help build vibrant communities in many ways, including:

- Funding long-term community development projects
- Supporting community organizations through director and employee involvement
- Financing individual and group entrepreneurship projects
- Offering products and services tailored to individual and community needs
- Promoting financial literacy and inclusion in Canada and abroad
- Making crowdfunding platforms, like the Desjardins Community Zone and La Ruche, available to individual and group project developers
- Launching sustainable development initiatives

As a socio-economic leader, we've developed financial support tools that can be customized to suit a community's needs, like our \$100 million fund for 2017 to 2019. With this fund, we support promising development projects for people and communities at the local and national levels. The positive impact of this fund led the president to announce the creation of a new \$150 million fund for 2020 to 2024, entirely dedicated to community development projects.

## 2. Our co-op and its governance

Our insurance subsidiaries also do their part for community development by supporting health and road safety initiatives. In addition, their investment portfolios include investments in infrastructure projects and businesses that meet ESG criteria.

We evaluate our community engagement strategies every year and adjust them as required. We track the number of entrepreneurs we support, the number of individuals who have completed projects or received training and our investments in cooperative organizations and group projects. As part of the \$100 million fund, we also track and evaluate participation levels and the number of people affected by these projects, the number of jobs created or maintained, and the overall positive effect of our contributions.

We collect and analyze feedback from our community partners. Finally, we tally contributions made by members to their local caisse's Community Development Fund.

To learn more: | [GRI 413-1](#) | [205-2](#) | [FS13](#) | [FS14](#) | [FS16](#) | [203-2](#)



### Serving sparsely populated regions | [GRI FS13](#)



In 2019, we operated a total of 905 points of service in Quebec and Ontario, including caisse head offices, service centres (in Quebec) and branches (in Ontario). In Quebec, 201 of these points of service—24.4% of the total—were located in low-density areas (with fewer than 2,000 residents). As a comparison, the big banks operated about 1% of their branches in these areas. Members and clients who live in these areas can also access our financial and insurance products and services online and by phone.



### Consulting with local communities and taking part in their development | [GRI 413-1](#)

We reach out to local communities to get their feedback on any potential changes in our distribution network by holding information sessions for members and meetings with local partners. We strive to be better listeners and transparent communicators to foster an open dialogue between members and their caisse.

While we're committed to remaining the most accessible financial institution, we need to keep market trends and consumer behaviour in mind.

We also need to make sure our services are accessible to all members. We work with communities to identify solutions that address local and regional needs.

## 2. Our co-op and its governance



### Staying close to our members

At Desjardins, we take steps to ensure members in remote regions and members with reduced mobility have access to our services. Here are a few examples:

- Support for transportation to get to a point of service (public transit, on-demand service, shuttle, reimbursement of fares, etc.)
- ATM and AccèsD (online banking) training
- Scheduled visits to communities with a reduced mobility population (basic transactions)
- Installation of information terminals in accessible spaces in the community
- Personalized support through our mobile branches, which are buses where members can speak to an advisor and use the ATM

Desjardins and the Fédération québécoise des municipalités (FQM) teamed up for a 12-month pilot project involving standalone ATMs in 5 municipalities. At the end of the pilot phase, the FQM decided not to continue with the project.

To learn more about our community development support programs, see section 4, **Communities**.



### Supporting joint action on local and regional development

We've partnered with the Table de concertation sur le développement local et régional, a board set up by the Fédération québécoise des municipalités (FQM), to help elected municipal officers and regional county municipalities with economic, social and cultural development. The board hosts free online meetings on economic development, giving participants the opportunity to learn from specialists, stay up to date on developments in their field and explore new ways to improve their efficiency.

### Developing communities with the Desjardins Community Zone and La Ruche

At Desjardins, we're exploring how crowdsourcing platforms can be used to bring us closer to our members, to bring our members closer to each other and to support community development. To offer even better solutions for project developer needs, 2 ground-breaking initiatives are now working together.

The Desjardins Community Zone has connected more than 60 group project developers with local residents, organizations and businesses interested in supporting them. To date, it has facilitated 34 initiatives that address local issues or support economic development. The Desjardins Foundation and 10 caisses in Montreal, Quebec City and the Eastern Townships have participated.

La Ruche provides local project developers and entrepreneurs with a crowdfunding platform and support from a group of businesspeople involved in the community. In 2019, we stepped up our partnership to help La Ruche provide more support in the 5 regions where it operates: Quebec City, Montreal, Mauricie, Bas-Saint-Laurent and the Eastern Townships. Since its creation, La Ruche has raised over \$5 million for nearly 500 projects.

### Helping non-profits

A total of 46,364 non-profit organizations (NPOs) are members of Desjardins. We support social economy cooperatives, mutuals and NPOs, whose purpose is not to turn a profit but rather to meet the needs of their members or the community.

## 2. Our co-op and its governance

### 2.6 SUPPORT FOR HISTORY AND ART

#### Alphonse Desjardins Historical Society

In December 2019, the Alphonse Desjardins Historical Society celebrated 40 years of showcasing our founders' family home. Over the years, the variety of activities has grown to include historical advisory services and archive management. In 2019, the Maison Alphonse-Desjardins museum welcomed 8,935 visitors. The archives, located in our building in Old Lévis, attracted 4,225 visitors. The visitor satisfaction rate for both sites was 99%. The sites are open year-round, offering visitors a free, unique experience. Employees can also visit the Maison Alphonse-Desjardins virtually to learn more and immerse themselves in the history of our organization.

In 2019, the Alphonse Desjardins Historical Society contributed to an episode of the documentary series "Dans les pas de ...." on the Historia channel.

#### The Desjardins art collection

We're committed to supporting the arts and artists, and we've amassed a sizable art collection. Our collection—which turned 40 in 2018—includes some 2,500 pieces (paintings, engravings, drawings, photos, sculptures, etc.). We proudly display these pieces in our main places of business to inspire employees and increase their exposure to art.

Through our annual art acquisition program, we support homegrown talent by buying their work. To share the collection more widely, we organize themed exhibits for our employees and visitors and loan out some of the pieces to museums.



**Quebec's most  
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institution –2019  
Ipsos-Infopresse index**





### 3. Employees

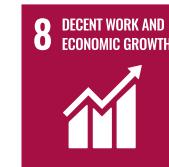
One of Canada's

**Top  
100 Employers**

One of Canada's  
Top Employers for

**Young People**

One of Canada's Best  
**Diversity**  
Employers



### 3. Employees

# 3.0 EMPLOYEES

At Desjardins, people are the backbone of our business. Our 47,849 employees enjoy great work conditions, training opportunities and benefits. When you choose a career with us, you get the opportunity to make a difference in the lives of people and communities, you join a huge community of employees who are passionate about what they do, and you become part of a welcoming, vibrant cooperative financial group that values diversity and inclusion.

## 3.1 THE #1 PRIVATE EMPLOYER IN QUEBEC

### A wide variety of career opportunities

Desjardins is one of the best employers in Canada, and there are many perks to working here:

- Job opportunities in 20 different fields across Canada and abroad
- Competitive pay and great benefits, like a defined benefit pension plan
- A flexible work environment that promotes work life balance



One of Canada's  
Top 100 Employers for  
the 9th year in a row –  
Mediacorp Canada

- An organization-wide commitment to sustainable development, responsible finance and climate action
- Learning opportunities through training and skills development

We're an inspiring employer with innovative management practices that encourage employees to take charge of their career. We offer a wide variety of career opportunities. In 2019, 35% of our vacant positions were filled by internal candidates, who took advantage of these opportunities to move within the organization.

### Desjardins Career Zone

In 2019, a total of 3,556 people visited our 2 Career Zones in Lévis and Montreal. These talent acquisition hubs give candidates a welcoming, accessible and tech-driven experience.

### Celebrating team achievements

A source of inspiration, engagement and pride, the Desjardins Recognition program showcases promising initiatives that reflect our goal of always doing what's best for members and clients. A recognition event is held every year to celebrate team achievements.



### 3. Employees

## 3.2 EMPLOYEE WELL-BEING

### Employment

Management Approach | GRI 401 | 103-1 | 103-2 | 103-3

With the current labour shortages, we're working hard to attract and retain top talent. We understand that employee well-being is essential to retention and job satisfaction. We also know that a good employer/employee relationship is key. Our management practices focus on ongoing dialogue between managers and employees, and we see this as a shared responsibility.

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This ongoing dialogue is a cornerstone of our approach to performance management. In addition to meetings held at the beginning, middle and end of the year to set goals and review performance, this dialogue allows managers and employees to discuss and address individual and organizational needs.

The President and CEO holds regular online meetings to build rapport with our employees and managers. These meetings are an opportunity to share our vision and expectations, discuss challenges and explain how they're being handled, and answer questions from participants. About 16% of our employees are unionized, and we have good relations with the unions that represent them.

The Workplace Relations Administrative Department has processes in place to deal with any grievances or complaints in accordance with labour laws. We also have a process for handling employee complaints in the event of a dispute and an anonymous mechanism that employees can use to report issues, especially regarding human resources.

### Occupational health and safety

At Desjardins, occupational health and safety are fundamental to performance. We're committed to offering a safe and secure work environment. We enforce required safety measures, including those mandated by provincial and federal laws and regulations.

The group insurance plan is a key part of our compensation package. We care about our employees' health and financial security and the plan was designed to provide employees with the peace of mind they need for personal and professional growth. Our employees also have a defined benefit pension plan, which contributes to better retirement planning.

Finally, the Fast Track Prevention program helps caisse network employees respond to attacks, assaults, theft and other emergencies. Each caisse has a security and fraud officer who can support employees in these situations. We have teams dedicated to protecting our employees, keeping our workplaces safe and coordinating emergency response operations. Documentation on emergency measures is readily available to employees.

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Since 2018, our approach to employee engagement has been based on ongoing dialogue with all employees. Everyone is encouraged to express their point of view using Officevibe, a confidential, interactive platform that lets employees give feedback on their experience working for Desjardins. Managers can interact with them at any time to gain more insight.

### 3. Employees

#### Reinventing our hiring campaigns

We've stepped up our hiring efforts and diversified our approach to finding employees. Several business sectors work together to give us an advantage in the talent war. These initiatives have helped us build on our recruiting efforts both in and outside major cities and improve employee opportunities and member/client services. Here are just a few recent initiatives:

- Planning international recruitment missions to fill hard-to-staff specialized positions
- Partnering with CEGEPs and universities to recruit students
- Organizing events to promote career opportunities
- Promoting the employer brand on social media and at new career booths

The retention rate for permanent employees is 93.0%, which is a testament to our engaging and dynamic work environment.

#### Making a statement with a new employer brand

We refreshed our employer brand to help us attract the best talent and build loyalty with current employees. The new brand image is aligned with our values and our goal to always do what's best for our members and clients.



#### New employee hires and employee turnover | GRI 401-1

Permanent employees External hires <sup>1</sup>	2019		2018		2017	
	#	%	#	%	#	%
<b>By age group</b>						
Under 30	2,473	47.1	1,970	45.6	1,305	42.2
30–44	2,034	38.7	1,732	40.1	1,333	43.2
45–54	554	10.6	486	11.3	355	11.5
55+	191	3.6	127	2.9	97	3.1
<b>By gender</b>						
Women	2,872	54.7	2,461	57.0	1,706	55.2
Men	2,380	45.3	1,854	43.0	1,384	44.8
<b>By region</b>						
Quebec	4,630	88.1	3,649	84.6	2,640	85.4
Ontario	550	10.5	591	13.7	403	13.1
Rest of Canada	72	1.4	75	1.7	47	1.5
Outside Canada	0	0.0	0	0.0	0	0.0

<sup>1</sup> Excludes approximately 1% of the workforce.

### 3. Employees

Permanent employee departures	2019	2018	2017
	%	%	%
Resignation rate	7.0	6.1	5.4
Retirement rate	2.9	3.3	3.4
Involuntary departure rate	2.1	2.3	1.7
Turnover rate	12.0	11.6	10.4



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Top Family-Friendly  
Employers – Mediacorp Canada

#### Employee benefits | GRI 401-2

The new Desjardins Group Insurance Plan came into effect on December 29, 2019. With a focus on health and prevention, it's more flexible and generous for all employees.

At Desjardins, we're committed to improving our employees' financial security and quality of life by offering our full-time permanent employees:

- Life insurance
- Health insurance including drug and vision care coverage, plus dental insurance
- Competitive benefits for major life events, such as the birth or adoption of a child
- Wellness initiatives
- Telemedicine services
- Reduced-fee group RRSPs with a wide range of investment solutions
- A defined benefit pension plan

**Note:** Part-time employees have access to most of these benefits, prorated according to time worked.

Breakdown of permanent employee departures (turnover) <sup>1</sup>	2019		2018		2017	
	#	%	#	%	#	%
<b>By age group</b>						
Under 30	1,408	27.7	1,130	23.4	928	21.7
30–44	1,692	33.2	1,576	32.7	1,354	31.7
45–54	612	12.0	568	11.8	493	11.5
55+	1,379	27.1	1,544	32.0	1,497	35.1
<b>By gender</b>						
Women	3,339	65.6	3,180	66.0	2,860	66.9
Men	1,751	34.4	1,638	34.0	1,412	33.1
<b>By location</b>						
Quebec	4,502	88.4	4,171	86.6	3,721	87.1
Ontario	538	10.6	584	12.1	493	11.5
Rest of Canada	50	1.0	63	1.3	58	1.4

<sup>1</sup> Excludes approximately 1% of the workforce.

#### Flexible work arrangements

Various options are available to help our employees achieve work life balance, including:

- Flexible work schedules (compressed work week, option to work remotely, etc.)
- Several types of leave, including staggered compensation for an extended absence

Options may vary by individual needs, job requirements and working conditions.

### 3. Employees

We have workplaces across Canada, with our main offices located in the following cities: Montreal (downtown and Anjou), Lévis, Aurora, Mississauga, Quebec City, Trois-Rivières, Granby, Toronto, Ottawa-Gatineau, Calgary, Gaspé, Vancouver and Winnipeg.

The caisse network spans a vast geographical area, and the number of employees at any location varies by member volume. | [GRI 102-4](#)

#### Prioritizing employee health

Every year, we invest heavily in employee health and well-being. In 2019, we spent approximately \$7.5 million on illness prevention and health promotion programs and initiatives.

Here's a snapshot of some of the innovative, preventive services we provide:

- A telemedicine service that gives employees and their immediate family members direct access to healthcare professionals with online consultations for non-urgent problems (colds, drug interactions, skin or eye issues, etc.), specialist referrals and prescriptions/refills
- An assistance program that provides confidential psychological support to help employees work through difficult situations that they or members of their immediate family encounter; help with eldercare, childcare and legal and financial issues is also available
- The Sleep Health Program, which screens employees for the most common sleep disorders and helps them learn more about their sleep habits

- The Health is Cool 360° website, which features prevention and research tools, health tips on a variety of topics and information about the health and wellness programs we offer
- A personalized support program for employees on disability leave, made possible by a partnership between the Federation, Desjardins Insurance and various rehabilitation centres
- A variety of tools to make workstations more ergonomic

We also organize activities to encourage healthy lifestyles. In 2019:

- 2,015 employees attended workshops on stress management, work-life balance and meditation

during Mental Health Week. Related webinars were viewed 1,205 times.

- 2,396 employees attended workshops on fitness, nutrition and mental health during My Health Week. Related videos were viewed 2,819 times.
- 1,677 people (employees, directors and their family members) took the Health Challenge.
- 13% of employees got a free seasonal flu shot.
- 22% of employees received a partial reimbursement for health and wellness expenses under our recently expanded program.
- 616 managers had a full health check-up at a specialized clinic.



### 3. Employees

## 3.3 EMPLOYEE SKILLS DEVELOPMENT

### Training and education

Management approach | [GRI 404](#) | [103-1](#) | [103-2](#) | [103-3](#)

Desjardins directors, managers and employees can improve their skills through ongoing training, which equips them to make the best decisions for members and clients. We fully comply with Quebec's Act to Promote Workforce Skills Development and Recognition, which requires large companies to invest at least 1% of their payroll in employee training every year.

