

2020 Social and Cooperative Responsibility Report

Together for 120 years



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Guy Cormier

President and CEO
Desjardins Group

Message from the president and CEO

Firmly focused on the future

Today, Desjardins is the leading cooperative financial institution in North America. We're building a promising future for generations to come through our dedication, solidarity and cooperation. That's something we can all be proud of!

I'm honoured to have the privilege to continue, for a second term, to innovate and collaborate with a team of 48,930 employees and 2,546 directors who are all committed to going above and beyond for members and clients.

Despite the pandemic, we had a strong year in 2020. Our surplus earnings before member dividends totalled \$2.4 billion, and our operating income was \$18.4 billion, up \$537 million over the previous year. It should be noted that in 2019, there was a \$309 million gain net of income taxes from the disposal of the Federation's entire merchant portfolio, which was housed under the Monetico brand.

Looking to the future for 120 years

The first Desjardins caisse was founded on December 6, 1900—120 years ago! In 2020, we celebrated a number of anniversaries that highlight our contribution to communities in Quebec, across Canada and around the world.

Desjardins General Insurance Group, a Canadian leader in property and casualty insurance, turned 75, and 3 other Desjardins entities and events turned 50: the Desjardins Foundation, which helps thousands of young people succeed in school every year; Développement international Desjardins, which has been sharing its expertise in over 65 countries since 1970; and Co-op Week, which is an annual week-long celebration of cooperation and a well-established tradition at Desjardins.



A year of collective effort

The backdrop for this year of milestones—the COVID-19 pandemic—was unlike any other. It was a period of huge challenges. Working together and helping one another took centre stage, and we were really there for our members and clients.

That's just further proof, in my eyes, that the cooperative model and our values of mutual assistance, solidarity and commitment are more relevant than ever.

Throughout the year, we relied on one of our greatest strengths—the relationships we've built with people and communities—and showed just how flexible we can be and how much we care.

We rolled out a variety of relief measures to support our members and clients during the COVID 19 pandemic, including offering payment deferrals, increasing contactless payment limits to \$250, reducing some credit card interest rates and offering emergency loans. In total, we received 342,195 requests for relief measures to ease the financial burden on members and clients and help them weather this difficult time. On top of that, we gave premium refunds to 2.1 million auto insurance clients.

When the government asked financial institutions to support local business communities, we stepped up and created several assistance programs.

And that's not all—we also set up the Desjardins Group Security Office to oversee best practices in information security and personal information protection, and we launched the Desjardins Fusion Centre, a security intelligence centre composed of experts in cybercrime, fraud and financial crime.

Recognition at home and around the world

Desjardins was ranked the most generous company in Quebec in a survey by the consulting firm Épisode. It's a particularly special honour to receive, because it's chosen by the public.

We also earned some other important accolades that are a tribute to our mission and goals: we were ranked one of Canada's Top 100 Employers by Mediacorp¹ and we cracked the top 100 of the World's Best Employers as ranked by Forbes². BrandSpark³ named us one of Canada's most trusted brands, too, which makes me very proud.

We were also one of 3 North American financial institutions acknowledged by the United Nations in early April 2020 as a responsible institution during the COVID 19 pandemic.

Helping businesses bounce back

We developed initiatives to support economic recovery and help businesses and community organizations reopen with confidence.

Through the GoodSpark Fund, we're investing \$250 million in projects that will make a difference in communities in Quebec and Ontario by 2024. Out of the hundreds of organizations that have received support since the fund was launched in 2016, 9 were shortlisted for 3 grand prizes and voted on by the public. AgrÉcoles, La Mouche Rose and Groupe TAQ were each awarded an additional \$100,000—funding that will help take their projects to the next level

¹ Mediacorp. "Recognized as one of Canada's Top 100 Employers (2021) and Canada's Top Family-Friendly Employers (2021)." November 12, 2020. <https://reviews.canadastop100.com/top-employer-desjardins?lang=en>

² Forbes. "The World's Best Employers." October 15, 2020 <https://www.forbes.com/lists/worlds-best-employers/#448814f71e0c>

³ BrandSpark. "BrandSpark Study Reveals the Most Trusted Service, E-Commerce, Online/App brands as voted by Canadians." October 20, 2020. [Press release]. <http://www.prweb.com/>.



We also launched En Mouvement pour la relance socioéconomique, an online tour of Quebec to help drive socioeconomic recovery. This initiative is especially close to my heart because we were able to meet with entrepreneurs from different regions, talk about their situations and propose solutions that fit their needs.

Many businesses also received assistance from the Momentum Fund to launch innovative solutions and support business continuity.

And finally, to support local businesses and charities during this challenging year, we partnered with the La Ruche crowdfunding platform to launch the Pay It Forward program, where we matched donations and gift cards purchased from local businesses, and the Double Your Impact program, where we matched donations made online in lieu of traditional holiday fundraising drives. We contributed a total of \$3.7 million to our communities through these programs.

Innovating and evolving

In the midst of rolling out all these support measures, we were also making sure that all our employees were able to work safely and securely. We made a huge internal shift at warp speed: over 80% of our employees began working from home so we could continue to meet the needs of our members and clients.

We were able to make this major tech transition because all of our employees pulled together and worked hard. It's an achievement I'm very proud of, and one that has laid the foundations for a new way of working and collaborating.

Building on the success of this transition, we held the first ever online special general meetings for Desjardins caisses—an achievement made possible by the hard work of several teams. Following the meetings, caisses gave a total of \$317 million in member dividends back to members.

We also continued to do what's best for members and clients and make life easier for them by speeding up our digital transformation. To name just a few of our web and mobile initiatives, members and clients can now: instantly lock and unlock their credit cards on their own, vote online in special general meetings and use a variety of new features created in response to the pandemic.

The leading cooperative financial institution in Canada

The reason we've remained so strong for so long is that we've been able to innovate and adapt to new realities without ever losing sight of who we're working for: our members and clients.

The Banker magazine ranked Desjardins first in Canada on its list of the Top 1000 World Banks, out in front of the Big 5 Canadian banks in terms of growth, profitability, asset quality, return on risk, soundness and leverage.

The magazine also highlighted the cooperative model and underscored that we're in a better position than our peers to weather the economic consequences of the pandemic.

We also made some major acquisitions to expand our services, including buying the holding company Purplebricks Canada, a leader in the real estate market that has 2 business models: DuProprio and Purplebricks Canada.

Diversity and inclusion

At Desjardins, we've worked hard these past few years to promote leadership by women and young people. We're going to continue these efforts and focus on cultural communities in particular.

Our organization's diversity and inclusion plan focuses on 3 groups: women; people of colour and cultural communities; and young people 35 and under. I'm absolutely convinced that greater diversity in gender, age, background, culture, experience, skill and sexual orientation adds a huge amount of value to all organizations.

The steps we've taken have increased the number of women in leadership roles across Desjardins. The Desjardins Group Management Committee, for example, is now 45% women.

We also continued our efforts to help build a society that's fairer and more inclusive by signing the Women's Empowerment Principles and launching the Desjardins SocieTerra Diversity Fund, which invests in companies with strong female representation on their management teams.



As a signatory to the Canadian Investor Statement on Diversity & Inclusion, we're committed to ensuring better representation for Black and Indigenous communities and people of colour in all our operations.

Our diversity and inclusion efforts earned us a spot as one of 4 Catalyst Honours Champions—an award that I was so proud to accept on behalf of all Desjardins employees and directors—both women and men.

Young people are the future

At Desjardins, we're committed to helping young people grow and excel. We support initiatives that help young people shine through the We're All Committed to Supporting Youth program, which launched in 2020 with an annual budget of \$50 million.

I'm also so proud to have been named the first ever sponsor of the mentoring program Academos, and to be a mentor for the program. I believe it's absolutely essential to support our young people by making sure they have the tools they need to reach their full potential.

We also worked with partners like Alloprof and Kids Help Phone and supported other youth organizations.

At the same time, we increased the Desjardins Foundation scholarship program budget to a total of \$1.8 million and continued to support school and community workers with the Desjardins Foundation Prizes.

Climate action and sustainable development are at the heart of our decisions

At Desjardins, we're more committed than ever to climate action and a just energy transition.

We've already taken a number of concrete steps: we've invested in renewable energy, we're supporting electric transportation, and we've reduced the environmental footprint of our investments. We've also divested from coal and are the first financial institution in North America to join the Powering Past Coal Alliance.

We also offer responsible choices so our members and clients can contribute to the transition: our 17 SocieTerra funds and portfolios are free of oil production and pipeline holdings.

We're involved in several initiatives to help promote a green economic recovery, like our partnership with the École de technologie supérieure to fast-track innovation and research on the circular economy.

Conclusion

To wrap up, I want to recognize all the hard work of our directors and employees who, throughout this challenging year, showed just how strong and resilient we've become since the first caisse was founded by Alphonse and Dorimène Desjardins. Everyone at Desjardins is firmly committed to enriching the lives of our 7.5 million members and clients and their communities. From the bottom of my heart: thank you. And thank you to all our members and clients for once again placing your trust in us.



Guy Cormier
President and CEO
Desjardins Group



OUR APPROACH

Rigorous reporting under the highest international standards

Our Social and Cooperative Responsibility Report reflects our commitment to environmental, social and governance (ESG) factors and to gradually integrating them into everything we do. We've divided our extra-financial information into 3 sections based on these key factors. We've also included a section on cooperation to talk about the difference the cooperative model is making for people and communities.

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.

Because climate change is our environmental priority, we've integrated the reporting recommendations of the Task Force on Climate-related Financial Disclosures. (See page 40.) We also comply with CDP¹ reporting requirements.

Our greenhouse gas (GHG) emissions have been independently reviewed by PricewaterhouseCoopers LLP as part of a limited assurance engagement for Scope 1, 2 and 3 emissions. To learn more, read the [report](#).

This is our first disclosure under the Principles for Responsible Banking and our second under the Principles for Sustainable Insurance.

In June 2019, we became the first Canadian financial institution to sign the Principles for Responsible Banking. In August of the same year, we also signed the Principles for Sustainable Insurance, 10 years after signing the Principles for Responsible Investment.

In doing so, we committed to holding our operations and reporting to the most widely recognized international standards for our core business areas and services. It's part of our efforts to always do what's best for our members, clients and communities.

Founding signatory of:



PRINCIPLES FOR RESPONSIBLE BANKING

[Desjardins Group's PRB disclosure](#)



PSI Principles for Sustainable Insurance

[Desjardins Group's PSI disclosure](#)

Signatory of:



Principles for Responsible Investment

[Desjardins Investments Inc.](#)

[Desjardins Global Asset Management](#)

[Développement international Desjardins](#)

[Desjardins Group Pension Plan](#)

¹ CDP is a non-profit organization that studies the climate change impact of large publicly traded international companies.



Listening to our stakeholders

In 2017, we conducted a materiality analysis on our sustainable development priorities according to the GRI methodology, which is still topical in 2020. We surveyed 1,700 stakeholders to get a comprehensive look at their concerns regarding sustainable development.

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'd planned to repeat the survey in 2020, but have pushed it back to 2021 due to the pandemic.

Surveying our stakeholders helped us establish what's most important to our members and clients. We've addressed these priorities in this report. See the [materiality analysis](#) for more information.



1,005 employees	500 directors (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	4 senior executives



Our purpose: Enriching the lives of people and communities

The strength of our cooperative

2,546
directors

\$362 billion
in assets

7.5 million
members and clients

\$15.3 billion
in indivisible shared wealth held in our cooperative group's general reserves

48,930
employees

\$3.2 billion
in total payroll, including \$681 million in Quebec's regions¹

What we do everyday

Our core business

- Banking services
- Wealth management
- Life and health insurance and property and casualty insurance
- Inclusive and solidarity-based finance

Our target

Always do what's best for members and clients

At Desjardins, always doing what's best for members and clients isn't just a passing fad: It's a philosophy that dates back 120 years to our very beginnings. And it's how we enrich the lives of people and communities every day.

To enrich the lives of people and communities

\$445 Million
redistributed to the community

\$250 million between 2016 and 2024 from the GoodSpark Fund

\$50 million
a year for youth

32% lower
carbon footprint for our own investments compared to the benchmark indexes

\$2 billion
in purchases

268
electric charging stations in Quebec and Ontario

\$1.21 billion²
in renewable energy infrastructure investments

¹ All regions of Quebec except Montreal, Laval, Capitale-Nationale and Chaudière-Appalaches.

² As at September 30, 2020. Together with the Desjardins Group Pension Plan.

United Nations Sustainable Development Goals and Paris Agreement



Our contribution

As a cooperative, we're committed to supporting the United Nations Sustainable Development Goals. Our sustainable development and climate action initiatives directly support 12 of these goals, making us an industry leader.

Sustainable Development Goals	Our initiatives
<p>1 NO POVERTY</p>	<p>The goal of our subsidiary Développement international Desjardins (DID) is to give underprivileged populations around the world access to diversified, secure financial services that meet their needs. DID, a pioneer in global microfinance, uses an inclusive finance approach that focuses on empowering local communities. DID's support for the agricultural sector contributes directly to improving food security.</p>
<p>2 ZERO HUNGER</p>	
<p>10 REDUCED INEQUALITIES</p>	
<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>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.</p> <p>We support awareness-raising and educational initiatives to reduce traffic-related fatalities and injuries and promote healthy lifestyles.</p> <p>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.</p>



Sustainable Development Goals

Our initiatives

<p>4 QUALITY EDUCATION</p>	<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.</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>
<p>5 GENDER EQUALITY</p>	<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 and have signed the Women's Empowerment Principles.</p> <p>The Cooperathon is a social innovation challenge that showcases the importance of diversity and inclusion. At the event, participants develop innovative solutions to support the United Nations Sustainable Development Goals.</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<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 44% of this portfolio.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>We support industry innovation, research and development to improve sustainability. For example, we support Coop Agri-Énergie Warwick (site in French only), the first agricultural cooperative in Quebec entirely dedicated to producing renewable energy from biomass. We're also investing \$2 million to set up a circular economy lab with the École de technologie supérieure de Montréal.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<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 \$50 million 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 \$250 million GoodSpark Fund for the period 2016 to 2024, we support community development projects that help build a sustainable, responsible economy.</p> <p>We currently provide quality jobs to 48,930 people. By decentralizing some of our operations, we're able to help regions grow.</p>



Sustainable Development Goals

Our initiatives

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

Our main publications

- The Social and Cooperative Responsibility Report includes a climate-related disclosure (page 40) that integrates the reporting recommendations of the Task Force on Climate-related Financial Disclosures.
- [2020 highlights](#)
- [Complete 2020 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..



**Pauline D'Amboise**

Secretary General and Vice-President
Governance and Sustainable Development

Message from the chair of the ESG Steering Committee

We're proud to present this report summarizing the work done by Desjardins over the past year to apply its positions on environmental, social and governance (ESG) issues.

In 2020, the ESG Steering Committee continued to help Desjardins integrate ESG factors into its business model and operations. Our cross-sector committee represents each of Desjardins's business sectors and support functions.

To help us accomplish our mission, Desjardins has adopted an agile structure that allows our committee to make recommendations on ESG issues directly to decision-making bodies. Once adopted by the management committee or board of directors, these recommendations become Desjardins's official position.

As a result of this process, Desjardins has committed to divesting from tobacco and vaping, non-conventional weapons and coal. (See page 83 for more information about our commitments.) In 2020, Desjardins earned international [recognition from European non-governmental organization](#) (NGO) Reclaim Finance and Canadian NGO Shift as [one of the 17 financial institutions](#) in the world with a [robust coal exit policy](#).

In 2020, our committee carried out industry monitoring, benchmarking and auditing activities to devise a long-term climate strategy for Desjardins. A new strategy in support of the Paris Agreement's climate targets is necessary given that our initial commitments from 2017 ended on December 31, 2020. Our work has laid the foundations for a meaningful initiative that will be launched in 2021 to rally our organization, directors, employees, members and clients in support of climate action and adaptation.

We also established guidelines for Desjardins's business decisions regarding companies in carbon-intensive sectors, with the goal of fostering a low-carbon economy and supporting a just energy transition.

Lastly, whenever internal or external stakeholders (such as international coalitions of investors) raise issues that require ESG analysis, we issue a position. In 2020, we carried out more than 20 ESG analyses to support decision-making in Desjardins's business sectors and to provide guidance to our business members and clients.

We hope you'll read on to learn more about how Desjardins is taking action each day to implement ESG criteria and address climate-related risk and opportunities. By applying these principles, we're doing what's best for our members, clients and communities.

Enjoy the report!



Examples of our ESG performance

The table below lists our key sustainable development indicators based on the priorities identified by stakeholders. The table provides an overview of our performance in each area.

We'll be strengthening the management system for our ESG performance in 2021.

Focus area	Indicator	2020	2019	2018
Products and services				
Cooperative and financial education of members and clients	Investments in cooperation and financial education (\$ millions)	7	7	7
Socially responsible products and services	Number of people who received assistance through the Desjardins Mutual Assistance Fund	14,820	18,078	22,203
Responsible investment products and services	Volume of responsible investment products and solutions (\$ billions)	7.4	4.8 ¹	3.6
Workplace relations				
Employee skills development and training	Proportion of payroll invested in training and skills development (%)	2.75	3.12	2.90
Equality and diversity in the workplace	Representation of women in management roles (%)	59.3	58.7	59.0
An inspiring, motivating and secure work environment	Permanent employee retention rate (%)	94.8	93.9	94.6
Environment				
Alternative transportation	Number of employees in the Alternative Transportation Program	2,276 ²	8,827	8,386
Climate action and adaptation	Total GHG emissions (metric tons of CO ₂ equivalent)	42,631	56,779	60,116
	Carbon intensity (metric tons of CO ₂ equivalent/m ²)	0.01897	0.0256	0.0286
	Reduction in carbon footprint of our own investments (2020 target: 25% lower than the carbon footprint of the companies that make up the stock and bond indexes) (%)	32.0	14.5	–
Environmentally-friendly waste management	Recycling/recovery/composting ratio ³ (%)	67.74	56.96	62.76

¹ Figure for 2019 updated to include assets from Desjardins Financial Security responsible investment solutions.

² The pandemic caused a sharp decline in the number of employees working on-site and using the Alternative Transportation Program. As at March 1, 2020, this figure was 10,024.

³ For locations where these services are offered.