For years, we've invested more than 2.5% of our payroll in staff training and development. The sustained interest that our employees show is a clear indicator that these measures are worthwhile. These investments are allocated within the organization based on our challenges and priorities. New tools like Office 365 also make it easier to collaborate and share best practices.

A mandatory learning path for caisse directors was launched May 1, 2019, and we designed content for 8 new training courses for them over the year. We also rolled out a new training platform to support caisse directors with the learning path.

As part of our shift to a member/client culture, we also developed tools to raise awareness and promote dialogue.

In 2019, thousands of employees and directors chose to improve their skills.

### Hours of training

In 2019, we invested nearly \$101.13 million—or 3.12% of our total payroll—in over a million hours of staff training and development activities, in large part through the Desjardins Cooperative Institute.

### Programs for upgrading employee skills | [GRI 404-2](#)

#### Updating our skills to reflect our priorities and values

At Desjardins, we encourage our employees and managers to develop skills that align with our strategic priorities and cooperative values. Our skills development program has 3 components: job-specific training (provided by the business sectors),

leadership development and cross-sector training (both provided by the Desjardins Cooperative Institute).

#### Career support

Our career services team has developed the following resources for Desjardins employees:

- Career advice to help employees evaluate their job situation and how to put their talents to good use, regardless of where they are in their careers
- Résumé writing workshops (one-on-one or in groups)
- Job interview coaching to help employees showcase their strengths (one-on-one or in groups)

### 3. Employees

#### Continuing education

We offer support in many forms to employees who wish to further their education at recognized educational institutions:

- Flexible work schedules
- 100% paid training time when training is a job requirement and 50% paid training time when training is necessary for the development of succession candidates
- Reimbursement of tuition fees and the cost of required textbooks and materials

- Monetary recognition for additional education
- Unpaid leave (up to 12 months) during which employees can complete their studies

#### Planning for the future

With the caisses' support, we offer paid internship programs to CEGEP and university graduates. These programs give participants the opportunity to acquire skills and knowledge specific to the financial sector. In 2019, we hired 299 interns. It's a win-win: interns get valuable on-the-job experience and our teams get additional help.

Intensive retirement planning sessions are available to members of the Desjardins Group Pension Plan who are 50 or older and their spouses. In 2019, a total of 848 people participated in these sessions.



### 3. Employees

## 3.4 DIVERSITY AND INCLUSION

### Diversity and equal opportunity

Management approach | [GRI 405](#) | [103-1](#) | [103-2](#) | [103-3](#)

At Desjardins, we believe in the value created through diversity and the inclusion of people of all genders, ages, backgrounds, cultures, experiences, abilities and sexual orientations.

That's why we're committed to building an organization that reflects the richness of our society and that celebrates diversity.

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To diversify and enrich our human capital, we're making more room in the organization for young people, women in decision-making roles, members of cultural communities, people with disabilities and members of the LGBTQ2S+ community.

Our hiring and talent management policies and practices clearly reflect our commitment to building a more diverse workforce that reflects our society across all levels of the organization.

We also support initiatives and participate in public events catering to people from all walks of life:

- Fondation Émergence programs, to promote a more inclusive environment for sexual orientation and gender diversity
- Action main-d'oeuvre specialized services, to hire people with autism spectrum disorder
- Women in Leadership program with Effet A
- Partnership with Catalyst: Workplaces That Work for Women
- Quebec Immigration and Integration Fair
- Pride at Work Canada and Pride Montreal
- Fédération des chambres de commerce du Québec

In Aurora, Mississauga and our other workplaces outside Quebec, we have about a dozen employee networking groups that organize activities promoting cultural, gender and sexual orientation diversity.

Caisse have an enhanced group profile that allows each board of directors to set diversity and representation targets based on its reality and needs. One of the dimensions covered by this profile is diversity—in age, in gender and in background. The Young Intern Director Program also supports diversity.

#### Parity

In 2019, we set our sights on achieving gender parity in senior management positions and in the boards of directors of the caisses and the Federation.

### 3. Employees

Our goals for the representation of women in senior management positions are to achieve parity (50%) in the business sectors and support functions and reach the parity zone (45%–55%) in the caisse network by 2024.

Caisse boards of directors are also striving for parity by 2024 and implementing strategies to encourage more women to apply for director positions, keeping their enhanced group profile top of mind.

We've had a major diversity and inclusion action plan on the go since 2018, with a community of ambassadors dedicated to growing diversity and inclusion within our organization.

The representation of women is monitored quarterly for senior management positions and 3 times a year for caisse boards of directors.



#### Diversity initiatives

##### **Lesbian, gay, bisexual and transgender (LGBTQ2S+) community**

We're continuing our efforts to support the LGBTQ2S+ community. During Pride Week, we added the rainbow flag to the Complexe Desjardins logo, and we once again marched in the Montreal Pride Parade with a huge contingent of employees and allies.

In Montreal and Lévis, we hosted 2 receptions to celebrate open-mindedness and diversity. Events were also held in Ontario, Calgary, Vancouver and across Quebec.

##### **Newcomers**

We're a key partner of the Un emploi en sol Québécois program sponsored by the Fédération des chambres de commerce du Québec. This program was created to help newcomers find work outside major metropolitan areas. In 2019, this program once again helped us connect with newcomers and hire new talent. Desjardins also partnered with other organizations for Journée portes fermées, a campaign by the city of Montreal to create an inclusive work environment and open more doors for newcomers within organizations.

#### Women

We partnered with Effet A to create a unique and innovative professional development program that helps women in professional and first-level management roles advance in our organization. In addition to the Effet A 100-day challenge, participants follow a skills development path that reflects Desjardins's needs and realities. Since 2017, 140 women (professionals and first-level managers) have participated in this program. There are 2 cohorts each year.

We've also partnered with the Association of Quebec Women in Finance to promote networking and professional development activities, and Women in Capital Markets (WCM), the largest network of professional women in the Canadian financial sector. WCM's mission is to advance women in all sectors of the finance industry, and to increase the number of women in senior leadership roles in the Canadian economy.



**Gold-level Parity Certification  
for the 3rd year in a row – Women in Governance**

**Platinum-level Governance and Vision (Strategy)  
Certification – Women in Governance**

### 3. Employees

#### Breakdown of caisse directors and employees | GRI 405-1

Caisse director diversity <sup>1</sup>	2019	2018	2017
	%	%	%
<b>By age group</b>			
Under 35	15.4	14.4	16.6
35–49	25.6	23.4	21.8
50+	59.0	62.2	61.6
<b>By gender</b>			
Women	44.5	42.0	43.6
Men	55.5	58.0	56.4

<sup>1</sup> Since 2018, young intern director representation has been calculated separately.

In 2019, the director representation index in terms of the gender and age of members was 93.2%. This index weights gender and age equally.

Employee diversity by gender <sup>1</sup>	2019	2018	2017
	%	%	%
<b>Upper management</b>			
Women	33.3	31.3	26.5
Men	66.7	68.7	73.5
<b>Managers</b>			
Women	58.7	59.0	57.5
Men	41.3	41.0	42.5
<b>Employees</b>			
Women	67.3	68.7	69.5
Men	32.7	31.3	30.5

<sup>1</sup> In 2018, the definition of upper management was expanded to include the management level of director.



One of Canada's  
Top Employers  
for Young People –  
Mediacorp Canada

One of Canada's  
Best Diversity  
Employers –  
Mediacorp Canada

Employee diversity by age group <sup>1</sup>	2019	2018	2017
	%	%	%
<b>Upper management</b>			
Under 30	0.0	0.2	0.3
30–44	20.0	18.1	9.4
45–54	49.2	49.9	51.5
55+	30.8	31.8	38.8
<b>Managers</b>			
Under 30	3.3	3.0	2.2
30–44	44.7	43.4	39.5
45–54	37.1	38.2	41.6
55+	14.9	15.4	16.7
<b>Employees</b>			
Under 30	20.7	19.8	18.7
30–44	39.6	39.2	38.3
45–54	23.0	24.3	26.7
55+	16.7	16.7	16.3

<sup>1</sup> In 2018, the definition of upper management was expanded to include the management level of director.

Representation of cultural communities <sup>1</sup>	2019	2018	2017
	%	%	%
<b>Entire caisse network</b>			
Upper management	4.3	4.1	4.2
Managers	5.2	5.2	4.5
Employees	6.9	6.7	7.8
Total	6.8	6.6	7.5
<b>Caisse network – Greater Montreal</b>			
Upper management	5.2	6.3	6.5
Managers	9.9	11.1	8.3
Employees	14.3	14.2	17.1
Total	13.9	13.8	16.3

<sup>1</sup> Since 2018, this has excluded self-identification data from employees hired in the past year.

### 3. Employees

## 3.5 ANTI-CORRUPTION

### Fighting corruption

Management approach | [GRI 205](#) | [103-1](#) | [103-2](#) | [103-3](#)

At Desjardins, we have a framework in place to ensure sound management of operational risk, in line with industry best practices and regulatory requirements such as those set out in the *Financial Crime Risk Management Guideline* published by the Autorité des marchés financiers (AMF). The framework includes a process for preventing fraud and misconduct as well as management mechanisms for examining any situations or activities potentially linked to financial crime.

#### Code of Professional Conduct

Managers use operational risk management tools to identify, assess and mitigate significant risks, including those related to internal and external fraud. The Desjardins *Code of Professional Conduct* is a key tool in the fight against financial crime. As part of training on the code, directors and employees are reminded of their responsibilities and duties, including the requirement to act with discretion, diligence, honesty and loyalty at all times. The same code applies organization-wide, and some entities are also subject to industry-specific rules. All employees are required to declare that they've read, understood and agree to follow the code every year.

As a further safeguard, we have a consultation and decision-making process that involves input from various units across Desjardins whenever we make outside contributions.

#### Reporting mechanism

For violations of our regulatory framework and *Code of Professional Conduct*, we have an external reporting mechanism that can be used anonymously and confidentially. It meets regulatory requirements in terms of accounting, internal accounting controls, audit, governance, ethics and professional conduct, including the AMF's Regulation 52-110 Respecting Audit Committees.

#### Policies

The following Desjardins policies support the fight against corruption:

- *Policy on Security and Credit Checks for Employment*
- *Policy Governing the Integrity and Competency of Desjardins Caisse Directors in Quebec*
- *Policy Governing the Integrity of Directors*, applicable to the Fédération des caisses populaires de l'Ontario Inc. and to Ontario caisses populaires
- *Desjardins Group Policy on Reporting Regulatory Violations*
- *Anti-Money Laundering and Anti-Terrorist Financing Regulatory Compliance Policy*
- *Policy on Compliance with International Anti-Tax Evasion Regulations*
- *Policy on Operational Risk Management*

There is also a *Conflict of Interest Management Standard* and a *Conflict of Interest Management Directive* to support the fight against corruption.

### 3. Employees

#### Anti-money laundering and anti-tax evasion

We have a Chief Anti-Money Laundering Officer, who is responsible for ensuring sound management of risks associated with money laundering, terrorist financing and international economic sanctions and other measures. We adjust our compliance program, policies, procedures and training regularly to reflect regulatory changes and emerging trends. These measures help prevent, detect and disclose transactions associated with money laundering and terrorist financing.

We provide the following training on anti-money laundering and anti-terrorist financing regulations:

- Flag the Money
- Flag the Money: It's My Business Every Day

We also have a Chief Anti-Tax Evasion Officer. We've developed a program to ensure compliance with regulatory requirements, including the intergovernmental agreement between Canada and the United States, pursuant to the *Foreign Account Tax Compliance Act*, and the *Common Reporting Standard* developed by the Organization for Economic Co-operation and Development, which Canada participates in, along with more than 110 other tax jurisdictions.

Our Anti-Tax Evasion 101 course teaches employees about our compliance program in this area, and about the new requirements and responsibilities applicable to Desjardins.

These initiatives foster a healthy regulatory compliance approach.

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Our anti-money laundering, anti-terrorist financing and anti-tax evasion compliance programs include oversight of regulatory risks, which allows the compliance function to provide an opinion on the adequacy, application and effectiveness of control mechanisms. Our Chief Anti-Money Laundering Officer and Chief Anti-Tax Evasion Officer also evaluate the maturity of our compliance programs and benchmark them against our targets to ensure ongoing improvement.

The Desjardins Group Monitoring Office provides an independent assessment of the design and effectiveness of the compliance management framework.

In addition, a fraud risk management program provides mechanisms for ensuring effective governance, identifying vulnerabilities and implementing controls for preventing and detecting fraudulent activities.

We've set up a formal reporting process for senior management and various decision-making bodies to verify compliance and risk management issues.

Lastly, starting in 2020, the Desjardins Group Security Office will oversee all functions involved in information security and personal information protection.

### 3. Employees

#### Communication and training about anti-corruption policies and procedures | GRI 205-2

The annual obligation to sign the *Code of Professional Conduct* reminds directors and employees of their responsibilities and duties.

In 2019, a total of 8,030 employees and directors took the Measure Your Professional Conduct Quotient training course, for a total of 45,455 participants since the course was launched in 2013.

In July 2017, we introduced a new training course on managing conflicts of interest. So far, 52,506 employees and directors have taken the course, including 9,829 in 2019.

2019 statistics for mandatory anti-money laundering training:

- 8,202 employees took Flag the Money
- 24,255 employees took Flag the Money: It's My Business Every Day

2019 statistics for anti-tax evasion training:

- 3,244 employees took Anti-Tax Evasion 101.





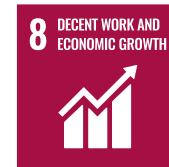
## 4. Communities

Over **400 projects**  
contributing to the sustainable  
development of local  
communities thanks to the  
**\$100 million fund**

**\$50 million a year  
for youth**

Launch of the  
**100% Members  
catalogue**

to support member businesses  
and grow local economies



# 4.0 COMMUNITIES

At Desjardins, our caisses, directors and employees are committed to making a difference in local communities. We're a key driver of socio-economic development, and we're gradually factoring environmental, social and governance (ESG) criteria into our business decisions. We're doing our part to build a sustainable, responsible economy by creating good jobs, supporting development projects, helping businesses grow, choosing local products and services and giving back to people and communities.

## 4.1 CONCRETE ADVANTAGES FOR COMMUNITIES

### Indirect economic impacts

Management approach | GRI 203 | 103-1 | 103-2 | 103-3

At Desjardins, we help build sustainable communities across Canada and around the world by growing local economies, supporting businesses, creating good jobs, training directors and working towards the United Nations Sustainable Development Goals.

#### Growing local economies

We believe in the value of decentralizing our operations to help grow and support vibrant communities outside urban centres, and we've had a formal decentralization policy in place for many years. Our subsidiaries also provide good jobs all across Canada.

#### Supporting businesses and creating jobs

We help grow businesses and keep jobs in both rural and urban communities through our wide range of products and services and through:

- Our caisses, business centres and complementary networks like Desjardins 360<sup>d</sup>
- Desjardins Capital Management, a fund manager specializing in development and venture capital
- Our solidarity-based finance programs Créavenir and Desjardins Microcredit to Businesses
- The Momentum Fund, which provides non-repayable funding to small and medium businesses
- Our partnerships with Place aux jeunes en région, Réseau des carrefours jeunesse-emploi du Québec, Adopt Inc., OSEntreprendre and Regroupement des jeunes chambres de commerce du Québec

## 4. Communities

### Training directors

We train our 2,930 directors to help them develop their skills, do more for their community and make the best decisions for their caisse's future. This training strengthens our democratic processes and helps to build stronger communities.

### Développement international Desjardins

Développement international Desjardins (DID) is our main component operating outside North America. It works on the ground to strengthen local financial institutions and the inclusive finance industry at home and in developing and emerging countries. DID helps improve financial inclusion and access to financial services for everyone, with a specific focus on women and youth. The principles of sustainable development and climate action are also reflected in DID programs.

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A report on the indirect economic impacts of our operations can be found in our annual report.