Focus area	Indicator	2020	2019	2018
Member/client relations				
A distinctive member/client experience	Number of members and clients surveyed to measure the Net Promoter Score	500,000	285,000	370,000
Privacy protection	Number of data protection training sessions completed by employees and managers	18,271 ¹	15,412	9,414
Effective governance	Director representation index in terms of the gender and age of members (%)	93.1	93.2	92.6
Community relations				
Individual and collective entrepreneurship	Investments to support entrepreneurship (\$ millions) <i>(donations, sponsorships and partnerships)</i>	9.2	8.7 ²	5.0
A greener and more unified economy	Investments in renewable energy infrastructure ³ (\$ billions)	1.21	1.25	1.1
	Number of non-profit organizations that are Desjardins members	45,756	46,450	46,364
Economic value for communities	Redistributions to members and communities (\$ millions)	445	445	389
Community commitment and investment	Ratio of member and community redistributions to surplus earnings before member dividends (%)	18.4	17.1	16.7
Structure and processes				
Responsible supply chain	Value of purchases from suppliers that have been evaluated based on sustainable development criteria (\$ millions)	1,158.0	895.1	800.0
ESG risks	Volume of assets subject to positive or negative ESG screening ⁴ (\$ billions)	110.9	99.6 ⁵	93.5
Ethics, integrity and compliance	Number of employees and directors trained on managing conflicts of interest	11,796	9,829	16,151

¹ 9,728 training sessions were completed between January 1 and November 15, 2020. We added a new mandatory course on personal information protection on November 16, 2020. All employees must complete the new course by June 30, 2021. As at December 31, 2020, 8,543 employees had completed the course.

² We increased the figure reported for 2019 by \$2 million compared to what we reported last year because it now includes donations to business projects through the Momentum Fund we launched in 2019.

³ As at September 30, 2020. Together with the Desjardins Group Pension Plan.

⁴ Desjardins assets and assets managed by Desjardins for third parties.

⁵ Figure for 2019 updated to include assets from Desjardins Financial Security responsible investment solutions.



Cooperation

Our co-op..... 17

Support for local communities..... 21

Education and support for youth 27





OUR CO-OP

Who we are

Mission

To contribute to improving the economic and social well-being of people and communities:

- By continually developing an integrated cooperative network of secure and profitable financial services, owned and administered by members, as well as a network of complementary financial organizations with competitive returns controlled by members
- By educating people—particularly members, directors¹ and employees—about democracy, economics, solidarity and individual and collective responsibility

Purpose

To enrich the lives of people and communities.

Goal

To become everyone's #1 choice.

Strong and distinctive values

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

¹ Members of the boards of directors of Desjardins caisses and the Federation, as well as members of the Board of Ethics and Professional Conduct.



Together for 120 years

Desjardins Group was created on December 6, 1900, in Lévis, Quebec. On that day, Alphonse and Dorimène Desjardins opened the first caisse populaire with about 100 members of the community. In 2020, we celebrated 120 years of working together to help Canadians become financially empowered.

But that wasn't the only milestone we reached in 2020. We also marked the:

- 100th anniversary of Alphonse Desjardins's death
- 75th anniversary of Desjardins property and casualty insurance
- 50th anniversary of the Desjardins Foundation
- 50th anniversary of Développement international Desjardins
- 50th anniversary of Co-op Week at Desjardins

Our cooperative nature in action



Giving back to members through member dividends

We've made our [member dividends](#) even simpler. They now focus on loyalty to reward even more members for doing business with us. The 2020 member dividends:

- Used new eligibility criteria for the volume dividend
- Were better explained on AccèsD
- Included the insurance premiums of personal members in Quebec for the volume dividend

Because of these changes, \$317 million was given back to members, 2.1 million personal members received a volume dividend based in part on their insurance premiums and 95,000 more young people received member dividends than the year before.



Concrete advantages for cooperatives

At Desjardins, we firmly believe in the importance of cooperatives and mutuals and actively contribute to their growth. As a cooperative institution, we understand the challenges other cooperatives and mutuals face.

Annual financial support for cooperative organizations across Canada and abroad ^{1,2}	Member	Member of the board (or a committee)	Financial contribution (\$ millions)		
			2020	2019	2018
International Co-operative Alliance		X	–	–	–
Conseil québécois de la coopération et de la mutualité	X	X	921,353	874,623	936,775
Cooperation Council of Ontario	X	X	48,500	48,500	67,601
Co-operatives and Mutuals Canada	X	X	350,000	362,484	417,316
International Confederation of Popular Banks	X	X	149,702	157,607	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	80,174	23,925	30,865
European Association of Co-operative Banks	X	X	63,289	63,458	55,822
International Cooperative and Mutual Insurance Federation	X	X	120,000	116,000	209,423
International Raiffeisen Union	X		10,545	11,224	9,395

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

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

Support for the cooperative movement

We share our cooperative expertise 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. Every year, we also share our expertise with hundreds of visitors from around the world who want to learn more about the cooperative model.





Support for history and art

Alphonse Desjardins Historical Society

For over 40 years, the Alphonse Desjardins Historical Society has been finding and creating content and works to showcase our history. The society also manages Desjardins's historical archives.

The society oversees the Maison Alphonse-Desjardins museum and a conservation centre with 2 exhibits. The museum offers free guided tours and fun learning activities to the general public. Every year, more than 10,000 people visit the conservation centre and museum. When in-person visits weren't possible during the pandemic, the society offered live guided tours online in both English and French.

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 over 2,500 pieces. Through our annual acquisition program, we foster artistic creation by purchasing works from Canadian artists, particularly young up-and-comers. We grow our collection with diversity and inclusion in mind and endeavour to include an equal mix of works by women and men.





SUPPORT FOR LOCAL COMMUNITIES

The cooperative business model is a powerful force for community development.

We're firmly rooted in Quebec and growing our presence in Ontario. We help build vibrant communities in many ways, including:

Contributing to long-term community development projects
through the GoodSpark Fund and Community Development Funds

Financing individual and group entrepreneurship projects
through La Ruche supported by Desjardins and the Momentum Fund

Offering products and services
tailored to individual and community needs

Launching sustainable development initiatives
in the areas of diversity, climate action and the circular economy

Offering relief measures
to support people and communities during the pandemic

Promoting financial literacy and inclusion
in Canada and abroad

Making crowdfunding available
to individual and group project promoters through La Ruche supported by Desjardins



Recognition

- Ranked the most generous company in Quebec according to an Épisode poll
- Named Outstanding Corporation (250 or more employees) by the [Association of Fundraising Professionals – Quebec Chapter](#)

Donations and sponsorships

In 2020, we invested \$71.5 million in sustainable community development through donations, sponsorships, philanthropic partnerships and scholarships, including \$35.3 million from caisse Community Development Funds (CDFs).

(\$ millions)

Financial contributions – Federation, caisse, component and CDF donations and sponsorships	2020	2019	2018
Cooperation	–	\$2.6M	\$3.9M
Culture	10.1	15.7	14.0
Economic development	10.6	12.3	11.9
Education	22.9	22.6	27.0
Humanitarian work and community service	14.3	13.8	11.8
Events	–	5.1	4.4
Business development	2.5	–	–
Health and healthy living	11.1	14.8	21.4
Total	\$71.5M¹	\$86.9M	\$94.4M
CDF contribution	35.3	40.1	37.4

¹ We still made major investments, but the numbers are lower in 2020 because many projects and events were cancelled or postponed because of the pandemic. We also received fewer requests.



Initiatives supported through donations and scholarships in 2020

Support for people and communities during the pandemic

To support communities during the COVID-19 crisis, Desjardins donated \$475,000 in April 2020 to large organizations that help people meet their basic needs. United Way Centraide, the Canadian Red Cross, Food Banks of Quebec and Feed Ontario benefited from this funding.

Desjardins Insurance and its network of agents in Alberta, Ontario and New Brunswick also teamed up to support local food banks across Canada. Together, they donated \$327,730 to Food Banks Canada and 77 local food banks.

To round out this financial support, our caisse network set up emergency relief funds and offered financial support to local organizations.

As part of the Solidarity Kitchens initiative spearheaded by La Tablée des Chefs, Desjardins's catering and reception teams prepared over 20,000 meals for Food Banks of Quebec.

Send a Helping Solo

To help relieve stress and isolation and to support Canadian musicians whose livelihoods have been impacted by the pandemic, Desjardins launched the Send a Helping Solo campaign. We hired 40 out-of-work musicians to produce 100 short personalized videos for people who needed an emotional lift. Seniors, people with weakened immune systems and frontline workers were nominated by someone close to them for a virtual solo.

Caregiver support

We donated \$300,000 to [L'Appui](#), an organization that supports caregivers, as well as friends and family. Thanks to this funding, L'Appui was able to extend its hours. Staff is now also available on weekends to listen to, support and refer people going through difficult times.

Support for sick kids through the Opération Enfant Soleil Telethon

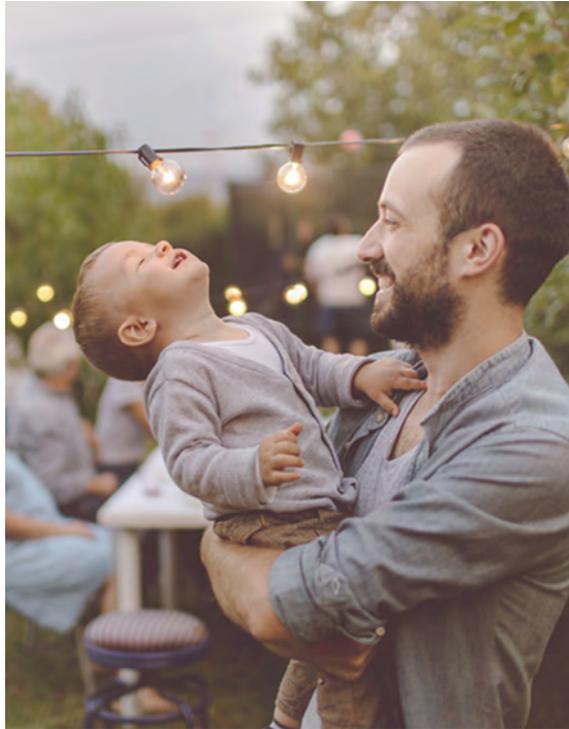
The 33rd Opération Enfant Soleil Telethon was different from previous years—it was largely pre-recorded and alternately broadcast on TVA and Facebook. Thanks to the generosity of our members, clients and employees, we donated over \$350,000 to this cause.

Community Development Funds

Our Community Development Funds (CDFs) are just one way caisse members give back to their communities in the spirit of solidarity. 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 support projects that rally various contributors around a common goal and address the needs of a large 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.

See some of the [inspiring community initiatives](#) our caisses and members have helped make possible.





Volunteering and fundraising

We're here for communities through financial commitments and thousands of employee and director volunteers.

Making a difference with the Desjardins Cares and Shares Campaign

More employees donated and they gave more—51% of our employees gave to the Cares and Shares campaign. Thanks to the \$4.5 million in donations from employees, consultants, directors and retirees, plus our contribution, the 2020 campaign raised an unparalleled \$6.2 million. Those who donated chose to gift \$2 million of this amount to the Desjardins Foundation.

Helping youth during Co-op Week

Co-op Week is an opportunity for everyone at Desjardins to proudly celebrate our cooperative nature and the positive impact it has on people and communities. For 2020, we had to rethink Co-op Week because we couldn't volunteer with our expertise or lend a helping hand at events benefiting youth organizations in Quebec and Ontario like usual. Instead, we celebrated our cooperative nature through online initiatives. We hosted financial literacy webinars and our president and CEO invited business and education leaders to join him for a discussion. These are just some of the ways we did what's best for our members and clients and empowered them financially.

Giving back with 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 encourages members and clients to plan donations and make a difference in their communities.

The COVID-19 pandemic highlighted the needs of many charitable organizations—particularly those that focus on health, education and support for people in need. Through endowment funds, charitable organizations can count on long-term funding so they can offer services to maintain and improve quality of life in their communities.

To date, 157 donors have set up a Desjardins Endowment Fund:



Employee volunteering programs

Recognizing employee volunteer efforts is a great way to boost employee engagement and encourage community involvement.

In 2020, we had to put volunteer efforts on hold because of the pandemic. But that didn't stop Desjardins volunteers from finding innovative ways to support causes that matter to them!

Operation Red Nose

In Quebec, we've been the lead sponsor of Operation Red Nose since it first started 37 years ago. Desjardins General Insurance is the campaign's official insurer, providing insurance for facilities, equipment and vehicles.

Due to the pandemic, the in-person support that's usually provided by Desjardins volunteers was replaced with an online campaign that raised \$1.3 million to support 60 youth organizations that normally receive tips collected from the ride service.

Desjardins General Insurance Group Outreach Program

When individual employees or teams do at least 40 hours of volunteer work for an eligible organization, Desjardins General Insurance Group donates \$500 to the organization. As at December 31, 2020, a total of 1,290 volunteers had signed up for the program. To date, they've volunteered 27,440 hours and raised \$119,085 for over a hundred organizations.

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, 271 have taken classroom training and are ready to mobilize when needed.

Chemin du Roy challenge

For the fourth year in a row, some 200 employees walked or ran in their neighbourhoods to raise money for school projects. Through this program, we were able to donate a total of \$163,153 to more than 60 schools in Quebec, Ontario and Alberta. Since the first Chemin du Roy challenge in 2017, more than \$300,000 has been raised for young people.

Selection of scholarship winners

Around 800 volunteers, most of whom were Desjardins employees and directors, contributed to young people's academic success by reviewing Desjardins Foundation scholarship applications.





Consultations with local communities

We reach out to local communities to get their feedback on any potential changes in our distribution network. We strive to be good listeners and transparent communicators to foster an open dialogue between members and their caisse. Normally we would meet with local partners during evening events, but this wasn't possible in 2020 because of the pandemic. Instead, we focused our efforts on the members who needed us the most to make it easy for them to do business with their caisse during these difficult times.

We're committed to remaining the most accessible financial institution. We make sure our service offer keeps pace with expectations by monitoring market trends and member behaviour.

We make our services accessible to all members by working with communities to implement solutions that address local and regional needs.

Support for non-profits

A total of 45,756 non-profit organizations are members of Desjardins. We support social economy cooperatives, mutuals and organizations whose purpose isn't to turn a profit but rather to meet the needs of their members or the community.





EDUCATION AND SUPPORT FOR YOUTH

Support for young people

\$50 million a year for youth

We help young people ages 6 to 30 and entrepreneurs up to age 35 with every aspect of their lives: education, financial literacy, employment, entrepreneurship, health, healthy living and community involvement. We deliver on this promise by investing over \$50 million every year through programs, donations and sponsorships.

In 2020, we helped students stay motivated in a big way through our **Always there to help young people shine** campaign.

Always there to help young people shine

The pandemic made it more challenging for some students to stay focused. But Elliot and Marie-Hélène were more motivated than ever. We surprised each of them with a [drone light show](#) to celebrate their determination.

Inspiring the next generation

The Desjardins Foundation partners with Academos, an organization that connects young people to the workforce through a virtual mentoring app. In February 2020, Guy Cormier, President and CEO of Desjardins, became the organization's first sponsor in order to raise the profile of Academos with young people, professionals and businesses.



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See the GRI index for a full description of our management approach for education and cooperation ([page 34](#)).

Motivation to keep learning

In 1970, Desjardins set up a foundation to support education. Today, the Desjardins Foundation helps motivate young people to keep learning and succeed academically, from preschool until graduation.

In 2020, the Foundation:

- Awarded \$4,056,568 million to support students, bringing the Foundation's 50-year total to \$31.9 million
- Supported 322,040 young people in Quebec and Ontario, up 47% from the year before

Desjardins Foundation Prizes

Through the [Desjardins Foundation Prizes](#), we award schools and youth organizations grants of up to \$3,000 for projects for kids in kindergarten through high school.

Desjardins employees, directors and agents vote on the winning projects. Previously, Desjardins Foundation Prizes were awarded only in Quebec and Ontario. In 2020, we expanded the program to Alberta and New Brunswick through the Desjardins Agent Network.

2020 at a glance:

- 421 projects supported
- \$1,057,484 million awarded
- 61,728 project participants

Check out the [Beyond the Classroom podcast series](#) to hear 3 inspiring stories of teachers and youth workers who were able to bring their project to life and motivate students to learn thanks to the Desjardins Foundation Prizes.



Episode 1: Ms. Marie-Pierre's Cards (in French only)

Video summary (6 min 35 s)

To promote contacts and achieve a common project, a teacher and her class of students with special needs start a greeting card business.



Episode 2: Ms. Forest's Bees

Video summary (5 min 20 s)

A beehive on the roof of a school is transformed into a collective project for students of an English school in Quebec.



Episode 3: Mr. Guillaume's Graffiti (in French only)

Video summary (6 min 40 s)

A worker from a youth centre shares his passion for graffiti, which leads a young person to win a local competition.



A record year for scholarships!

With an unparalleled \$1.8 million budget for its [scholarship program](#), the Desjardins Foundation was able to offer more support to youth whose studies could have been derailed by the pandemic. Desjardins caisses also awarded scholarships to young members.

In all, Desjardins gave a helping hand to 3,164 students in 2020 by awarding \$3,585,951 in scholarships.

Since the Desjardins Foundation was created in 1970, it has awarded nearly 15,000 scholarships to youth.

Donating to organizations that motivate young people to learn

By partnering with different organizations, the Desjardins Foundation can be more responsive to the needs of young people and their parents. The Foundation provides:

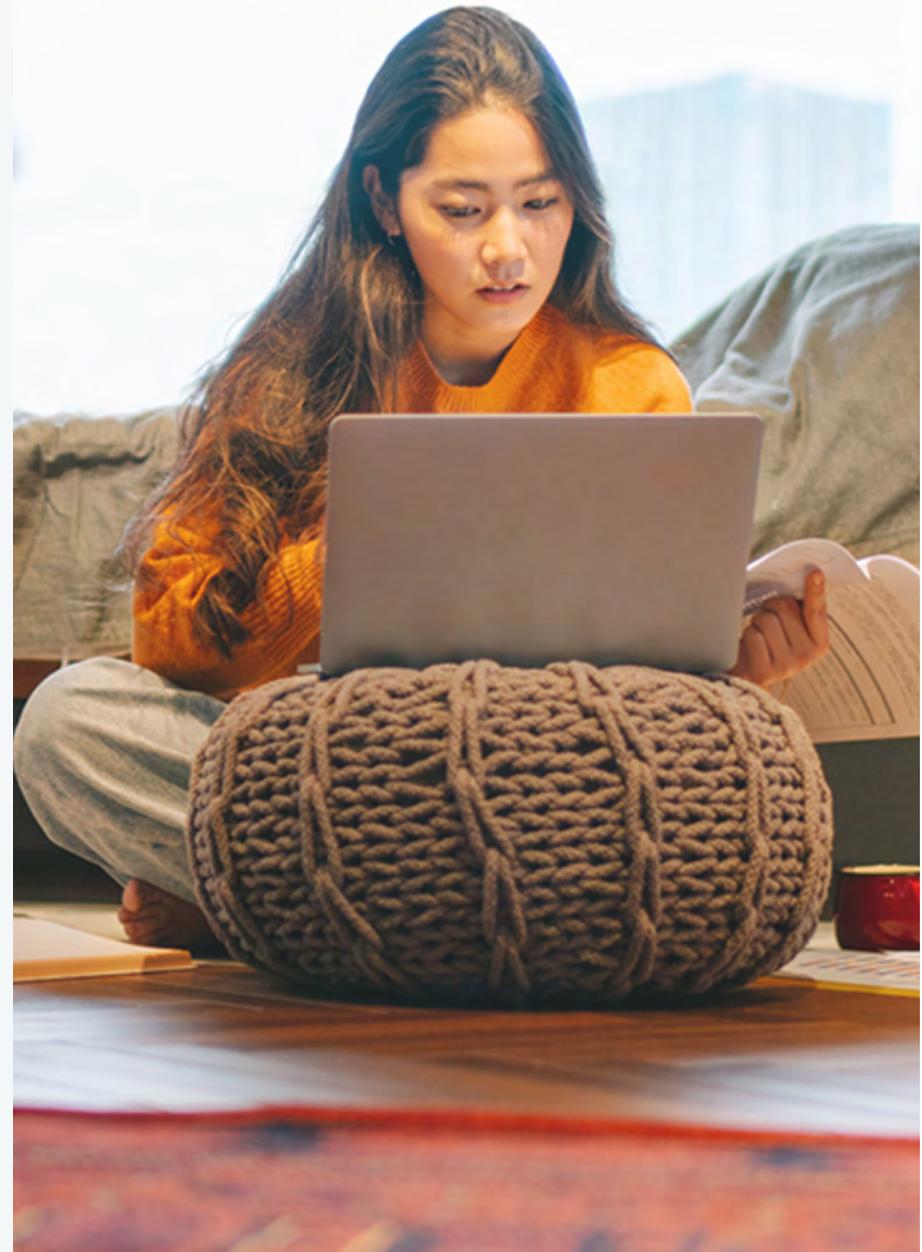
- Support for a number of organizations, including Alloprof and Kids Help Phone
- Assistance through the Desjardins Technology Group to improve Alloprof's site so young people and their parents can get help with schoolwork when they need it
- Support so the Fondation Jeunes en Tête can create online kits that talk about mental health issues in plain language and give teens and the adults in their lives tools to prevent psychological stress