### Injecting capital to help regions and cooperatives grow | GRI 203-2

In Quebec, Desjardins Capital Management's investments benefit many regional economies. In addition to creating and keeping local jobs, these investments:

- Encourage entrepreneurship in younger generations
- Boost productivity and help businesses expand to new markets
- Promote the emergence of industry leaders across business sectors
- Keep homegrown businesses from leaving

Desjardins Capital Management has developed innovative partnership solutions to help SMEs outside urban centres and cooperatives across the province achieve their full potential. It also lends its support and expertise to specialized businesses that work with tech startups.

As at December 31, 2019, we had committed \$1.4 billion to 529 businesses, cooperatives and funds, helping to create or keep some 80,000 jobs. This includes a total of \$903 million for 399 businesses based somewhere other than Montreal or Quebec City and a total of \$209 million for 26 cooperatives. And since 2014, we've committed over \$184 million to regional county municipalities in economic decline.



## 4. Communities

Funds associated with Desjardins Capital Management include:

- Capital régional et coopératif Desjardins, a public fund with 109,364 shareholders
- Transatlantic Fund, a fund that helps French businesses break into the North American market—starting in Quebec—and helps Quebec businesses move into the European market—starting in France
- Desjardins – Innovatech, a fund that supports tech innovation
- Société en commandite Essor et Coopération, an organization created with the Conseil québécois de la coopération et de la mutualité to support cooperative development
- Desjardins Capital SME, a fund that supports business growth, expansion and acquisition
- Fonds Relève Québec, a fund that provides business transfer support for new business owners
- Fonds Prêt à Entreprendre, a fund that provides financial and technical support for new business owners
- Fonds d'investissement pour la relève agricole, a fund that provides support to young people with plans to start, expand or take over a farming business

### Desjardins Capital Management's economic impact in Quebec

<b>\$1,281.3 million</b> Development capital investments at cost	<b>\$350.2 million</b> Investments at cost in cooperatives or other businesses located in resource regions	<b>\$184.0 million</b> Development capital investments at cost in regional county municipalities in economic decline (since 2014)
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Desjardins Capital Management plans to grow its assets under management to \$5 billion by 2024 and triple the number of SMEs and cooperatives it supports, bringing the total to 1,500 over this timeframe.



### Helping people in difficulty

#### Desjardins Disaster Relief Fund | GRI 203-2

The Desjardins Disaster Relief Fund provides emergency financial aid to members and clients affected by disasters not covered by their insurance. The fund has an annual budget of 1% of the net income of Desjardins General Insurance Group, up to \$1 million. It's available to help:

- Desjardins General Insurance and The Personal policyholders
- Desjardins members in Quebec

In addition to the assistance available through this fund, we sometimes provide emergency financial aid to communities recovering from accidents or natural disasters.

#### Supporting families impacted by spring flooding

We helped members and clients with the financial consequences of the floods in Quebec by:

- Easing repayment and financing conditions
- Simplifying the Loan Insurance disability claims process in the event of exceptional circumstances, including spring flooding
- Setting up a temporary claims office in Sainte-Marthe-sur-le-Lac
- Sending a mobile branch to the Beauce region
- Calling members and clients who may have been impacted to offer them help
- Encouraging Desjardins employees to donate basic necessities and help with flood cleanup efforts.

## 4. Communities

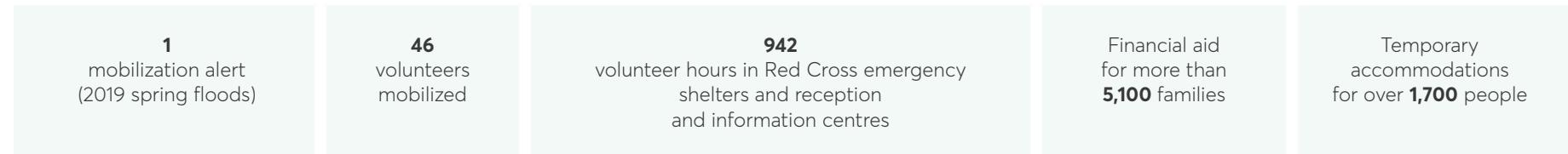
We donated \$75,000 to the Red Cross, and the Desjardins Foundation donated \$13,000 to 7 schools in the Beauce region and in Sainte-Marthe-sur-le-Lac. These funds helped cover a range of expenses, including hot meals for students and their families impacted by the floods. The money was also used to replace damaged equipment, carry out repairs and upgrade facilities.



### Ready When the Time Comes program

Through this initiative, the Canadian Red Cross trains Desjardins employees to assist with relief efforts after major disasters. Of the more than 600 Desjardins employees signed up for the program, 150 have taken classroom training and are ready to mobilize when needed.

In 2019:



### Educating to prevent accidents | GRI 203-2

Desjardins General Insurance Group promotes a range of activities and educational programs aimed at reducing the number of traffic-related deaths and injuries that occur on Canadian roads every year:

- Road safety campaigns on topics like distracted and drug-impaired driving and vehicle safety technology
- The Drug-Impaired Driving Learning Centre website and road safety studies published regularly in partnership with the Traffic Injury Research Foundation
- National Teen Driver Safety Week organized by our partner, Parachute Canada, because motor vehicle collisions are the leading cause of death in young people between the ages of 16 and 19
- A partnership with arrive alive DRIVE SOBER®, whose mission is to provide programs to eliminate impaired driving and enable people and communities to share resources and information.



### 4.2 BUILDING A SUSTAINABLE, RESPONSIBLE ECONOMY

#### Economic performance

Management approach | [GRI 201](#) | [103-1](#) | [103-2](#) | [103-3](#)

Economic performance is central to our operations. We measure economic performance in terms of our returns, financial strength and contributions to building a sustainable, responsible economy.

We believe in economic development that respects both people and the environment and that benefits both present and future generations. In 2019, we held a consensus-building activity to streamline our position on sustainable development and roll out local initiatives over the 2020–2021 horizon.

Our caisses have always been drivers of economic and social development, spreading financial literacy to help individuals and communities take charge of their futures.

At Desjardins, our ongoing mission is to enrich the lives of members and communities. We've developed tools and programs to help us fulfill our mission nationwide, and caisses can tailor them to their local communities.

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#### Support for partner organizations and development projects

Our 238 caisses are firmly rooted in local communities. They maintain partnerships with community development stakeholders, such as municipalities, chambers of commerce and community organizations. These close relationships keep the caisses informed of community needs and involved in local projects. To strengthen these ties, we've created community collaboration groups to guide caisses' community involvement.

Nearly all caisses (99%) have a Community Development Fund (CDF). CDFs are funded with surplus earnings by a vote of caisse members at their annual general meetings. They're used to support projects that will positively impact communities.

We use traditional and social media to spread the word about these projects, secure buy-in and get people involved.

Through our close relationships with governments, municipalities and Canadian socio-economic development organizations, we help identify key issues and shape development initiatives.

We contribute directly to economies outside major urban centres through our Shared Services Centre and our decentralized operating model. Community needs drive how and when we get involved.

What's more, the Desjardins Economic Studies team prepares regional and topical overviews and analyses of the credit and savings markets in Quebec, Ontario and all of Canada. This information is available to caisse directors.

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Our quarterly financial reports review a wide range of indicators across all our business lines, giving our directors, employees, members, clients and investors the information they need to make informed decisions.

## 4. Communities

### Direct economic value generated and distributed | GRI 201-1

Desjardins (in \$M)	2019	2018	2017
Operating income	\$17,909	\$16,576	\$15,465
Total income	20,792	17,310	17,153
Non-interest expense	8,015	7,485	7,400
Salaries	2,970	2,836	2,808
Fringe benefits	712	571	644
Member dividends	317	253	202
Remuneration on capital stock	211	425	212
Income taxes on surplus earnings	651	536	536
Indirect taxes	1,434	1,383	1,358
Donations and sponsorships	87	94	82
Reserves and undistributed surplus earnings	21,311	19,569	18,067



#2 on Baromètre de la consommation responsable's 2019 list of most responsible organizations and brands



### Creating jobs where they're needed | GRI 203-2

One way we support regional development is by decentralizing some of our operations. The Desjardins Shared Services Centre has 2,500 employees providing administrative services to the caisse network and handling certain financing transactions. We chose our 28 Shared Services Centre locations, including one in Ontario, based on our goals of:

- Decentralizing operations to outlying regions
- Spreading operations evenly across 3 main regions (Western, Central and Eastern Quebec)

By consolidating their administrative operations, caisses can now focus on business development and service delivery for members and clients. In 2019, the Shared Services Centre expanded its services to include certain financing transactions.

We also operate the following client relations centres:

- Accès Desjardins – Granby: About 230 employees work at the Carrefour de la coopération serving individuals and businesses
- Accès Desjardins – Trois-Rivières: About 500 employees work in 2 call centres serving individuals and businesses
- Student advisory centre – Gaspé: About 100 employees handle financial services for students, including government-backed student loans, lines of credit, savings and referrals for home and auto insurance
- Life and health insurance sales – Rimouski: About 20 employees assist Quebec members with their banking product and basic insurance coverage needs.



### Donations and sponsorships | GRI 201-1

At Desjardins, we demonstrate our commitment to sustainable community development through our investments. In 2019, we committed \$86.9 million in donations, sponsorships, philanthropic partnerships and scholarships, including \$40.1 million from caisse CDFs.

#### Financial contributions\*

(in \$M)	2019	2018	2017
Cooperation	\$2.6	\$3.9	\$3.8
Culture	15.7	14.0	10.4
Economic development	12.3	11.9	15.1
Education	22.6	27.0	19.7
Humanitarian work and community service	13.8	11.8	12.1
Events	5.1	4.4	4.7
Health and healthy living	14.8	21.4	16.4
<b>Total</b>	<b>\$86.9</b>	<b>\$94.4</b>	<b>\$82.2</b>

\*Federation, caisse, component and CDF donations and sponsorships

### Supporting thousands of initiatives through our Community Development Funds | GRI 201-1

Our CDFs are just one way caisse members show their generosity. At each caisse's general meeting, members can decide to give up a portion of their individual dividends and allocate it to their CDF, which is fully managed by the caisse's board of directors. By contributing to their CDF, caisse members are helping to support development projects that rally various contributors around a common goal and address the needs of a large

## 4. Communities

number of members. Each caisse's board of directors consults with members and partners to determine investment priorities for CDF funds and then selects projects based on these priorities.

### Amounts given back by our CDFs



We post videos on our website of some of the initiatives we support. It's an inspiring collection of stories and proof of the great work that our caisses and members are doing in their communities. To watch the videos:

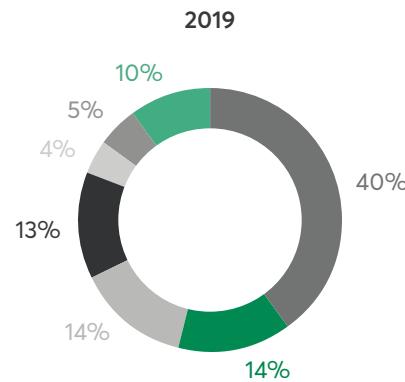
[www.desjardins.com/ca/co-opme/desjardins-difference/being-member-contributing-endeavours/index.jsp](http://www.desjardins.com/ca/co-opme/desjardins-difference/being-member-contributing-endeavours/index.jsp)

### \$100 million fund | GRI 201-1

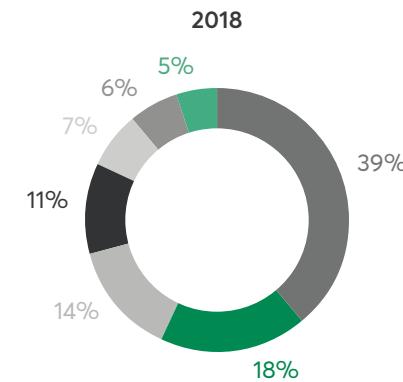
In 2017, we created the \$100 million fund to strengthen our socio-economic leadership and broaden our reach. We use the fund to invest in initiatives aligned with our socio-economic mission of supporting entrepreneurship, education, social responsibility, sustainable development and community involvement.

As at December 31, 2019, we had committed a total of \$94 million to support 413 initiatives benefiting members, communities and regions.

### Initiatives by sector



Economic development	40%
Education	14%
Health and healthy living	14%
Humanitarian work and community service	13%
Cooperation	4%
Environment	5%
Culture	10%
<b>Total</b>	<b>100%</b>



Economic development	39%
Education	18%
Health and healthy living	14%
Humanitarian work and community service	11%
Cooperation	7%
Environment	6%
Culture	5%

## 4. Communities

The \$100 million fund supports many initiatives in Quebec and Ontario:

- The Véro & Louis Foundation, to offer safe living environments adapted to the needs of adults aged 21 and over with autism spectrum disorder
- Théâtre jeunesse Les Gros Becs, to renovate La Caserne, a place where children and teens can discover and learn more about theatre
- Saint Joseph's Oratory, to renovate and restore areas accessible to the public
- A grocery store and community coffee shop in Kénogami, to offer a meeting place and services for people who are suffering or have suffered from mental health issues or psychological distress
- Projet CLÉ, an initiative that provides psychological and financial assistance and personalized coaching to young, financially challenged adults leaving youth centres
- A self-sustaining ecosystem for urban agriculture, in partnership with the Cégep de Sherbrooke, to provide an educational space for testing ecological and technological production systems
- Carrefours jeunesse-emploi de l'Abitibi-Témiscamingue, to implement strategies for attracting, recruiting, onboarding and keeping qualified young talent
- The Dis-moi startup, arising from Desjardins's Cooperathon, to develop an interactive platform to help young people feel less isolated and give them access to the resources they need when they're having problems



### Incubating new ideas with the Desjardins Lab

To stay current and in step with the needs of our members and clients, we have to think outside the box. The Desjardins Lab is a key part of how we explore new ways of addressing issues encountered by our members and clients.

We promote opportunities for mentoring, partnership, training, networking, internships and careers in Montreal's startup scene for individuals who are underrepresented in the tech sector. The Desjardins Lab takes an inclusive approach that recognizes the contributions of women in tech. In 2019, over 3,000 members of the public attended our Desjardins Lab Meet-ups.

In 2019, the Desjardins Lab's Startup in Residence program welcomed WALO, a financial education startup founded by 2 women. Linked to a prepaid card, the WALO mobile app teaches kids the value of money, while providing their parents with a user-friendly, secure tool to supervise their child's spending and turn pocket money into hands-on life lessons.

Here's what the founders of WALO had to say:  
"With Startup in Residence, we get exclusive access to Desjardins experts and resources. The program provides us with the support and partnership opportunities we need to grow our business faster."

### Innovating through the Cooperathon

The Cooperathon is the brainchild of the Desjardins Lab and its partners. It's a way for citizen-driven startup-type projects to get off the ground and quickly move into the validation phase. As the largest open innovation challenge in Canada, it aims to have maximum social impact.

In Canada, the fourth annual Cooperathon featured 125 projects by 1,300 participants in the following categories: finance, health, education, energy and environment, and agriculture. Participants developed innovative solutions to support the United Nations Sustainable Development Goals. The event showcases the importance of diversity and inclusion as a source of innovation.

Worldwide, the Cooperathon brought together more than 2,000 participants across 14 sites and 4 countries: Canada, France, Belgium and Chile.

## 4. Communities

### 4.3 VOLUNTEER AND FUNDRAISING ACTIVITIES

We're here for communities in many ways, including financial commitments and thousands of employee and director volunteers. Together, we contribute to the success of countless projects and initiatives that enrich the lives of people and communities.



**2nd most generous Quebec company – Épisode**

#### Making a difference with the Desjardins Cares and Shares Campaign | GRI 201-1

Our employees, directors and retirees showed their generosity once again by participating in the 2019 Desjardins Cares and Shares campaign to raise funds for the United Way, the Canadian Red Cross and the Desjardins Foundation. Our 2019 campaign raised \$5.2 million, including \$1,275,000 for the Desjardins Foundation. Starting in 2020, we'll be using all the money we collect to give thousands of young people the tools and support they need to stay in school.