In 2020, the Desjardins Foundation awarded \$1,251,884 million to around 30 partner organizations that worked directly with 145,922 young people and supported 113,267 parents so they could help their children throughout their academic journey.

Over \$200,000 to help homeless and at-risk youth

We donated \$35,000 to the Fondation des Auberges du cœur du Québec's emergency fund to support 30 youth shelters across the province.

Over the next 3 years, we'll be donating \$180,000 to help homeless and at-risk youth finish their studies or go back to school. About 63% of these young adults haven't graduated from high school. With our help, they'll be able to earn their diploma and become fully contributing members of society.



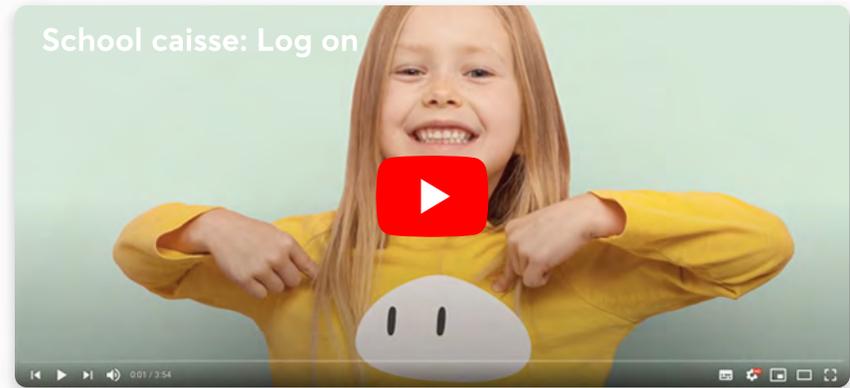
Financial literacy

School Caisse

Since 1907, we've been working with parents and schools to teach children about saving, economics and cooperation.

- In 2020, a total of 82,176 children, ages 5 to 12 in Quebec and ages 5 to 14 in Ontario, were members of a school caisse. Despite the pandemic, it was business as usual for 756 schools (50% of all schools with a school caisse). Many of the schools that didn't have a school caisse in 2020 went digital instead.
- The numbers on www.schoolcaisse.com speak for themselves. The site is full of fun learning activities, videos and games, including Calculo, a tool that has helped nearly 22,251 young people set savings goals.
- The School Caisse gave 7,500 Fun Money board games to schools and families. This game can be played as a family or with friends, at home or at school. It's specifically designed to teach elementary school children the importance of saving money to reach their goals.

- [Youth dividends](#) reward young people who make regular deposits to their School Caisse account. We encourage them to get into the habit of saving. For the 2019–2020 school year, we paid \$307,890 in youth dividends to 30,789 eligible School Caisse members in Quebec and Ontario.



Want to find out what today's kids think about money, saving and how much things cost?

Check out our *Money doesn't have to be a mystery!* videos featuring François Morency (in French only).



Money



Saving



How much things cost



Finance Lab: Cooperative education by and for high-school students

We offer an innovative way for today's young people to learn about money and help them reach their goals. Finance Labs are entrepreneurial initiatives 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 by using them to pay for school activities
- Start up business projects at school and get technical and financial support
- Experience what it's like to be part of a democratically managed cooperative

During the pandemic, the Finance Labs faced a very different school reality. As at December 31, 2020, more than 10 Finance Labs were still operating and serving their 6,325 student members. Yet the focus for students running these cooperatives shifted to cooperation and entrepreneurship, with many board meetings held online. The pandemic was a great learning experience for students, who were forced to adapt their business model through democratic decision-making.

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. They can get personalized advice at a caisse, online or by phone. They also 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.

Talking money with Kevin Raphael

We teamed up with Academos to produce [videos](#) in French featuring Kevin Raphael sharing tips on buying, earning, saving and more.

Helping young adults manage their finances with Personal Finance: I'm in Charge

[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. Because of the pandemic, we added 3 online workshops to the program. The program is put on by Desjardins-accredited trainers through a partnership between community organizations, schools and local caisses.

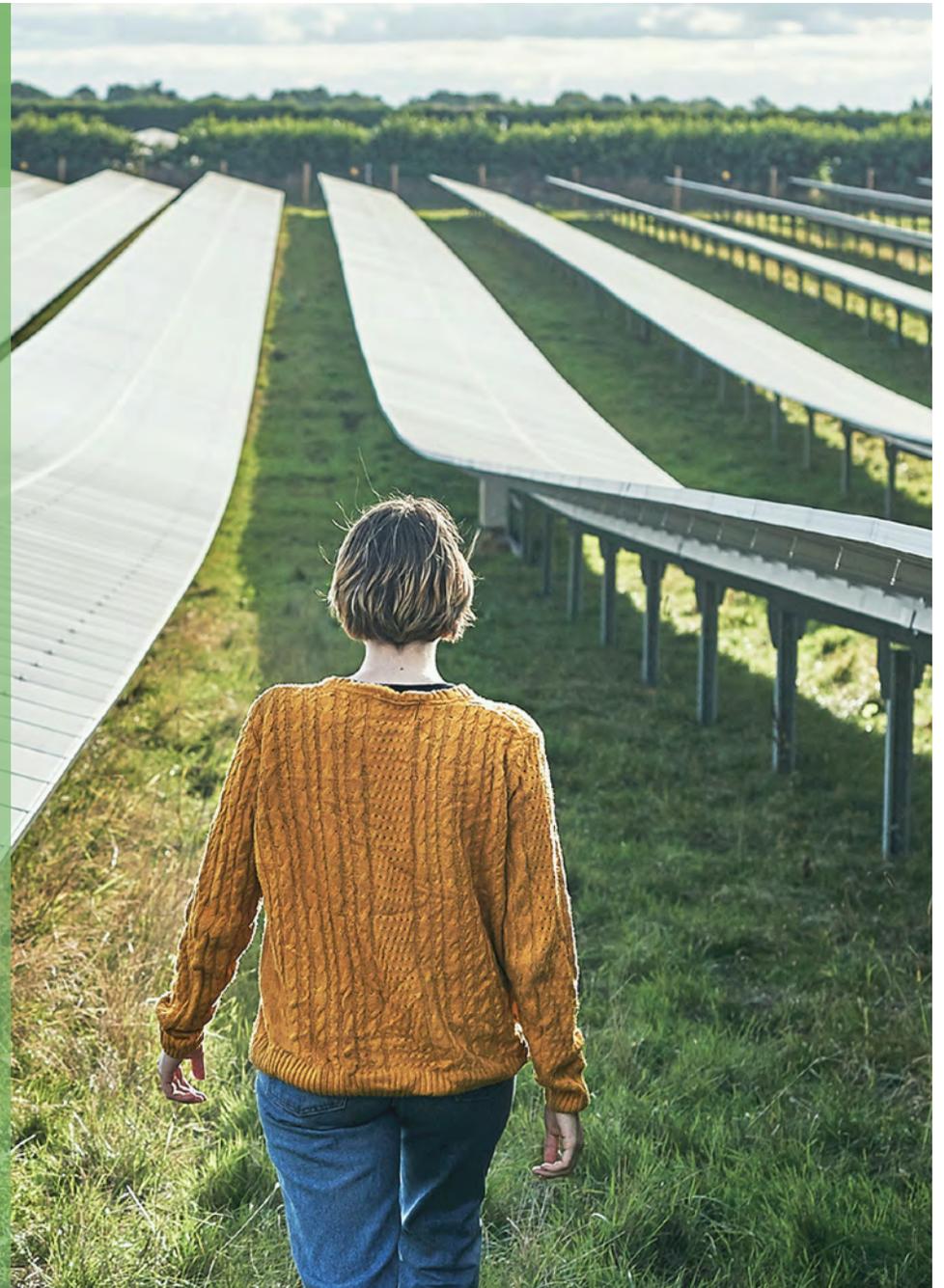
2020 at a glance:

Over \$3.6 million invested by the Fédération des caisses Desjardins du Québec and caisses	45,361 registrations, for a total of 340,637 since 2013	Satisfaction rate of 97%
191 participating caisses in Quebec and Ontario	107 community, union and school partners, including 3 CEGEPs	363 accredited trainers



Environment

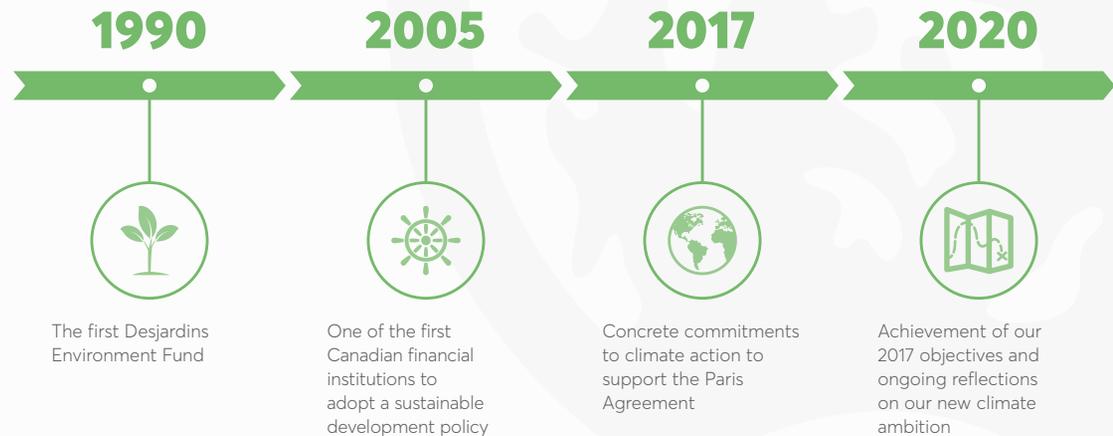
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CONTINUING TO MAKE CLIMATE ACTION A PRIORITY

Climate change is a threat not only to our environment, society and economy, but also to individuals' physical, mental and financial well-being. Since 1990, we've been taking action to protect the environment and mitigate climate change. We recognize the urgent need to act and accelerate climate action and adaptation.



2017–2020: Accomplishing our initial goals

In late 2017, we made a number of commitments to support the Paris Agreement's climate target to limit global warming to less than 2°C. By the end of 2020, we'd achieved—or even surpassed—these goals

1

Commitment:

Fast-tracking the inclusion of environmental, social and governance (ESG) factors in our internal and business operations

Result:

ESG factors are incorporated into our operations on an ongoing basis, as explained in this report, including in the Responsible finance section on page 82.

2

Commitment:

Maintaining carbon neutral operations

Result:

Our operations have been carbon neutral since 2017.

3

Commitment:

Focusing our infrastructure investments on renewable energy

Result:

Our infrastructure investments in renewable energy totalled \$1.21 billion¹ as of the end of September 2020 (see the Responsible finance section on page 82), and 100% of our own direct investments in energy infrastructure are in renewable energy.

4

Commitment:

Reducing the carbon footprint of our own investments to 25% less than the benchmark indexes

Result:

We surpassed our target with a carbon footprint 32% lower than the benchmark indexes.

5

Commitment:

Supporting electric transportation by investing \$10 million to install 200 electric charging stations

Result:

We've installed 268 charging stations, including 225 for use by the general public.

¹ Together with the Desjardins Group Pension Plan.

2020: Considering our next steps to combat the climate crisis

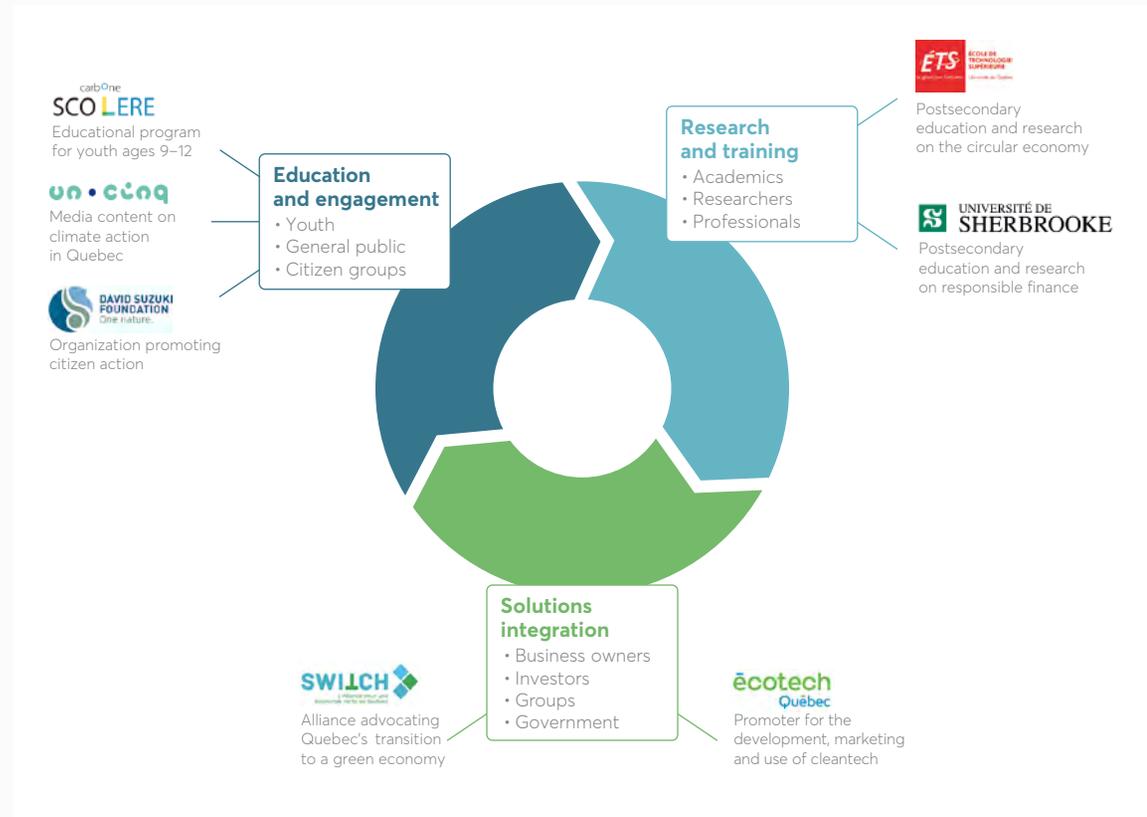
Despite the many efforts being made by consumers, organizations and governments, the climate crisis is accelerating globally. Over the next few decades, what should financial institutions be doing to address the climate crisis?

In 2020, we began to seriously examine our answer to this question and our commitment to climate action. Two international benchmarking exercises helped us determine the types of strategic initiatives necessary and pointed to the need to broaden the scope of our efforts to reduce our greenhouse gas (GHG) emissions. While we know we need to be proactive about our own operations, we've also realized how important it is for us to do more about the emissions produced by our lending and investing activities. We can use our financial leverage to help people, businesses and communities address climate change.

Led by the Desjardins Group Management Committee and Board of Directors, our current reflections will provide a starting point for our new climate ambition in 2021. Combined with our efforts to consider climate-related risk and opportunities (see the report based on recommendations by the Task Force on Climate-related Financial Disclosures on page 40), this ambition will represent our renewed commitment to actively contributing to achieving the Paris Agreement's climate targets.

Partnerships committed to climate action

Through our many partnerships, we're committed to helping communities make the energy transition and take climate action. Our partnerships support university research and training, foster the development of real solutions for economic players, and promote climate education.



Ready to do your part? Find tips and advice to help you get started at [Unpointcing | Le média de l'action climatique au Québec](#) (in French only)



REDUCING OUR ENVIRONMENTAL IMPACT

As part of our commitment to climate action, we're focusing our environmental efforts on measuring, reducing and offsetting the greenhouse gas (GHG) emissions from our operations.

Reducing our GHG emissions

We set a goal to reduce GHG emissions from our operations to 20% below 2018 levels by December 31, 2024. This target includes emissions from buildings under our operational control, business travel and paper consumption.

In 2020, our emissions stood at 20,026 metric tons of CO₂ equivalent, down 46% from 2018. This drop is in part due to our efforts, but also to the effects of the pandemic (less business travel and paper use). We'll be keeping a close eye on our emissions in 2021 and may possibly revise our 2024 target.

GHG emissions under operational control (metric tons of CO₂ equivalent)



Share of energy consumption from renewable energy (operations)	2020	2019	2018
Renewable energy purchased (GWh/%)	196 (95%)	224 (96%)	242 (94%)
Share of energy mix from renewable energy (%)	87%	86%	85%

We measure the carbon footprint of our operations using the financial control approach. We calculate emissions from buildings under our financial control, business travel and paper consumption. PwC has verified this information each year since 2018.

GHG statement – GHG emissions under financial control approach, in metric tons of CO ₂ equivalent ¹	2020	2019	2018
Direct emissions (Scope 1) ²	16,157*	18,463	17,076
Energy indirect emissions (Scope 2) ³	3,914*	4,287	4,961
Other indirect emissions (Scope 3) ⁴	22,560*	34,029	38,079
Total GHG emissions⁵	42,631	56,779	60,116
Total GHG emission intensity (GHG/m ²) ⁶	0.019	0.026	0.029
Energy intensity (gigajoules/m ²) ⁷	1.239	1.343	1.340

* PwC conducted a limited assurance engagement on these indicators.