**\$2 million for the Montreal Heart Institute Foundation** | GRI 201-1

We're pleased to support the major fundraising campaigns of forward-thinking healthcare institutions to make a real difference in community wellness. That's why we donated \$2 million to the Montreal Heart Institute

for research on cardiovascular genetics, so people can be diagnosed faster and receive more specialized care.

#### Partnership with Heart & Stroke and Canadian Cancer Society | GRI 201-1

By partnering with Heart & Stroke and the Canadian Cancer Society, we reach more people to support their overall health—whether that be physical, mental or financial. Over a 3-year period, our Wealth Management and Life and Health Insurance Executive Division will donate more than \$1 million to programs that will help people improve their health and reduce risk factors by promoting preventive health.

#### Supporting young people | GRI 201-1

##### **\$50 million a year for youth**

Along with our members and clients, we're pleased to support young people through programs, donations and sponsorships. As part of the We're All Committed to Supporting Youth initiative, we'll invest more than \$50 million a year to support young people in the areas of education, employment and entrepreneurship, health and healthy living and community involvement.

##### **Helping youth during Co-op Week**

At Desjardins, Co-op Week 2019 was all about youth. Over 3,100 Desjardins employees and directors lent a hand at 300 or so events benefiting 266 youth organizations in Quebec and Ontario. We donated books and food, prepared meals at shelters and even did some painting.



## 4. Communities

Our teams also put their expertise to work for organizations—we helped them set up strategic plans and held workshops to help young people entering the workforce.

Some of our IT employees also gave fun presentations about the tech field to students in grades 4 through 6.

### Montreal to Lévis run

For the third straight year, a group of Desjardins employees organized a 275-kilometre run between our Montreal and Lévis offices. For 30 hours, runners handed off the proverbial baton, only stopping to drop off the funds collected. Our runners raised nearly \$59,000 for educational programs in 20 or so schools.



### 2019 Aboriginal Interband Games

We're pleased to support the Aboriginal Interband Games and give athletes aged 9 to 17 the opportunity to develop their team spirit and talents through this sporting event.

Sports are the cornerstone of the Aboriginal Interband Games, but the Games also include cultural, healthy living and social activities.

### Recognizing youth civic engagement

We teamed up with COOPSCO to hold a contest to recognize the civic engagement of young student members involved in community organizations in Quebec and Ontario. In its third year, the contest attracted a large number of candidates. The 5 winners each received a \$1,500 scholarship. We also donated \$1,000 to each winner's community organization.

### Desjardins Endowment Funds

Desjardins Endowment Funds are a long-term investment in causes that matter to donors. Through these planned giving funds, the Desjardins Foundation enables members and clients to plan donations and make a difference.

To date, 141 donors have set up a Desjardins Endowment Fund:

**\$12.3 million**  
under management

**116**  
beneficiary  
organizations

**\$1,865,000**  
given back to  
communities in 2019

### Promoting programs to get employees volunteering | GRI 201-1

Recognizing employee volunteer efforts is a great way to boost employee engagement and encourage community involvement. Here are a few of our programs:

#### Operation Red Nose

In Quebec, we've been the lead sponsor of Operation Red Nose since it was first created 36 years ago. Desjardins General Insurance is the campaign's official insurer, providing insurance for facilities, equipment and vehicles. Funds raised through Operation Red Nose's annual road safety campaign go to youth and amateur sports organizations in Quebec.

In 2019:

**69,029**  
drivers across Canada  
took a free ride

**48,606** Canadians  
volunteered as designated drivers,  
keeping the roads safer for everyone  
during the holiday season

## 4. Communities

### Desjardins General Insurance Group Outreach Program

Desjardins General Insurance Group (DGIG) created the Outreach Program in March 2015. When individual employees or teams do at least 40 hours of volunteer work for an eligible organization during the year, DGIG donates \$500 to the organization. And if employees participate in a fundraiser for an eligible organization, DGIG matches the funds raised, up to \$100 for an individual or \$250 for a team.

As at December 31, 2019, a total of 1,290 volunteers had signed up for the program. Since the program was rolled out, employees have volunteered 26,667 hours and raised \$113,785 for hundreds of organizations. Through this program, DGIG hopes to encourage community involvement and behaviours that are aligned with its values.

### A healthier future for underprivileged children

For 17 years, the Full-Service Brokerage team has supported the Montreal Canadiens Children's Foundation, which helps organizations that encourage underprivileged children across Quebec to make healthy lifestyle choices. In 2018–2019, the team raised more than \$450,000 for the Foundation through fundraisers, for a total of \$6.9 million to date.

### Inspiring the next generation

The Desjardins Foundation partners with Academos, an organization that connects young people to the workforce through a virtual mentoring app. They can use the app to chat with thousands of dedicated professionals. About 100 Desjardins volunteer mentors share their passion for what they do and help young people find their dream job.

### Supporting Développement international Desjardins partners

In 2019, experts volunteered the equivalent of 164 days of work to provide support to Développement international Desjardins partners. They shared their knowledge in the fields of credit management, governance, manager training and internal controls. Many are Desjardins retirees who enjoy sharing their knowledge and expertise with financial cooperatives in developing and emerging countries.



## 4. Communities

### 4.4 RESPONSIBLE PROCUREMENT

#### Procurement practices and supplier assessment

Management approaches | [GRI 204](#) | [308](#) | [414](#) | [103-1](#) | [103-2](#) | [103-3](#) | [102-9](#)

At Desjardins, procurement is more than simply acquiring goods and services—it's a strategy that's based on the total cost of ownership principle. We incorporate our procurement process into the rest of our operations and use it as a way to make a positive contribution to our business strategies.

We purchase products and services primarily from suppliers in Canada. The effects of our purchases and procurement requirements are felt throughout our supply chain, from suppliers to their subcontractors and partners. Given our purchasing volume and the number of partners we do business with, we're in a position to influence our suppliers and encourage them to adopt sustainable practices. Because we're a service business, our purchases and supply chain support operations and aren't typically turned into products. Our supply chain is stable, with the exception of providers used for one-time initiatives.

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Under our new procurement policy, we factor responsible procurement principles into all our purchases. These principles include using resources responsibly, incorporating environmental, social and governance (ESG) factors into all procurement processes and adopting the 5Rs (rethink, reduce, reuse, recycle and repurpose). This policy was adapted for use by the caisses in 2020, in support of our buy local mindset.

#### Supplier relationships

We strive to build respectful and collaborative business relationships with our suppliers based on industry best practices. We ensure that they understand and share our sustainability efforts and approach. Since adopting our new procurement policy, we've also been encouraging them to use a similar approach when dealing with their suppliers. Our contracts include strict ethical principles.

#### Quebec leader in responsible procurement

We're the only financial institution among the founding members of ECPAR (Espace québécois de concertation sur les pratiques d'approvisionnement responsable), a Quebec-based group dedicated to building partnerships to establish responsible procurement practices. As an ECPAR member, we developed a standardized system to assess our suppliers against social responsibility criteria. This assessment is included in our overall assessment of suppliers and their offers to encourage business partners to follow best practices.

To better communicate our sustainability expectations to suppliers, we have a Supplier Centre on our website with a section on responsible procurement. The *Desjardins Group Supplier Code of Conduct* sets out our expectations in the areas of ethics, governance, human rights, workplace health and safety, the environment, overall performance and continuous improvement.

We have an internal committee on responsible procurement charged with launching initiatives that make a difference. It published a guide on responsible procurement to promote sound purchasing behaviours across Desjardins. It has also worked to include more social economy enterprises in our procurement processes and specific sustainability criteria for the procurement of certain key products and services. These measures are part of our annual responsible procurement plan.

## 4. Communities

We've also:

- Instituted building management procurement mechanisms at our main worksites. These include responsible procurement rules and assessment of products' health and environmental claims.
- Signed a statement of commitment to the L'économie sociale: j'achète! initiative of the Conseil d'économie sociale de l'île de Montréal. We beat our 2019 internal target for this commitment by 40%.
- Announced that we're going to stop buying certain single-use plastics (water bottles, cups, coffee stir sticks and straws) and paper products that aren't made with 100% recycled fibre.

We standardized our approach to responsible procurement, mainly using the BNQ 21000 self-evaluation checklist, as part of our ongoing efforts to incorporate socially responsible practices into our processes. This gives us better control over our social responsibility performance.



**Named a provincial role model for responsible procurement by Quebec's Ministère de l'Économie et de l'Innovation**

At Desjardins, we believe that the future of our communities depends on practices and products that encourage sustainable development and responsible consumption.

In 2019:

- We launched the 100% Members catalogue, an online tool that helps Desjardins entities support our business members. It lists Desjardins business members—conveniently categorized by region and by product type—that make and sell consumer products that can be given as gifts or tokens of appreciation. Through this initiative, we're able to encourage buying local, show our commitment to entrepreneurship and help maintain and create jobs in regions.
- We participated in ECPAR's first annual Savoir faire en achat responsable forum, which brought together 129 participants from 77 public and private organizations.

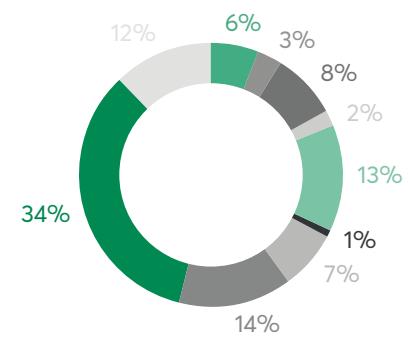
### Proportion of spending on local suppliers | GRI 204-1

In 2019, we purchased \$1.8 billion in products and services from 2,280 suppliers, most of whom are based in Canada.

#### Breakdown of purchases made by Desjardins in 2019

##### By supplier category

- Marketing and communications
- Market data and trading systems
- Building and facility management
- Office supplies, printing and records management
- Software
- Lodging, meals and travel
- Logistics
- Computer hardware and equipment
- Professional services
- Telecommunications

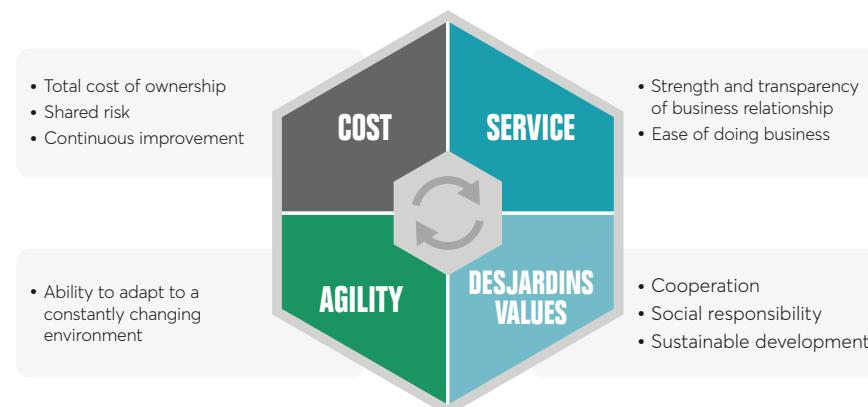


\*Excluding claims and purchases made with Visa cards and by the caisse network

### Supplier assessment

As part of our strategic procurement process, we assess the overall performance of our suppliers using 4 main criteria:

1. Cost
2. Service
3. Agility
4. Desjardins values



We're always looking for new ways to improve our approach to responsible procurement. Our procurement sector has set continuous improvement goals to better incorporate the principles of sustainability and cooperation into our purchasing practices.

We've standardized our supplier sustainability and social responsibility assessments. All our suppliers now have to answer a questionnaire that covers 4 areas:

- Responsible management
- Environmental performance
- Social performance
- Economic performance

Based on the answers, we assign each supplier a social responsibility score. We consider this score, along with factors based on our cooperative, sustainability and business reciprocity values, in their overall assessment.

In 2019, we assessed the sustainability of 242 suppliers and purchased over \$895.1 million in products and services from them. Since standardizing this process in 2016, we've assessed more businesses every year using our standard sustainability criteria.

GRI 308-1 | 414-1

	2019	2018	2017
<b>Percentage of suppliers assessed</b>	11% (242 out of 2,280)	8% (208 out of 2,494)	6% (150 out of 2,500)
<b>Percentage of products and services purchased from assessed suppliers</b>	50% (\$895.1 million out of \$1.8 billion)	47% (\$800 million out of \$1.7 billion)	42% (\$720.4 million out of \$1.7 billion)



## 5. Responsible finance

**\$4.6 billion  
in responsible  
investments**

held by our members and clients

1st Canadian financial  
institution to sign the UN's

**Principles  
for Responsible  
Banking**

Over **700 jobs** created  
or maintained through our  
**solidarity-based  
finance** programs



# 5.0 RESPONSIBLE FINANCE

At Desjardins, we're committed to building a financial system that's mindful of environmental, social and governance (ESG) issues. With our solidarity-based finance programs and our green and responsible products and services, members and clients can support their local economies and take action on climate change. We're proud to offer unique responsible investing solutions that combine attractive potential returns with positive community and environmental impacts.

## 5.1 RESPONSIBLE FINANCE FOR ALL NEEDS

### Responsible products

Management approach | [GRI 103-1](#) | [103-2](#) | [103-3](#)

As a cooperative financial group, we contribute to the social and economic well-being of people and communities.

We do this by providing products and services that meet our members' and clients' needs and by thoroughly considering ESG factors when making business decisions. Our mission and cooperative values are reflected in our commitment to promoting sound financial habits and providing socially responsible products that contribute to sustainable economic growth. We offer responsible investment products that are both Canadian and international in scope.

Our sustainable development policy and the recommendations of our ESG Steering Committee provide a framework for promoting sustainable development and implementing the necessary business and management practices. We create and distribute exclusive green and socially responsible products, including our Green Homes Program, a line of responsible investment products, discounts on home and auto insurance, and a green option for auto loans. We contribute to research on responsible finance through the Chaire Desjardins en finance responsable at Université de Sherbrooke. Teams from Desjardins have contributed to student projects in areas such as the decarbonization of investment portfolios and ESG risk factors.

We've also established a financial education policy to give people the skills, know-how and ability to make responsible financial decisions.

At Desjardins, we believe that solidarity-based finance is a source of sustainable prosperity. That's why we build strategic partnerships with community organizations to offer programs that provide guidance, financial education and personalized support to the financially vulnerable. These programs also provide loans to entrepreneurs who don't qualify for traditional financing.

## 5. Responsible finance

### Environmental, social and governance factors

We pioneered the responsible investment movement in Canada. For nearly 30 years, we've been one of the country's leading proponents of this approach. Responsible investment means integrating ESG factors into our investment selection and management decisions. We take a long-term view and invest in companies with a focus on sustainable development. Our responsible investment products include SocieTerra portfolios and funds, the Priority Terra Guaranteed Investment, and our line of responsible investment exchange-traded funds. In accordance with our responsible investment policies, securities are selected and managed in our funds and portfolios using one or more of the following strategies:

- We screen out investments in companies associated with negative environmental or social impacts.
- We incorporate extra-financial ESG criteria into our investment decisions.
- We use shareholder engagement to incite change.
- We form coalitions with other institutional investors to lobby for improvements in corporate policy, industry standards, and national and international regulations.

In 2019, we continued to build on our responsible financing strategy and assess the carbon and ESG risks associated with our business financing.

We've also gradually begun integrating new authorization criteria that take ESG factors into consideration in all our business decisions. We've developed analysis and training tools, as well as a community of practice where professionals can become familiar with ESG concerns. This approach will be used for all our operations, including wealth management, life and health insurance, property and casualty insurance, business financing (which includes development capital), property management and procurement. In 2019, our team of capital market research analysts produced an in-depth report on the ESG issues likely to impact the operations and financial performance of 141 publicly traded companies, including 50 based in Quebec. The report was well received by all the companies as well as institutional investors and ESG professionals. Our international development arm Développement international Desjardins (DID) helps partners devise and adopt ESG policies and strategies. In 2019, it carried out a climate vulnerability analysis of the loan portfolio of the entrepreneur financial centre in Tunisia.