¹ GHG emissions are calculated for all sources over which Desjardins has financial control. Rental spaces occupied by Desjardins, as well as spaces owned by Desjardins but occupied by third parties (real estate investments), are therefore included. Estimates were used for these sites when data was not available. Biogenic emissions are not included.

² Scope 1 emissions include those related to fuel consumption in the buildings that Desjardins owns (including real estate investments) and refrigerant leakage in Desjardins's buildings and vehicle fleet. Gases included in the calculations are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

³ Scope 2 emissions include electricity and steam consumed in spaces owned and occupied by Desjardins. Gases included in the calculations are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). All emissions are calculated using the location-based method.

⁴ Scope 3 emissions include business trips made with rental and personal vehicles, as well as business trips made by plane, bus and train. Energy consumption from rental properties occupied by Desjardins is also included. GHG emissions from paper consumption are calculated using the Environmental Paper Network's Paper Calculator. Gases included in the calculations are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

⁵ 2020 data covers all of Desjardins Group, including the following components:

- Caisse network and centres
- Desjardins Capital Management Inc.
- Desjardins Investment Product Operations
- Desjardins Real Estate Group
- Desjardins Global Asset Management
- Desjardins General Insurance Group
- Desjardins Financial Security Life Assurance Company
- Desjardins Investments
- Développement international Desjardins
- Fédération des caisses Desjardins du Québec
- Desjardins Shared Services Group
- Desjardins Technology Group
- Desjardins Securities

Any Desjardins Group components not listed are not included in the calculations.

⁶ GHG emission intensity is measured by dividing total emissions (Scopes 1, 2 and 3; CO₂, CH₄ and N₂O) by the total area of buildings under our financial control.

⁷ The scope of the energy intensity (gigajoules/m²) indicator was expanded in 2020 to better reflect the financial control approach used for the GHG statement. (See note 1.)

The previous report included only properties owned and used for our own operations. The values for 2018 and 2019 have been updated to reflect this change.

Our operations have been carbon neutral since 2017

We offset all GHG emissions by purchasing certified carbon offsets. We use the Greenhouse Gas Protocol Standards and ISO 14064 to calculate the reduction in our GHG emissions. Our calculation is reviewed by a credible, independent third party. The projects we support in Quebec, Ontario and Peru are listed in the GRI index [page 30](#).

Encouraging alternative transportation

Our Alternative Transportation Program encourages employees to use other means of transportation than travelling alone by car. The program is available to employees in our main employment hubs (Lévis, Montreal, Quebec City, Toronto, Mississauga and Aurora).

Due to the pandemic, more than 80% of our employees were working from home as of mid-March 2020. This change had a considerable effect on the number of program participants. As at March 1, 2020, 10,024 employees were taking advantage of incentives like discounts on public transit passes, on-site showers and lockers, a carpool matching application, reserved carpool parking spaces and subscriptions to car-sharing services. As at December 31, this number had dropped to 2,276. Now that more people are working from home, our teams are considering how to best adapt our program.

In partnership with AddÉnergie and Hydro-Québec, we continued to install electric charging stations at caisse and credit union locations across Quebec and eastern Ontario. To date, 268 charging stations have been installed, including 225 that are available to the general public.

Reducing paper consumption

In 2019, we relaunched our efforts to reduce paper consumption and set a new goal: reduce our GHG emissions from paper consumption by 32% (compared to 2018) by the end of 2024.

We plan to achieve this goal by using less paper and by making a more widespread use of recycled paper.

Over the next few years, we'll track the net impact of the decrease in paper use, while factoring in the increased use of digital tools and communication channels to replace paper.

A taskforce of employees from different sectors is working on identifying and prioritizing ways we can use less paper.

Here are a few examples:



Eco-friendly practices guide

Share the practical things we can all do



Digital calendars

Use digital tools instead of paper calendars and planners



100% recycled paper

Print only on paper made from recycled fibre



Printed reports

Eliminate or limit paper reports



Documents for members and clients

Shift to digital communications with our members and clients

Purchasing greener vehicles to reduce GHG emissions

Since 2019, employees with a company vehicle must choose a hybrid or electric model. We're pleased to offer employees greener transportation options.

Nearly every vehicle we purchased in the last year is a low-emission vehicle. Desjardins General Insurance now has 504 vehicles across Canada, including 143 hybrid, plug-in hybrid or electric vehicles, representing 28% of our fleet. With vehicles replaced every 4 years, we're gradually closing in on 100%.

New Paper-Free option for Desjardins members and clients

Desjardins Insurance clients with an online account were automatically switched to our Paper-Free option, with no action required on their part. The initiative's success rate is over 90%!

During the year, we also encouraged members to sign up to go paperless through AccèsD. Through a partnership with Tree Canada, we committed to planting 52,578 trees in 2021 thanks to our members and clients who chose to go paperless.

Reducing the ecological impact of our properties

Awards for 5 Desjardins buildings

As part of the Building Owners and Managers Association (BOMA) Québec Building Energy Challenge, 5 of our properties in Montreal and Lévis were among the 15 winners for improved energy performance in the commercial sector.

- 59 Avenue Bégin, Lévis
- 200 Rue Des Commandeurs, Lévis
- 450 Boulevard De Maisonneuve, Montreal
- 995 Boulevard Alphonse-Desjardins, Lévis
- 6075 Boulevard Wilfrid-Carrier, Lévis

95 St. Clair Avenue West tower named The Outstanding Building of the Year

BOMA International honoured our flagship office in Toronto with The Building of the Year® (TOBY®) Award in the 250,000–499,999 square feet category. This is the latest in a string of awards the building has won.



LEED® and BOMA BEST® certifications

Over the last few years, many of our buildings have received environmental certification:

- 11 buildings received LEED® certification, including 7 gold-level certifications
- 150 Rue Des Commandeurs received BOMA 360 certification.
- 10 buildings received BOMA BEST® certification, including 1 platinum level and 1 gold level

BOMA BEST is the Canadian industry standard for commercial building sustainability, and platinum is the highest level of certification.

Reusing and recycling our residual waste

We've been managing residual waste at our main workplaces for many years. Our property management teams have rolled out the Récüp program to harmonize our approach to residual waste management.

2020 snapshot:

- During the COVID-19 pandemic, we purchased locally made, locally sourced compostable wipes from new suppliers in Quebec.
- 12 Desjardins locations received ICI on recycle+ accreditation.



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 (metric tons)	2020	2019	2018
Sent to landfills	945	2,403	2,260
Recycled or repurposed	1,985	3,179	3,809
Total residual waste	2,930	5,583	6,069
Recycling/recovery/composting ratio	68%	57%	63%

GRI 130-1 | 103-2 | 103-3 |

See the GRI index for a full description of our management approach for residual waste ([page 32](#)). To learn more about our LEED® and BOMA BEST® certifications, see [page 31](#) of the GRI index.



CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD REPORT)

We've been working to adhere to the principles of sustainable development for almost 30 years. During that time, we've given increasing consideration to sustainable development and environmental, social and governance (ESG) factors in our governance and operational practices. We've also participated in many international initiatives. For example, in 2017, we made a commitment to contribute to achieving the Paris Agreement's climate targets. In 2019, we became the first Canadian financial institution to sign the Principles for Responsible Banking (PRB), having earlier signed the Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI).

We support the [Task Force on Climate-related Financial Disclosures](#) (TCFD), with this year marking our third report based on the task force's recommendations. The report outlines our understanding and assessment of climate-related risks and challenges in 4 thematic areas: governance, strategy, risk management, and metrics and targets.



Overview

	Completed prior to 2020	2020 highlights	Upcoming activities and projects
Governance	<ul style="list-style-type: none"> Implemented a governance structure that includes supervision by the board of directors, the Corporate Governance and Responsible Finance Commission and the Risk Management Commission, and support from the Desjardins Group Management Committee through the ESG Steering Committee and Desjardins Group Finance and Risk Management Committee Updated the Desjardins Group Sustainable Development Policy 	<ul style="list-style-type: none"> Created 2 working groups on climate-related risk quantification and disclosure Increased climate change expertise Created action plans following a sustainable development audit by the Desjardins Group Monitoring Office Submitted a report on international trends in governance and sustainability to the Corporate Governance and Responsible Finance Commission and the board of directors for comment 	<ul style="list-style-type: none"> Including climate strategy in regular follow-up by governing bodies Implementing climate recommendations from the Desjardins Group Monitoring Office's report
Strategy	<ul style="list-style-type: none"> Identified climate-related risks and opportunities Conducted climate-related stress testing (property and casualty insurance) Participated in TCFD-PRI pilot project Set decarbonization targets for our own investments 	<ul style="list-style-type: none"> Updated our climate ambition Committed to divesting from coal and became the first financial institution in North America to join the Powering Past Coal Alliance Published exposure to carbon-intensive industries Participated in UNEP FI PSI-TCFD project (focus on flood risk in Canada) Surpassed our 2020 decarbonization target for our own investments (32% lower than the benchmark indexes, with an original target of 25% lower) Defined 4 climate scenarios 	<ul style="list-style-type: none"> Developing 5-year operational goals for our 2040 climate ambition Setting science-based targets (investing and lending activities) Further integrating climate scenarios into climate-related risk analysis
Risk management	<ul style="list-style-type: none"> Implemented a climate-related risk analysis process 	<ul style="list-style-type: none"> Updated the management approach for climate-related risk analysis Finetuned the methodology for climate-related risk analysis Worked to quantify climate-related risk with a focus on flood risk and financed GHG emissions 	<ul style="list-style-type: none"> Continuing to quantify risk Updating the risk statement in the environmental and social risk register to include climate-related risk
Metrics and targets	<ul style="list-style-type: none"> Introduced transition indicators (Green Program, renewable energy) Published our GHG statement (operations and real estate investments) and became carbon neutral in 2017 Set decarbonization targets for our own investments and our operations 	<ul style="list-style-type: none"> Joined the Partnership for Carbon Accounting Financials to better measure financed GHG emissions Published exposure to fossil fuels and renewables (credit risk) Surpassed 2020 decarbonization target for our own investments 	<ul style="list-style-type: none"> Measuring our financed emissions (investing and lending) Expanding our GHG statement to other indirect emissions (Scope 3) Implementing new science-based targets

Governance

Recommendation 1: Describe the board's oversight of climate-related risks and opportunities.