We've also stepped up our commitment to responsible finance by signing on to globally-recognized UN initiatives. In 2019, our insurance companies—Desjardins Financial Security Life Assurance Company and Desjardins General Insurance Group—signed the *Principles for Responsible Insurance* under the name Desjardins Insurance. Last year we also became the first Canadian financial institution to sign the *Principles for Responsible Banking* and the first North American financial institution to sign the *Tobacco-Free Finance Pledge*. Many Desjardins entities are also longstanding signatories of the *Principles for Responsible Investment*.

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The Desjardins Group Management Committee tracks sales of our Green Program products on a quarterly basis. We had 29 such products in 2019. The growing popularity of our responsible financial products and services clearly shows that they meet the needs of our members and clients. We continually review and enhance our product lineup to ensure that it remains both relevant and accessible.

## 5. Responsible finance

### Policies with specific environmental and social components | GRI FS1

We have internal policies on:

- Sustainable development
- Financial education
- Regional decentralization
- Vehicles for the caisse network
- Business travel
- Courtesy vehicles
- Procurement
- Disposition of property
- Exercise of proxy voting rights
- Responsible investment
- Standards for caisse Community Development Funds

We also have:

- A supplier code of conduct
- A Desjardins-wide code of professional conduct

### Solidarity-based finance programs | GRI FS7

We've entered into strategic partnerships with community organizations to continue expanding our solidarity-based finance programs throughout Quebec.

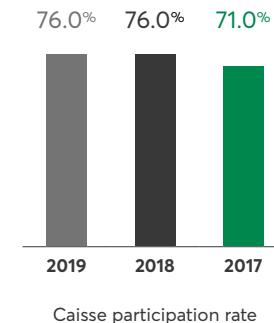
In 2019, we invested \$14.8 million in these programs.

#### Desjardins Mutual Assistance Fund

The Desjardins Mutual Assistance Fund provides individuals experiencing financial hardship with budget counselling and emergency loans. It allows them to address their short-term budget problems so they can make lasting changes to their spending and budgeting habits. This successful program is a partnership between

Desjardins and a number of community organizations specializing in financial education and budget counselling.

Desjardins Mutual Assistance Fund	2019	2018	2017
Number of people who received individual support	9,989	10,528	8,431
Number of loans	612	683	634
Total loan amount	\$408,348	\$453,782	\$418,943



In 2019, the Desjardins Mutual Assistance Fund provided financial guidance and support to 18,078 people. This figure includes everyone who took part in individual or group financial education activities.

An impact study conducted in late 2018 highlighted the positive impact that the Desjardins Mutual Assistance Fund has had on people in financial difficulty. It found that:

- 98% of participants said it met their needs and expectations
- 90% were able to implement personalized budget solutions
- 84% improved their situation
- 79% felt better equipped to change their financial situation
- 87% changed their spending habits

## 5. Responsible finance

Participants said the coaching helped them:

- Better manage their personal finances
- Regain control
- Learn about community resources
- Negotiate with creditors
- Take responsibility for their spending and develop better repayment habits
- Reduce their stress level
- Improve their confidence and self-esteem
- Get help

To learn more: [www.desjardins.com/mutualassistance](http://www.desjardins.com/mutualassistance)

### Créavenir

Créavenir was launched in 2007. It's a financing program that supports young entrepreneurs by providing business startup loans with no guarantee required. The program also has a financial education component, and mentoring is provided by local partners with business startup expertise.

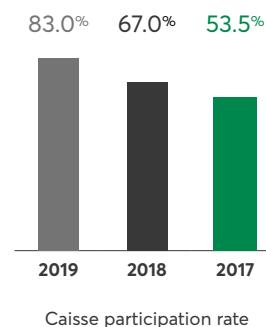
Créavenir is open to entrepreneurs between the ages of 18 and 35 who have a public company or cooperative that isn't off the ground yet or has been in business for less than 3 years. We're gradually expanding the program across Quebec.

2019 results:



This financing helped young entrepreneurs attract \$18.1 million in investments for their businesses.

Créavenir	2019	2018	2017
Total financing	\$2,861,675	\$1,599,997	\$1,262,047
Total grants	\$782,156	\$382,791	\$345,669



To learn more: [www.desjardins.com/creavenir](http://www.desjardins.com/creavenir)

### Desjardins Microcredit to Businesses

Desjardins Microcredit to Businesses is a program providing micro-entrepreneurs and self-employed workers with the support they need to start or grow their business. Launched in 2004, the program includes financial coaching provided by members of the MicroEntreprendre network in addition to financing from participating caisses. It's available to help:

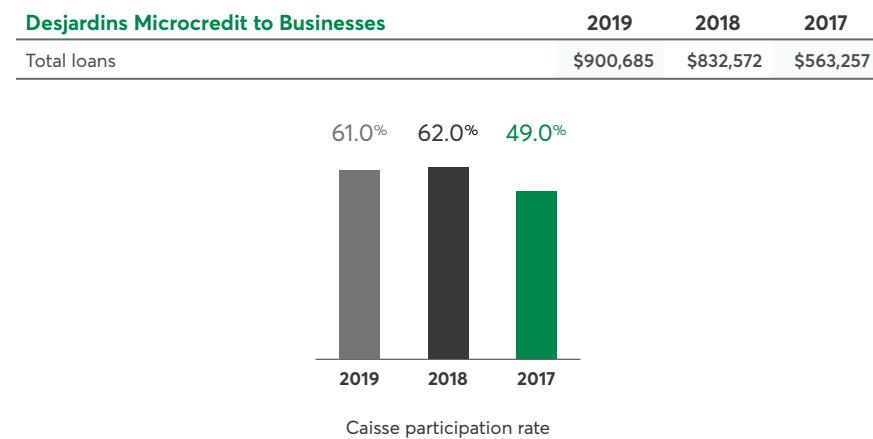
- Micro-entrepreneurs and self-employed workers who have little or no access to traditional credit
- Newcomers to Canada who need support financing a startup

2019 results:



This financing helped businesses attract \$5.2 million in investments.

## 5. Responsible finance



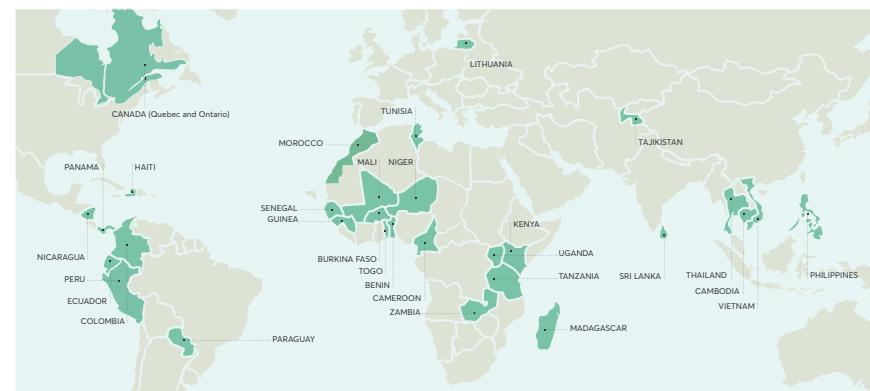
To learn more: [www.desjardins.com/microcredit](http://www.desjardins.com/microcredit)

In 2019, we invested **\$6.7 million** to support entrepreneurs. This figure includes donations, sponsorships and partnerships, as well as commitments through our Créavenir and Microcredit to Businesses programs.

### Inclusive finance offered worldwide | GRI FS7

For 50 years, Développement international Desjardins (DID) has been sharing Desjardins's experience and expertise with developing and emerging countries. DID strives to promote universal access to a wide range of secure financial services and to foster individual and community wealth. Operating in some 30 countries around the world, DID offers its partners a full range of specialized solutions that cover all facets of inclusive finance (support for entrepreneurs and sustainable agri-food systems, digital finance, governance, financial literacy and gender parity). It's just one way we're fighting poverty.

As an agent of change, DID promotes better use of natural resources, environmentally responsible agricultural practices, and measures to mitigate climate risks. With a team of nearly 100 employees, DID is a global leader in international development. It takes an approach that empowers local communities, helping to bring financial inclusion to disadvantaged communities across the globe. DID is also a proud promoter and worldwide ambassador of Desjardins's cooperative model.



### Contribution to the development of financial cooperatives in emerging countries<sup>1</sup>

	2019	2018	2017	2016
Number of members and clients at partner institutions	- <sup>2</sup>	15,800,652	10,857,818	11,458,831
Savings volume at these institutions	- <sup>2</sup>	\$3,980M	\$6,900M	\$6,581M
Outstanding credit volume	- <sup>2</sup>	\$4,853M	\$6,525M	\$6,673M

<sup>1</sup> This data includes institutions that received DID financing via its investment subsidiary and institutions that received technical support, like members of DID's Profin international network.

<sup>2</sup> Data for 2019 will not be collected and compiled until June 30, 2020, which, for many of the financial institutions involved, is the regulatory deadline to file their audited results.

## 5. Responsible finance

### Providing secure financial services to people in need

The inclusive finance institutions that DID works with have over 10,000 points of service, many of them located in rural or marginalized areas. This network gives 15.8 million families and business owners access to a wide range of secure financial services. DID's ultimate goal is to make quality financial services available to everyone. Here are some of the ways it's working to do this:

- Chip cards and biometrics to ensure secure identification, even in areas with low literacy rates
- Mobile technology so that loan officers can travel to remote locations to meet with people who are unable to travel to a caisse

#### Benin

In Benin, DID provides financial literacy programs to young people and women through the ADAPAMI project. Currently, less than 20% of people in Benin have access to financial services. This financial inclusion project is helping 500,000 people, mostly women and young people, get access to the financial services they need by supporting 14 national partners, including 10 financial institutions.

#### Haiti

In Haiti, DID helped strengthen farm credit, expand farming and increase food security. In 2019, it wrapped up the Agricultural Financing and Insurance Systems in Haiti project, one of DID's most ambitious initiatives to date. This 8-year project was jointly funded by the governments of Canada, Switzerland, France and Haiti.

## 5.2 EFFECTIVE AND INNOVATIVE RESPONSIBLE FINANCE

### Green homes | GRI FS8

We encourage our members and clients to invest in environmentally friendly homes. With our Green Homes Program, those who purchase a green new build or make green renovations are eligible for a wide range of advantages, including:

- Cash back on their mortgage
- Discounts, free services, competitive rates and much more

### Green discounts for drivers | GRI FS8

With our green option for auto loans, members and clients can buy a new hybrid or electric vehicle at a competitive fixed interest rate and, depending on the province, may qualify for a discount on their auto insurance. More than 100 new hybrid and electric models are eligible for the exclusive financing rate.

### Discounts for environmentally friendly commercial vehicles and buildings | GRI FS8

We offer eco-friendly insurance products to Quebec-based business owners who care about the environment. We also offer discounts for certain types of environmentally friendly commercial vehicles and buildings.

### Growing the renewable energy and cleantech sectors

We support the development of renewable energy and cleantech through our investments and financing. As at December 31, 2019, our investments and financing in these sectors totalled \$2.75 billion.

### Financing for large businesses

We provide financing to large businesses for renewable energy and cleantech projects. As at December 31, 2019, we had provided total financing of \$1.5 billion, and our goal is to do more.

### Infrastructure portfolio

Desjardins and the Desjardins Group Pension Plan have an infrastructure portfolio valued at approximately \$2.7 billion as at December 31, 2019. Investments in the renewable energy sector, which total nearly \$1.25 billion, represent a significant portion (46.3%) of the infrastructure portfolio and include 52 renewable energy assets held jointly with strategic partners.

In December 2019, we committed to investing an additional \$50 million in an existing portfolio of Canadian solar and wind farms. The transaction closed in January 2020.

## 5. Responsible finance

### 5.3 RESPONSIBLE INVESTMENT

#### New responsible investment products

As a responsible investment pioneer, we're always expanding our lineup of socially responsible products. Our SocieTerra Growth Portfolios now meet the needs of 5 investor profiles.

As part of our commitment to promoting diversity, we launched the Women's Impact guaranteed investment. It's linked to the corporate governance factor, and returns are based on the growth of 20 businesses whose boards are at least 40% female. We're the first and only financial institution to offer this type of market-linked guaranteed investment in Canada.



**Desjardins Investments  
earned an A+ in the Strategy  
and Governance category  
for the 3rd year in a row from  
the Principles for Responsible  
Investment committee**

#### Shareholder engagement

Management approach | [GRI 103-1](#) | [103-2](#) | [103-3](#)

We offer distinctive responsible investment savings products. Shareholder engagement is a fundamental part of our responsible investment strategy. This approach allows us to interact directly with the companies selected and to open a dialogue to improve the way they manage environmental, social and governance (ESG) issues. This is one way we can encourage businesses to make their operations more sustainable for Canadians and people around the world.

Our SocieTerra funds and portfolios and our responsible investment exchange-traded funds seek to influence targeted companies whose shares they hold by initiating dialogue, submitting shareholder proposals and exercising shareholder voting rights at annual general meetings.

For companies to qualify for our responsible investment products, they must undergo 2 types of analysis: one using financial criteria, and another more thorough analysis using ESG criteria.

The following Desjardins entities have signed the UN's *Principles for Responsible Investment*: Desjardins Investments, Desjardins Global Asset Management (DGAM), Développement international Desjardins (DID), Caisse d'économie solidaire Desjardins and the Desjardins Group Pension Plan. DID is also a member of the Global Impact Investing Network and a founding member of the Canada Forum for Impact Investment and Development, while DGAM participates in the Environmental and Social Committee of the Canadian Coalition for Good Governance, the pre-eminent corporate governance organization in Canada.

We produce a public report each year.

## 5. Responsible finance



- 3 SRP Americas Awards:**
- Deal of the Year, Americas, for our Optimal Start Principal-Protected products
  - Best Capital Protected Distributor, Americas
  - Best Distributor, Canada



**Desjardins Québec  
Balanced Fund (Class A)  
won Best 10-year Canadian  
Neutral Balanced Fund  
for the 4th year in a row –  
2019 Lipper Awards**

### SocieTerra funds and portfolios | GRI FS8

Desjardins Investments offers products from issuing entities (public corporations, governments, etc.) that incorporate socially responsible and environmentally friendly practices. To qualify for inclusion in the SocieTerra funds and portfolios, companies must pass an evaluation based on the following criteria:

- A thorough analysis of ESG factors
- An analysis of financial criteria

To learn more:

#### Responsible investing, a lever for change

[www.desjardins.com/ca/about-us/social-responsibility-cooperation/responsible-financial-products-services/responsible-investing-lever-change/index.jsp](http://www.desjardins.com/ca/about-us/social-responsibility-cooperation/responsible-financial-products-services/responsible-investing-lever-change/index.jsp)

#### Understanding responsible investing

[www.desjardins.com/ri](http://www.desjardins.com/ri)

#### What is responsible investing?

[www.letsthinkRI.com/](http://www.letsthinkRI.com/)

#### Desjardins Funds Policy on the Exercise of Proxy Voting Rights

[www.desjardins.com/ressources/pdf/c15-policy-exercise-voting-right-e.pdf](http://www.desjardins.com/ressources/pdf/c15-policy-exercise-voting-right-e.pdf)

#### SocieTerra fund and portfolio assets under management as at December 31 (in \$M)<sup>1</sup>

	2019	2018	2017
Desjardins SocieTerra Canadian Bond Fund	7.7	1.9	1.7
Desjardins SocieTerra Environmental Bond Fund	59.2	49.7	42.5
Desjardins SocieTerra Global Bond Fund	0.9	- <sup>3</sup>	- <sup>3</sup>
Desjardins SocieTerra Canadian Equity Fund	3.6	0.5	0.0
Desjardins SocieTerra American Equity Fund	16.8	4.1	2.0
Desjardins SocieTerra International Equity Fund	3.2	0.2	- <sup>2</sup>
Desjardins SocieTerra Emerging Markets Equity Fund	1.5	0.2	- <sup>2</sup>
Desjardins SocieTerra Environment Fund	95.2	88.5	103.1
Desjardins SocieTerra Positive Change Fund	6.6	1.7	- <sup>2</sup>
Desjardins SocieTerra Cleantech Fund	56.2	32.4	19.1
SocieTerra Conservative Portfolio	505.8	427.8	468.6
SocieTerra Balanced Portfolio	1,333.1	1,091.5	713.6
SocieTerra Growth Portfolio	880.6	695.7	383.6
SocieTerra Maximum Growth Portfolio	498.4	382.1	1,129.7
SocieTerra 100% Equity Portfolio	5.4	- <sup>3</sup>	- <sup>3</sup>
<b>Total</b>	<b>3,474.2</b>	<b>2,776.4</b>	<b>2,863.9</b>

<sup>1</sup> To avoid duplicate entry, the Desjardins Funds assets above do not include the amounts invested through the 5 SocieTerra portfolios.

<sup>2</sup> Fund launched in 2018.

<sup>3</sup> Fund launched in 2019.

## 5. Responsible finance

### Priority Terra Guaranteed Investment | GRI FS8

With the Priority Terra Guaranteed Investment, investors get potential returns from environmentally-conscious companies in the renewable energy and other sectors while protecting their capital.

Priority Terra Guaranteed Investment assets under management as at December 31 (in \$M)	2019	2018	2017
2-year Priority Terra	88.7	52.3	- <sup>1</sup>
3-year Priority Terra	133.3	125.8	103.4
5-year Priority Terra	652.8	517.9	391.1
<b>Total</b>	<b>874.8</b>	<b>696.0</b>	<b>494.5</b>

<sup>1</sup> Investment launched in 2018.

To learn more:

[www.desjardins.com/ca/personal/savings-investment/market-linked-guaranteed-investments/priority-terra-guaranteed-investment/](http://www.desjardins.com/ca/personal/savings-investment/market-linked-guaranteed-investments/priority-terra-guaranteed-investment/)

### Women's Impact Guaranteed Investment | GRI FS7

With the Women's Impact Guaranteed Investment, investors get potential returns from companies in a variety of sectors around the world whose boards are at least 40% female. This responsible investment product supports equitable corporate governance practices.

Women's Impact Guaranteed Investment assets under management as at December 31 (in \$M)	2019
3-year Women's Impact	130.6
<b>Total</b>	<b>130.6</b>



### Desjardins Securities discretionary management | GRI FS8

Desjardins Securities works with Desjardins Global Asset Management and external investment firms to offer investors an array of responsible choices and access to renowned portfolio managers. Starting with an investor's profile, risk tolerance and ESG factor preferences, the Desjardins Securities advisor draws up an investment policy that includes management mandates to help yield the desired results. We offer 3 products that use a responsible investment approach.



### Responsible investment assets under management as at December 31 (discretionary management)

(in \$M)	2019	2018	2017
Ethical Canadian Equity Fund (NEI Investments and QV Investors)	3.8	2.9	0.7
Ethical Global Dividend Fund (NEI Investments and Amundi)	6.7	5.9	4.4
Canadian Large Caps – Future (Desjardins Global Asset Management)	3.1	2.7	3.6
<b>Total</b>	<b>13.6</b>	<b>11.5</b>	<b>8.7</b>

## 5. Responsible finance

### Group retirement savings | GRI FS8

Our group retirement savings lineup includes 4 responsible investment options. Of these 4 options, 2 are sustainable investment options—one focusing on environmental bonds and one on cleantech stocks. The other 2 are diversified, multi-manager fixed income and equity portfolios. They both use ESG criteria for investment selection and management, in some cases with a focus on sustainability approaches and objectives.



#### Responsible investment assets under management as at December 31 (group retirement savings)

(in \$M)	2019	2018	2017
NEI Canadian Bond Fund	- <sup>1</sup>	5.2	5.0
NEI Ethical Canadian Equity Fund	- <sup>1</sup>	5.8	5.9
NEI Ethical Global Equity Fund	- <sup>1</sup>	4.9	4.2
Desjardins Responsible Fixed Income	4.6	- <sup>2</sup>	- <sup>2</sup>
Desjardins SocieTerra Environmental Bond Fund (Mirova)	50.4	- <sup>2</sup>	- <sup>2</sup>
Desjardins Responsible Growth Fund	10.4	- <sup>2</sup>	- <sup>2</sup>
Desjardins SocieTerra Cleantech Equity Fund (Impax)	1.8	- <sup>2</sup>	- <sup>2</sup>
<b>Total</b>	<b>67.2</b>	<b>15.9</b>	<b>15.1</b>

<sup>1</sup> Fund closed in 2019 and replaced by funds developed by Desjardins.

<sup>2</sup> Fund launched in 2019.

To learn more:

[www.desjardinslifeinsurance.com/en/group-retirement-savings-participants](http://www.desjardinslifeinsurance.com/en/group-retirement-savings-participants)

### Desjardins Private Wealth Management | GRI FS8

Desjardins Private Wealth Management also offers a number of responsible investment products.

#### Responsible investment assets under management as at December 31 (private wealth management)

(in \$M)	2019	2018	2017
Bonds	19.6	1.2	1.2
Canadian equity	39.3	39.9	35.4
U.S. equity	28.9	23.0	18.5
<b>Total</b>	<b>87.8</b>	<b>64.1</b>	<b>55.1</b>

### Desjardins Global Asset Management

Desjardins Global Asset Management (DGAM) manages investments for institutional clients and provides responsible investment strategies, some of which are included in previous sections of this report. As at December 31, 2019, DGAM had close to \$2 billion in responsible investment assets under management.

#### Responsible investment assets under management as at December 31 (DGAM) (in \$M)

	2019	2018	2017
Environmental global equity <sup>1</sup>	276.6	170.8	418.2
ESG Canadian bonds <sup>1</sup>	1,201.8	1,183.5	1,103.1
ESG Canadian equity <sup>1</sup>	439.2	373.3	439.8
Desjardins RI ETF	79.7	27.0	- <sup>2</sup>
<b>Total</b>	<b>1,997.3</b>	<b>1,754.6</b>	<b>1,961.1</b>

<sup>1</sup> These assets include SocieTerra funds and portfolios.

<sup>2</sup> Fund launched in November 2017.

To learn more:

[www.desjardins.com/ca/business/investment/global-asset-management/investment-solutions/responsible-investing/index.jsp](http://www.desjardins.com/ca/business/investment/global-asset-management/investment-solutions/responsible-investing/index.jsp)

#### DGAM Policy on the Exercise of Proxy Voting Rights

[www.desjardins.com/ressources/pdf/c15-policy-exercise-voting-right-e.pdf](http://www.desjardins.com/ressources/pdf/c15-policy-exercise-voting-right-e.pdf)

## 5. Responsible finance

### Engaging in dialogue | GRI FS10

Shareholder dialogue is when a shareholder (or their representative) communicates with a company to:

- Raise concerns
- Ask for information
- Seek a change in behaviour

Several Desjardins entities, including Desjardins Investments, use their position to engage in dialogue. The dialogues touch on a broad range of issues identified in a risk analysis of each company's corporate governance, environmental and social responsibility practices. These dialogues are all conducted directly by our responsible investment team or by external SocieTerra portfolio managers. Each year, we use this approach with over 100 securities issuers, and Desjardins Investments publishes a report on the results.

### Assets subject to positive and negative environmental or social screening | GRI FS11

Desjardins Wealth Management screened the equivalent of \$99.5 billion in assets against environmental, social and governance (ESG) criteria.

### Investment funds for developing and emerging countries

Through the Partnership Fund and the Desjardins Fund for Inclusive Finance, Développement international Desjardins (DID) and its subsidiary FONIDI Management support 11 inclusive financial institutions in 10 countries, as well as 2 investment funds that benefit over 975,000 clients and their families. Last year, DID played an active role in the governance of institutions that receive equity investments to help them develop strategic plans, find new sources of capital or financial partners, make operational changes, carry out mergers and acquisitions, and launch new business lines.





## 6. Climate

**\$2.75 billion**

in financing and investments  
in the renewable energy and  
cleantech sectors

New target to

**reduce our GHG  
emissions**

by 2024

Participation in 2

**UN**

initiatives by our insurance  
subsidiaries and asset manager

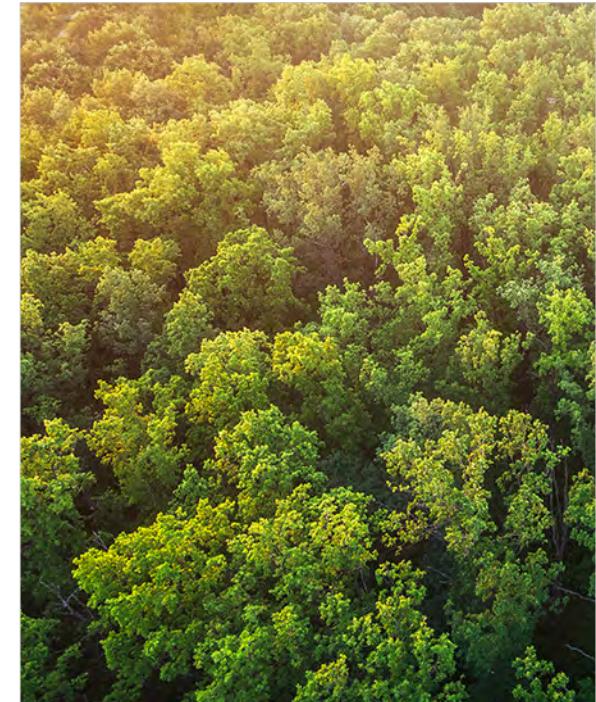
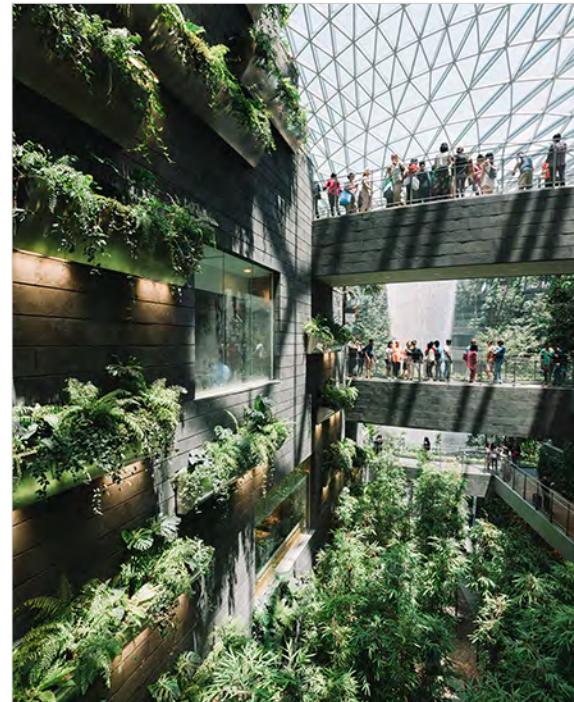
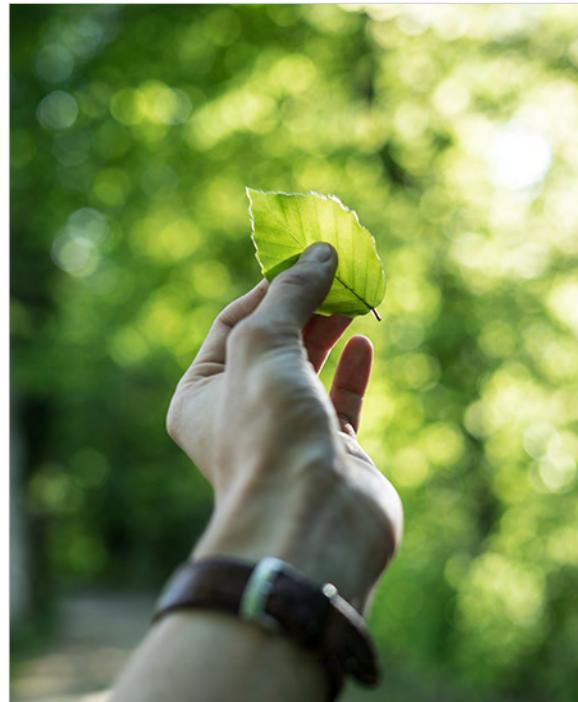


# 6.0 CLIMATE

In 2018 the United Nations' Intergovernmental Panel on Climate Change (IPCC) published *Global Warming of 1.5°C*, a special report on the key environmental, social and economic impacts of global warming of 1.5°C above pre-industrial levels. The report suggests that action can be taken to avoid global warming.

Climate change is one of the Canadian financial system's 6 key vulnerabilities identified in the Bank of Canada's *Financial System Review – 2019*. According to the report, financial systems must be stable and efficient to support economic growth and improve the living standards of individuals and communities.

It's with this in mind that we continue to do our part to fight climate change, in keeping with the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) and the Government of Canada's Expert Panel on Sustainable Finance, as set out in their report [Mobilizing Finance for Sustainable Growth](#).



## 6. Climate

### 6.1 MANAGING DESJARDINS'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

Report on recommendations by the Task Force on Climate-related Financial Disclosures (TCFD)

#### Introduction

As a financial services cooperative that strives to always do what's best for our members and clients, Desjardins recognizes the global challenge presented by the severe impacts of climate change on the environment, the economy and society at large. Our mission is to improve the economic and social well-being of people and communities, so we try to develop solutions for individuals and businesses looking to reduce their environmental footprint, while also implementing programs and initiatives that will improve our environmental record.



We've been working to adhere to the principles of sustainable development for almost 30 years. We implemented our first sustainability policy in 2005, which was updated to include more recent commitments in 2019. We've woven economic sustainability and responsibility into our strategic priorities. We're committed to a just energy transition that integrates climate-related risks and opportunities and the impacts that follow. In June 2019, 10 years after signing onto the Principles for Responsible Investment, Desjardins became the first financial institution in Canada to sign the Principles for Responsible Banking, and in August of the same year, the Principles for Sustainable Insurance.

In June 2019, Desjardins became the first financial institution in Canada to sign the Principles for Responsible Banking (PRB).

The commitments provide a clear signal that we want to fundamentally change the way we do business and play a leadership role in the sector and society at large. We're a pioneer of responsible finance in

Canada, having developed a variety of green and socially responsible products over the years. Our [Green Program](#) is designed to meet increasing member and client demand to do business with companies that are socially and environmentally responsible. We doubled our responsible investment lineup in 2018 and went a step further in April 2019, giving hundreds of advisors the opportunity to take training from the Responsible Investment Association that would help them specialize and support members and clients.

In 2017, we adopted a position that reflects the targets outlined in the Paris Agreement. We made a formal commitment to reduce the carbon footprint of our own investments and to focus on renewables when investing directly in energy infrastructure. We also committed to including environmental, social and governance (ESG) criteria in our business decisions and encouraging the use of electric vehicles. We became carbon neutral in 2017 following an earlier decision to purchase carbon offsets. Our carbon footprint is detailed in our annual Social and Cooperative Responsibility Report.

## 6. Climate

We participated in the Quebec government's consultation on the electrification and climate change plan and we support the collective effort being made to help Quebec achieve its 2030 greenhouse gas reduction target.

These foundational commitments are increasingly shifting our business model towards the environment. A great deal of work has already been done to maintain and improve environmental management and reporting practices, and we'll continue our efforts in this area. A 2019 audit on the implementation of the sustainability policy will inform the next iteration of the action plan in 2020.

### Desjardins and the financial sector step up

One of the most important international climate initiatives for financial markets has been the creation of the [Task Force on Climate-related Financial Disclosures](#) (TCFD) by the Financial Stability Board, which is chaired by Bank of England Governor Mark

Carney. The TCFD develops voluntary, consistent climate-related financial risk disclosures for use by companies, including financial institutions.

The TCFD recommends that companies disclose how they address climate-related risks and opportunities in governance, strategic planning, risk management and performance management. The disclosure process is meant to help the companies evaluate these risks and opportunities, and to enable investors, borrowers, insurers, shareholders and cooperative members to make informed decisions. As an official supporter of the TCFD, we're following changes to the task force's recommendations closely and will be changing our own disclosure processes for climate-related risks and opportunities within the recommended timeframe.

In 2018, the United Nations Environment Programme – Finance Initiative (UNEP FI), launched the Pilot Project on Implementing the TCFD Recommendations for Insurers (which we joined in 2019) and the Pilot Project on Implementing the TCFD Recommendations for Investors. We're proud to be a participant in both.

We've also created an internal working group tasked with continuously improving our disclosure of climate-related risks and opportunities. This group analyzes and applies TCFD recommendations on 4 different levels:



Desjardins is a participant in the UNEP FI Pilots Projects for Investors and Insurers.

## 6. Climate

# IMPLEMENTING TCFD RECOMMENDATIONS

## 1. Governance



### TCFD Recommendation 1

*Describe the board's oversight of climate-related risks and opportunities.*

Climate-related files are supervised by the Board of Directors, with the support of the Corporate Governance Commission and the Risk Management Commission. The commissions ensure that climate-

related risks and opportunities are included in our climate strategy, which is implemented and monitored by the Desjardins Group Management Committee.

### TCFD Recommendation 2

*Describe management's role in assessing and managing climate-related risks and opportunities.*

The Desjardins Group Management Committee, supported by the ESG Steering Committee and the Finance and Risk Management Committee, is responsible for climate strategy implementation. This includes identifying, assessing and managing climate-related risks and opportunities.

The risk analysis is updated annually, but the ESG Steering Committee reviews action plans quarterly to limit risk and identify opportunities.

## 2. Strategy

The organization has to be able to recognize and understand current and future climate-related risks and opportunities. Whether they are short, medium or long term, they can impact the organization's strategy or business model. Our orientations and

decisions need to contribute to the move to a low-carbon economy and support Paris Agreement climate targets, which will limit global warming to less than 2°C. Identifying the potential impact of climate-related risks and opportunities on operations, strategy and long-term financial planning calls for a rigorous, progressive and continual process. We're working to focus more on identifying those risks and opportunities, which include the following:

### TCFD Recommendation 1

*Describe the climate-related risks and opportunities the organization has identified.*

#### RISKS

There are 2 types of climate-related risks: physical risks and transition risks. Within these categories, we've identified risks related to operations, financing, investing, property and casualty insurance, and life and health insurance.

#### Physical risk

Physical risks include extreme weather events, such as heat waves, droughts, floods, wildfires and tornadoes. They can cause damage and impact our financial

## 6. Climate

situation by devaluing our assets and investments as well as those of our members and clients. They can also result in rate increases for property and casualty insurance products and significantly impact business continuity and/or supply chains.



### **Transition risk**

#### Regulatory risk

We define current and future regulations, including those related to climate change and environmental protection, as risk. Laws for carbon cap and trade,

carbon pricing and emission reductions could negatively affect our business members and clients. They could also affect the suppliers of these members and clients, not to mention our own suppliers, especially those with a large carbon footprint.

New disclosure regulations also pose a risk. They could result in higher operating costs for our organization and our business members and clients in order to ensure the right structure is in place to comply with regulations. We're in compliance with currently regulations and keep a close eye on any new regulatory moves from the Canadian Securities Administrators and other regulatory bodies.

#### Technology risk

A lack of tools needed to address climate-related issues (such as a spike in insurance claims caused by severe weather) could impact the performance of our networks and access to internal and external platforms. It could result in financial losses and a loss of members and clients to competitors. Technology risk affects our organization and our business partners.

#### Market risk

Ignoring the increasing member and client demand for environmentally friendly products (including financing options that support the transition to a low-carbon economy or investments that incorporate ESG factors) could result in a loss of members and clients to our competitors.

The pressure from ratings agencies for listed companies to incorporate ESG factors and climate-related risk could reduce the value of certain investments or erode the credit ratings of companies we do business with through our capital markets sector. This sector commissioned a report with a consulting firm in 2019 to assess the ESG performance of listed companies that are tracked by the team's research arm.

#### Reputational risk

As a major Canadian financial institution and one of the largest financial services cooperatives in the world, we have an important reputation to protect. Underestimating climate-related risks and opportunities in any strategy or pursuing policies and

## 6. Climate

practices that don't reflect our cooperative values could result in reputational harm. That, in turn, could have a negative impact on our financial results. This risk also applies to our partners, which could damage our own reputation.

### OPPORTUNITIES

By prioritizing sustainability in our strategic plan, we've set goals not only to reduce risk, but also to seize opportunities related to climate action, adaptation to climate change and a just energy transition.

#### Offers based on climate-related opportunities

Climate change is increasing the frequency and severity of natural disasters in Canada. As the third largest property and casualty insurer in Canada and second largest in Quebec, we need to be there for our members and clients. That means supporting members and clients after a natural disaster hits, but also helping them prevent damage.

Desjardins General Insurance has developed:

- Flood coverage to better protect the property of individual members and clients

- [Radar™](#), a system that sends text messages to alert members and clients about extreme weather close to their homes



- [Alert™](#), a program that notifies home insurance policyholders about potential water and freeze damage.



In the event of a natural disaster, we have a catastrophe process in place allowing us to put claims teams on the ground, increase call centre capacity and speed up damage assessment and payouts. It enables us to maintain service quality in the face of a likely increase in demand.

We also offer personal and business products and services that incentivize green behaviour. In 2018, we expanded our responsible investment product lineup to include [responsible investment low-carbon exchange traded funds \(ETFs\)](#), the first of their kind in Canada. In March 2019, ETFs avoiding all investment in fossil fuels were created.

In March 2019, ETFs avoiding all investment in fossil fuels were created.

Our [Green Homes Program](#) provides exclusive benefits to members and clients who buy, build or renovate a home through a recognized program. And the Momentum Fund is a financial support program that incentivizes growing companies to invest in energy efficient equipment. [Ajusto®](#), our telematics program, encourages drivers to be safer by cutting down on sudden stops and acceleration, which also saves them gas.

#### New markets

We're also concentrating on investing in renewables that will contribute to a just energy transition. We track our financing and investment volumes in the renewable energy sector. If we include the Desjardins Group Pension Plan, the organization has over \$1.25 billion invested in large-scale renewable energy infrastructure. Over the last several years, we've also moved into the clean technology space in

## 6. Climate

Quebec, prestige partnering with [Écotech Québec](#), a cleantech cluster. There are several projects underway to help the sector grow, including the creation of a specialized financing and investment offer.



As part of our support for electric transportation in Quebec and Eastern Ontario, in March 2018 we partnered with Hydro-Québec and AddÉnergie and committed to installing 200 electric vehicle charging stations by 2021. So far, 184, [\*\*including Quebec's first urban fast-charge superstation\*\*](#), have been installed in 17 regions: Quebec City, Charlevoix, Saguenay–Lac-Saint-Jean, Côte-Nord, Gaspésie, Eastern Townships, Central Quebec, Laval-Laurentides, Mauricie, Abitibi, Chaudière-Kamouraska, Lanaudière, Bas Saint-Laurent, Montérégie, Outaouais, Montreal and Eastern Ontario.

In 2019, we joined a group of companies that support the development of renewable natural gas (RNG), which can replace fossil fuels and reduce

the carbon footprint in sectors like farming and waste management, while encouraging economic development and promoting investment. Estimates show that replacing 5% of natural gas with RNG could eliminate 570,000 metric tons of greenhouse gas emissions—the equivalent of taking 136,000 cars off the road.

### **TCFD Recommendation 2**

*Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.*

At Desjardins, we understand that climate change can impact the financial planning process. We're currently working on a system that will incorporate that impact into the analyses of costs and operating income, investments, capital distribution, acquisitions, transfers, access to capital, etc.

We conduct company-wide crisis simulations every year. The goal is to improve our response to plausible crises and understand the financial impact and the impact on our risk appetite. They also help us identify vulnerabilities and evaluate the mitigation measures planned when consequences are deemed too severe.

Our economists put forward a dozen scenarios every year. The Finance and Risk Management Committee

reviews and selects scenarios for simulation based on various criteria, including the plausibility and the severity of the outcome. Two climate-related scenarios were added to those proposed by Desjardins economists for 2019, but they weren't selected for simulation.

### **Property and casualty insurance**

The Property and Casualty Insurance sector has its own crisis simulation program. Every year, a variety of scenarios reflecting concerns voiced on the Management Committee and the Board of Directors are evaluated by the sector's Audit and Risk Management Committee. One climate-related scenario was selected for evaluation in 2019.

The scenario is a qualitative one. Looking at a timeline of 2030–2050, it explores a number of the ripple effects resulting from climate change on the Property and Casualty Insurance sector. It's one of many possible scenarios based on the global human response to climate change. The scenario is based on a hypothesis of greenhouse gas levels, the socio-economic environment, Canadian demographics and the evolution of the property and casualty insurance market in Canada. It's neither optimistic nor alarmist and is based on a review of climate change literature, with a focus on specific impacts on Canada, the economy of developed countries and the insurance industry.

## 6. Climate

The scenario explores the physical and transition risks previously mentioned, as well as potential measures by the government in response to the impact of climate change on society. In property and casualty insurance, physical climate-related risks are based on weather events, but also on the exposure and preparedness of Desjardins members and clients when those events occur. Transition risks depend largely on the state of the economy and financial markets. They affect the economic environment that the Property and Casualty Insurance sector operates in and its investment portfolio.

The scenario is the sector's first long-term climate-related exercise. It helps put the sector's exposure to climate-related risks into perspective and provides an opportunity to come up with new, additional options. One of the actions considered is a collaborative approach with industry players, regulatory authorities and the government. The scenario was also a motivating factor for the sector's participation in the UNEP FI pilot project, an aspect of which is trying to quantify the impact of a global temperature increase on property and casualty insurers. Suggestions that

come out of the analysis are meant to help the sector prepare to manage climate-related risks and take advantage of the opportunities that arise.

### Investments

Climate change also affects investment activities and can pose a financial risk to certain sectors that we invest in. In response, we've adopted a proactive risk management approach. In 2015, we set a goal of eliminating fossil fuels from our investments so we could establish the organization as a leader in the transition to a green economy and be well placed to take advantage of the resulting opportunities.

Supported by [CIRANO](#), a committee of Desjardins professionals developed a series of recommendations for the best possible route to decarbonization, based on industry best practices. The work included data analysis, identifying a metric and evaluating the impact on portfolios. It ultimately led to the decarbonization target we announced in December 2017.

The analysis of the effect of climate-related risks on investments has led to several strategies, including:

- Managing the carbon intensity of our investment portfolios
- Rigorous monitoring of our investment portfolios in high-risk sectors (e.g., fossil fuels)
- Establishing a strong position in Canada's green bond market
- Applying ESG analysis to companies in the investment universe
- Incorporating ESG criteria into our real estate and infrastructure investments
- Encouraging shareholder engagement:
  - Dialoguing with companies to assess climate-related risk management strategies and influence their behaviour
  - Voting at company meetings based on our position on ESG criteria and informing companies of how we voted

Analysis on the climate scenarios is currently underway. The scenario forecasts and our participation in the UNEP FI pilot project will provide insight into the financial impact of climate change on investment

portfolios in the stock and bond markets. The real estate market is also being looked at. We're continuing to develop and review new and existing tools. However, the complex nature of the issue and the uncertainty inherent in long-term forecasting means it's too early to make a definite conclusion. We will proceed cautiously and communicate with financial stakeholders. Further developments are expected in 2020.

### 3. Risk management

#### **TCFD Recommendation 1**

*Describe the organization's processes for identifying and assessing climate-related risk.*

Short-, medium-, and long-term climate-related risks and opportunities are identified, assessed and managed through an organization-wide multidisciplinary framework.

Designated people work with the risk management, sustainable development and responsible finance teams. They're tasked with identifying potential risks specific to their field (financing, investing, insurance, operations). They also assess the current risk levels (low, moderate, high) for elements already identified using existing management methods, and then

re-evaluate the level of those same elements after risk mitigation plans have been implemented.

#### **TCFD Recommendation 2**

*Describe the organization's processes for managing climate-related risk.*

Designated people ensure that existing methods provide for effective risk management as it relates to our climate strategy and target risk levels. If the methods are inadequate, mitigation measures are recommended, in which case subject matter experts in each business sector or support function are responsible for creating an action plan and implementation schedule. A comprehensive quarterly review is carried out and, starting in 2020, a report will be submitted to the ESG Steering Committee. An annual review is submitted to the Finance and Risk Management Committee.

#### **TCFD Recommendation 3**

*Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.*

We have a risk register that lists categories and subcategories of risk affecting the organization. The

register is updated at least once a year and serves as the basis for the quantitative and qualitative assessment of the materiality of risks, the determination of our risk profile and the implementation of appropriate strategies to mitigate risks.

The register includes environmental and social risk, to which climate-related risk is an external risk factor. Climate change can affect future company performance, so it's considered an emerging risk and is followed up on quarterly by senior management.

### 4. Metrics and targets

#### **TCFD Recommendation 1**

*Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.*

We've established "green shift" and "carbon footprint" performance indicators that are presented quarterly to the Desjardins Group Management Committee.

##### Green shift

- Annual business volume of Green Program products and services, in \$M
- Cumulative volume of investment and financing in renewable energy, in \$M

### Carbon footprint

- Carbon footprint of operational activities, in metric tons of CO<sub>2</sub> equivalent and GHG/m<sup>2</sup>
- Carbon footprint of investments (stocks and corporate bonds)

### **TCFD Recommendation 2**

*Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.*

The carbon footprint of our operational activities can be found in section 6.2 of the Social and Cooperative Responsibility Report.

### **TCFD Recommendation 3**

*Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.*

We've announced concrete steps to address climate change, including tracking our carbon footprint. In 2019, we set a target of reducing our greenhouse gas emissions to 20% below 2018 levels by December 31, 2024.

We've committed to ensuring that, by the end of 2020, the carbon footprint of our investments in publicly traded securities is 25% lower than

the average of the companies that make up the stock and bond market indexes. As at December 31, 2019, our carbon footprint was 14.5% lower than the benchmark.

We've been purchasing certified carbon offsets since 2017. We also focus our own direct investments in energy infrastructure, including the investments of the Desjardins Group Pension Plan, in renewables. As at December 31, 2019, we had invested for almost \$1.25 billion and financed \$1.5 billion in renewables.

We've improved the ESG-related factors in financing activities. These factors include: emissions management and environmental impact.

### 6.2 OUR COMMITMENT TO CLIMATE ACTION AND ADAPTATION

Here's what we're doing organization-wide to support a just energy transition and lead by example in the transformation to a low-carbon economy:

- We help personal and business members make the move to clean energy by continually expanding our line of green financial products.
- We've been carbon-neutral since 2017—we purchase carbon credits to offset our GHG emissions.
- We're working to reduce our GHG emissions by 20% below 2018 levels by December 31, 2024.
- In our investment portfolio and that of the Desjardins Group Pension Plan (DGPP), infrastructure investments are concentrated in the renewable energy sector. As at December 31, 2019, Desjardins and DGPP investments in this sector, totalling close to \$1.25 billion, accounted for a significant percentage (46.3%) of infrastructure investments.
- We're aiming for the carbon footprint of our assets invested in publicly traded securities to be 25% lower than the average footprints of companies that make up the stock and bond market indexes by December 31, 2020. As at December 31, 2019, our carbon footprint was 14.5% lower than the benchmark.

- We're gradually incorporating new environmental, social and governance criteria into our decision-making processes as part of our shift to environmentally and community-friendly finance.
- We've partnered with Hydro-Québec and AddÉnergie to install 200 electric vehicle charging stations by 2021. As at December 31, 2019, a total of 184 charging stations, including Montreal's first fast-charge superstation, were up and running.



**L'actualité magazine's  
social impact award in the  
Environment category**

#### Managing energy use and GHG emissions

Management approaches | GRI 305 | 302 | 103-1 | 103-2 | 103-3

Climate change is one of the most pressing challenges facing our world, which is why it's the main focus of our environmental efforts. We've taken action on the largest sources of GHG emissions, mainly in Quebec and Ontario, but elsewhere in Canada as well.



#### Transportation

Our Alternative Transportation Program lightens the environmental load of our employees' travel. The program is available to employees in our main employment hubs (Lévis, Montreal, Quebec City and Toronto). Each year, we set a target number of employees to participate in the incentive program, with an allocated budget of around \$1 million.

## 6. Climate

We also provide a shuttle for our employees travelling between the Montreal and Lévis offices. With manager approval, some employees are able to work from home a certain number of days every month, which also helps us reduce the impact of employee travel. Since 2019, employees with a company vehicle must choose a hybrid or electric model. We're pleased to offer employees greener transportation options.



### Paper consumption

On average, an employee working in the finance sector uses between 50 and 75 kg (10,000 sheets) of paper every year. A life cycle analysis of paper products reveals numerous environmental impacts of paper consumption on top of GHG emissions:

- Deforestation
- Consumption of non-renewable energy resources and other fossil fuels
- High water consumption
- Creation of de-inking sludge and effluent containing toxic compounds (for recycled paper)
- Use of bleaching chemicals, such as chlorine, which produce pollutants with potentially high toxicity levels

We use paper in our offices (mainly in Quebec and Ontario). Paper documents may also be mailed out to members and clients across Canada. In 2019, we decided to just buy paper made in Quebec from 100% post-consumer waste to minimize the negative impacts of our paper consumption.

We use close to 1 billion sheets of paper every year. Because we're aware of the environmental impact of our consumption, we've decided to extend the Paper Challenge until 2024. A key part of our strategy to reduce our GHG emissions, the Paper Challenge aims to reduce our paper consumption and increase our use of recycled paper. A taskforce of employees from our various business sectors and support functions is working on identifying and prioritizing ways we can use less paper. Some of our offices have been renovated to include collaboration zones and the use of cloud-based technology is increasingly widespread. Both of these changes encourage employee mobility and decrease our reliance on printed documents. New ATMs with envelope-free deposits also make a difference. Black-and-white double-sided printing is now the default for our multifunction devices and printers. The Desjardins Group Management Committee receives quarterly reports on our paper consumption.



### Energy consumption

Because of our Quebec-wide presence, we use a lot of energy to heat, cool and light our office space and to power our computer equipment. We have a number of energy efficiency measures in place to reduce our GHG emissions and lower our energy costs. These measures have led to LEED® or BOMA Best® certification for some of our buildings. We take energy efficiency into consideration when building and renovating. We've also signed the *Statement by Financial Institutions on Energy Efficiency*.

## 6. Climate

In 2019, we rolled out the Desjardins Energy Transition plan to minimize our real estate portfolio's energy consumption and reduce our GHG emissions. We also started assessing our real estate operations based on environmental, social and governance (ESG) criteria using the Global Real Estate Sustainability Benchmark. We'll be identifying areas for improvement for sites with higher carbon footprints.

Since 2008, we've been producing an annual inventory of our GHG emissions and publishing it through CDP, formerly the Carbon Disclosure Project. CDP's goal is to collect data on how businesses around the world manage their environmental impacts and share it with investors.

In 2019, we set a new target for reducing our carbon footprint. The goal is to reduce our GHG emissions to 20% below 2018 levels by December 31, 2024. To reach this reduction target, we'll leverage in-house initiatives that optimize business travel, reduce paper consumption and increase our energy efficiency. We don't buy renewable energy certificates to reduce the carbon footprint of our electricity consumption. Instead, we offset our GHG emissions by purchasing carbon credits certified under recognized protocols.

As a result, we've been carbon-neutral since 2017. We're offsetting our GHG emissions on a voluntary basis, through a rigorous process that takes scientific and industry best practices into account. We use GHG Protocol rules and the ISO 14064 standard to calculate the reduction in our GHG emissions, and our calculation is reviewed by a credible, independent third party. Carbon credits are assigned a unique serial number. We also work closely with the sponsors of projects with a proven and transparent commitment to reducing GHG emissions. We commissioned a study by the Chaire en éco-conseil at Université du Québec à Chicoutimi to confirm the scientific rigour of what we're doing to offset our GHG emissions. The results confirmed the validity of our carbon-neutral assertion for 2017 within our inventory boundary. As a national socio-economic leader, we select projects with positive environmental impacts in different provinces. In 2019, we offset 100% of our 2018 GHG emissions and the 2017 adjustment by buying carbon credits from these projects:

- British Columbia: The Great Bear Forest Carbon Project, a collaborative initiative by Coastal First Nations, the Government of British Columbia, environmental groups and local forest companies for the conservation and improved management of the largest intact temperate rainforest remaining in the world
- Ontario: The Niagara Escarpment Forest Carbon Project, which manages, conserves and maintains the diversity of ecosystems along Ontario's Niagara escarpment
- Quebec:
  - A project by Productions Horticoles Demers to set up greenhouse heating systems that use 100% renewable energy, such as forest biomass residue or biogas from landfill sites
  - A project by Les serres coopératives de Guyenne to convert the greenhouse heating system from oil to a system that uses 100% renewable energy produced from forest biomass residue
  - A project by Terreau Biogaz inc. to recover and treat biogas from landfill sites and feed it into Hydro-Québec's green energy grid

We've also made an additional commitment to budget the equivalent of 1% of our carbon footprint to support Coop FA's Bourse du carbone Scol'ERE. This educational program teaches school-aged children and their families about the importance of protecting the environment.

## 6. Climate

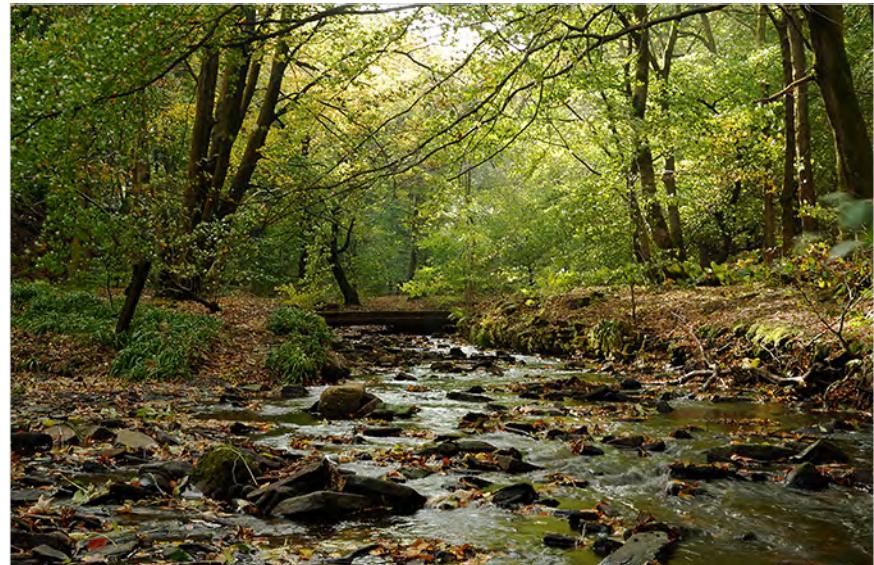
### Energy intensity | GRI 302-3

Energy intensity is one of the factors used to calculate our GHG emissions.

	2019	2018	2017
Energy intensity (in gigajoules/m <sup>2</sup> )	0.87	0.88	0.88

### GHG emissions in metric tons of CO<sub>2</sub> equivalent<sup>1</sup> | GRI 305-1 TO 305-5

	2019	2018	2017
Direct (Scope 1) GHG emissions	18,463*	17,076	14,036
Energy indirect (Scope 2) GHG emissions	4,293*	4,961	4,890
Other indirect (Scope 3) GHG emissions	32,658*	38,079	27,094
Total GHG emissions	55,414	60,116	46,019
Total GHG emissions intensity – GHG/m <sup>2</sup>	0.0250	0.0285	0.0216



\*PwC conducted a limited assurance [engagement](#) on these indicators.

Our GHG emissions were down 8%, mainly attributable to a drop in Scope 3 emissions. This drop is primarily related to paper consumption, which decreased for a variety of reasons, including the Paper Challenge, the systematic purchase of 100% recycled paper and a slowdown in marketing activity during the second half of the year.

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. The corrections made in 2018 concern the energy consumption of the caisses (properties both owned and leased). In 2018, the majority of natural gas invoices 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.

3. 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.

4. Increase is primarily due to the 27.4% increase in the area of the real estate investment portfolio and 3 leaks of ozone-depleting substances reported in 2019, including one of 113.6 kg of R410a (refrigerant gas) at Complexe Desjardins.



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## 6. Climate

### Reducing the environmental impact of our real estate operations

In 2019, 5 caisses took part in an energy-efficiency pilot project. We're now also using 5 electric, hybrid or plug-in hybrid vehicles for building maintenance in Lévis.

We have beehives at Complexe Desjardins in Montreal and on the Desjardins Campus in Lévis. Each year, employees can buy the honey produced by these beehives.

Over the last few years, many of our buildings have received environmental certification:



### LEED® certification

Building	City	Certification date	Level
150 Rue Des Commandeurs	Lévis	2016-02-19	Gold
Desjardins Securities, Le Windsor	Montreal	2009-11-30	Gold
Desjardins Securities	Toronto	2013-01-30	Gold
Caisse Desjardins de Lévis (head office)	Lévis	2017-04-10	Silver
Caisse Desjardins de Terrebonne (head office)	Terrebonne	2015-10-01	Gold
Caisse Desjardins de l'Ouest de la Mauricie (head office)	Louiseville	2015-05-20	Gold
Caisse Desjardins de l'Ouest de la Mauricie (Saint-Étienne-des-Grès service centre)	Saint-Étienne-des-Grès	2015-04-24	Silver
Caisse Desjardins Thérèse-De Blainville (head office)	Sainte-Thérèse	2014-04-30	Gold
Caisse Desjardins Le Manoir (La Plaine service centre)	Terrebonne (La Plaine)	2013-06-27	Certified
Caisse Desjardins Des Chutes Montmorency (head office)	Boischatel	2012-08-15	Silver
Caisse Desjardins de Granby-Haute-Yamaska (head office)	Granby	2011-02-23	Gold

### BOMA BEST® certification

Building	City	Certification date	Level
150 Rue Des Commandeurs	Lévis	2017	Platinum
Complexe Desjardins	Montreal	2019	Gold
6300 Boulevard Guillaume-Couture	Lévis	2018	Silver
6500 Boulevard Guillaume-Couture	Lévis	2018	Silver
95 Rue Des Commandeurs	Lévis	2018	Silver
59 Rue Bégin	Lévis	2018	Silver
100 Rue Des Commandeurs	Lévis	2018	Certified
200 Rue Des Commandeurs	Lévis	2018	Certified
995 Boulevard Alphonse-Desjardins	Lévis	2018	Certified
6125 Boulevard Wilfrid-Carrier	Lévis	2018	Certified

## 6. Climate



### Incorporating sustainability into our real estate investments

- All our real estate investments in Ontario are LEED® or BOMA BEST® certified.
- In 2019, Desjardins Global Asset Management's real estate portfolio participated in the Global Real Estate Sustainability Benchmark for the second time; its score went up 13% over 2018.
- We use an ESG data management system called Measurabl to measure and track energy use, water use and residual waste in our Canadian real estate portfolio.



**BOMA Quebec's 2019–2020 Building of the Year award for 150 Rue Des Commandeurs in Lévis**

**BOMA Canada's TOBY® national awards for 95 St. Clair Avenue West in Toronto and 150 Rue Des Commandeurs in Lévis**



### Encouraging alternative transportation

Our Alternative Transportation Program incentivizes employees to walk, bike, carpool, car share or take the bus, subway or train for their commute and business travel.

Incentives include discounts on public transit passes, facilities for employees who bike to work, a carpool matchup application and reserved parking spaces, as well as corporate subscriptions to the car-sharing service Communauto. These initiatives are part of long-term investments of nearly \$1 million a year.

In 2019, a total of 9,753 employees used the Alternative Transportation Program, up 10.5% from 2018.



### 6.3 RÉCUP PROGRAM: BETTER RESIDUAL WASTE MANAGEMENT

#### Residual waste

Management approach | [GRI 306](#) | [103-1](#) | [103-2](#) | [103-3](#)

Because Quebec generates close to 13 million metric tons of residual waste each year, we're working with our suppliers and employees to reduce our environmental footprint. Waste management is part of our commitment to fostering a green economy and ensuring compliance with the *Environment Quality Act*. Waste management systems are in place in business sector and support function sites that Desjardins owns or leases, but not in the caisse network.

#### \$6.5 million for curbside recycling

Since 2006, we've invested more than \$6.5 million in funding for municipal curbside recycling. Each year, we give hundreds of thousands of dollars to Éco Entreprises Québec and the Canadian Stewardship Services Alliance to help fund these important services and protect the environment.

#### Integrated residual waste management

We've rolled out the Récup program within the organization to harmonize our approach to residual waste management. Our standardized data collection system provides annual data to help us better manage the following materials:

- Paper and cardboard
- Office supplies
- Glass
- Metal
- Plastic
- Organic material
- Computer equipment (desktop and laptop computers, printers, servers, monitors, peripherals, cartridges)
- Telecommunications equipment (headsets, cellphones, landline phones, videoconferencing systems, peripherals)
- Office furniture

Concrete measures are in place to reduce how much residual waste we generate and promote reuse and recycling based on the 5Rs (rethink, reduce, reuse, recycle, repurpose). In 2019, we hired a full-time employee to coordinate our residual waste management efforts.

Our residual waste management program and objectives are reviewed annually.

## 6. Climate



### Reusing and recycling our residual waste | GRI 306-2

We've been managing residual waste at our main workplaces for many years. Because we operate in the financial services sector, we can easily limit our production of hazardous waste to less than 1%. Hazardous waste is managed in compliance with all applicable legislation.

Residual waste <sup>1</sup> (in metric tons)	2019	2018	2017
Sent to landfills	2,403.14	2,260.38	2,373.23
Recycled or repurposed	3,179.90	3,809.60	3,873.05
Total residual waste	5,583.04	6,069.98	6,246.28
Recycling/recovery/composting ratio	56.96%	62.76%	62.01%

<sup>1</sup>Data for buildings on the Desjardins Campus in Lévis and Complexe Desjardins in Montreal (employee-occupied offices).

Our recycling/recovery/composting ratio decreased by 9.24% between 2018 and 2019. The main factors for this were an increase of 142.76 metric tons in residual waste sent to landfills and a decrease of more than 600 metric tons in recycled confidential paper, thanks to the paper savings initiatives of our Paper Challenge. Since 2013, our recycling/recovery/composting ratio has gone up 18%.

### Sample circular economy initiative

We partner with our printer supplier Lexmark and Mira to recycle used ink cartridges to help fund Mira's operations in Quebec. Mira provides guide dogs and service dogs to those in need. In 2019, a total of 19,727 cartridges—77% of our total usage—were remanufactured or recycled by Lexmark. Our efforts raised \$133,394, which was enough to cover the cost of 5 Mira dogs.

Through this circular economy initiative, not only are we making a positive contribution to society by helping fund Mira's work with the visually impaired, but we're also minimizing our environmental impact by helping Lexmark reduce the amount of new materials it uses to produce its cartridges. It's a great example of a win-win sustainable development initiative, where all parties get a social, environmental and economic benefit.

### Better residual waste management

- Since 2017, we've been collecting and redistributing office supplies left behind after corporate moves. A not-for-profit organization sorts through the supplies and sends them to organizations in Quebec.
- When we updated our logo, we collected 26,000 pins with the old logo, and Quebec artist MC Grou turned them into art.

- We hosted the second annual Insertech-Desjardins repair café on Earth Day at Espace Desjardins. This free day-long event was open to the public. Visitors brought their broken electronic devices in to be diagnosed and, where possible, repaired by volunteer technicians from Insertech, Desjardins and other organizations.

- We've stopped buying certain single-use plastics (water bottles, cups, coffee stir sticks and straws) and paper products that aren't made with 100% recycled fibre.

- In 2019, we set up a Récup drop-off site at Complexe Desjardins in Montreal for the general public to dispose of:

- Batteries
- Incandescent and fluorescent light bulbs
- Small electronics
- Clothing
- Paper and cardboard
- Compostable materials
- Ink cartridges
- Chopsticks



### GLOBAL REPORTING INITIATIVE

For more on standards and indicators, see the [GRI content index](#)