- Climate-related issues are supervised by the board of directors, with the support of the Corporate Governance and Responsible Finance Commission and the Risk Management Commission. Climate-related issues are regularly addressed by these bodies.
- The Corporate Governance and Responsible Finance Commission ensures that climate-related risks and opportunities are included in our climate strategy, which is implemented and monitored by the Desjardins Group Management Committee.

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 organization-wide climate strategy implementation. This includes identifying, assessing and managing climate-related risks and opportunities.
- The ESG Steering Committee is made up of 14 vice-presidents (see page 13) who represent our core business areas. The steering committee is supported by 2 cross-sector ESG working groups (representing our business sectors and support functions respectively) and by 2 working groups on climate-related risk quantification and disclosure. Our sustainable development and responsible finance team provides advisory services internally and welcomed 2 new climate change experts in 2020.

- In late 2019, the Desjardins Group Monitoring Office conducted an internal governance audit on how we operationalize sustainable development within our organization. Some of the recommendations have been integrated in our action plans for 2022 to give more consideration to climate-related issues (reporting, defining targets, training and more).



Desjardins Group's climate-related governance

Strategy

Recommendation 1: Describe the climate-related risks and opportunities the organization has identified.

Risks

- As part of the update to our risk analysis, we mapped out the risk factors that could have a significant impact on our business sectors, operations, members and clients over the short term (1 year), medium term (5 years) and long term (20 years).
- These risk factors may result in financial consequences for our organization and our members and clients. Certain assets may experience a loss in value or a loss of income or profitability that could cause the value of investments or a company's risk rating to drop.



				Desjardins sectors most likely to be affected				
Climate-related risk factors			Examples of affected sectors and populations (members and clients)	Investing	Lending	Property and casualty insurance	Life and health insurance	Operations
Physical risk	Chronic	Increase in average temperature	Real estate, vulnerable populations	•	•		•	•
		Changes in precipitation patterns	Extractive industries, agriculture	•	•	•		
		Rise in sea level	Infrastructure and buildings (coastal areas)					
		Drought	Agriculture and livestock farming, forest products		•			
		Deforestation	Forest products					
	Acute	Flooding, extreme precipitation and storms	Vulnerable populations, real estate, infrastructure	•	•	•	•	•
		Forest fires	Forest products, extractive industries	•	•	•		
Heatwaves		Vulnerable populations, construction, real estate, agriculture		•		•	•	
Transition risk	Political and legal	Price of carbon	Extractive industries, energy, transportation, manufacturing	•	•			
		Increased regulatory requirements	Transportation, extractive industries, energy, financial disclosure	•	•			•
		Liability exposure	Extractive industries, energy, transportation, automobile, financial disclosure	•	•			
	Reputational	Stigmatization of certain industries	Extractive industries, energy, transportation, agriculture and livestock farming	•	•			
		Market	Changes in consumer habits	Automobile, energy, agriculture and livestock farming	•	•		
	Access to capital		Energy, transportation, real estate	•	•			

Simplified mapping of climate-related risk. (Source: 2020 risk analysis; non-exhaustive list of affected sectors; work underway to determine the scope of repercussions on Desjardins Group's sectors.)

Our exposure to carbon-intensive industries¹ represents

0.7%
(\$2.3 billion)

of our credit risk exposure at default as at
December 31, 2020

¹ The percentage is calculated by dividing the exposure at default (EAD) for carbon-intensive industries (as defined by the TCFD: the Global Industry Classification Standard [GICS] energy and utilities sectors, excluding water utilities, independent power producers and renewable energy producers) by the total credit risk EAD. (See [Table 11 of the Additional financial information](#).) Repo-style transactions and over-the-counter derivatives are not included in the calculation.

- We've developed a roadmap to quantify the most significant climate-related risk factors. In 2020, we focused on flood risk (property and casualty insurance, mortgages) and transition risk (financing for carbon-intensive industries, financed GHG emissions). We currently have very little exposure to carbon-intensive industries. Less than 1% of our credit loss exposure at default (excluding repo-style transactions, over the counter derivatives and insurance portfolios) is tied to fossil fuel production or fossil fuel power plants.¹ A more detailed analysis of our lending to the electricity generation² industry shows that only 8% of the portfolio is fossil fuels.

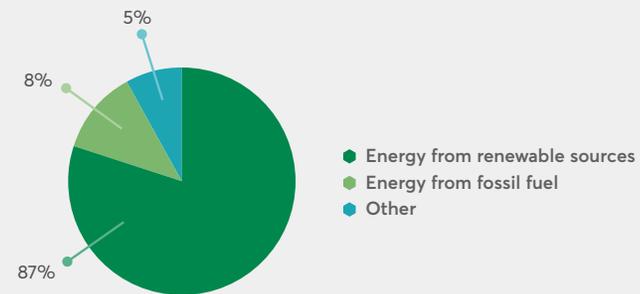
Opportunities

- In addition to increasing risks, climate change also provides opportunities for certain sectors of the economy and the institutions that work with them.
- We're actively participating in a just energy transition in a number of ways. We're developing a responsible finance offer (see the Responsible finance section on page 88), installing electric charging stations (see the Continuing to make climate action a priority section on page 34) and supporting a variety of initiatives and partnerships (see page 35).

- We're also helping our members and clients adapt to the serious consequences of climate change by doing things like developing better flood coverage and providing access to prevention measures, like Radar™ and Alert™. (See the Improving the member/client experience section on page 59.)

Our total exposure at default for electricity generation² was

\$962 million
as at December 31, 2020



² The percentage is calculated based on the exposure at default of companies in the electricity generation sector. Each company is weighted based on the amount of electricity produced (in GWh).

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 our organization's financial planning process and strategy.
- We're currently working on analyzing and quantifying climate-related risk to help us better understand the impact of climate change on our costs and operating income, investments, capital distribution, acquisitions, transfers, access to capital and more.
- We've integrated climate change into our strategy in a number of ways.
 - In 2020, we put a lot of work into defining our climate ambition, which we will officially announce in the first half of 2021.
 - Our climate ambition is backed by existing projects and strategies, such as setting decarbonization targets for our own investments and investments held by the Desjardins Group Pension Plan, making major investments in and offering financing to the renewable energy sector, integrating ESG criteria and committing to shareholder engagement. (See the Responsible finance section on page 82 and the [Report on Responsible Investment](#).)
 - While we believe in the importance of dialogue and engagement, we've made the decision to exclude companies in the thermal coal industry from our lending, investing and insurance activities, as explained in our position on coal. (See the Responsible finance section on page 83.) We further affirmed our position by joining the Powering Past Coal Alliance. We've also established decision-making guidelines for our



dealings with corporations in carbon-intensive industries and will support SMEs that are phasing out coal.

Recommendation 3: Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

- Many factors make it difficult to integrate climate change into the strategy of a financial institution like ours, including long time horizons, the multitude of physical and transition risks, complex causality links between climate and socioeconomic variables and the financial impact on our members, clients and business sectors, and the broad range of models and scenarios for what the future may hold.
- In order to coordinate the latest industry developments into a worldwide approach, we've participated in a number of pilot projects with the United Nations Environment Programme Finance Initiative (UNEP FI). In 2018–2019,

we took part in developing a scenario analysis tool for investments (transition scenarios for 1.5°C and 2°C), and in 2020 we helped develop a tool to assess the repercussions of flood risk on the property and casualty insurance industry based on 2 climate scenarios (Representative Concentration Pathways [RCPs] 4.5 and 8.5). We're now working on applying the initial results to other provinces and to our lending.

- With the help of an external firm, we defined 4 climate scenarios that will serve as the basis of our future analyses of the potential repercussions of climate change. These scenarios, listed below, represent a range of plausible future situations based on possible climate trajectories, with a focus on physical risks (business as usual) and transition risks (deep decarbonization). The scenarios reflect preliminary work done by the Bank of Canada¹ and the reference scenarios (Shared Socioeconomic Pathways [SSPs] 1 and 2; RCPs 2.6, 4.5 and 8.5).

Scenario	Deep decarbonization Delayed action	Deep decarbonization Immediate action	Partial decarbonization	Business as usual
Trajectory	Countries act to limit global warming to 2°C or less by 2100, but worldwide action is delayed, resulting in a disorganized transition .	Countries act to limit global warming to 2°C or less by 2100. As of 2020, worldwide action is organized and consistent with the climate targets of the Paris Agreement.	Countries act according to their pledges under the Paris Agreement. Their actions are not enough to limit warming to an additional 2°C by 2100.	No further action is taken to limit global warming. Emissions continue to rise.
Increase in global temperature by 2100	≤ 2°C	≤ 2°C	~ 3°C	≥ 4°C

¹ Bank of Canada. "Scenario Analysis and the Economic and Financial Risks from Climate Change". May 2020. [Staff Discussion Paper]. https://www.bankofcanada.ca/2020/05/staff-discussion-paper-2020-3/?_ga=2.58240493.63626514.1614085891-920217446.1614085891.

Risk management

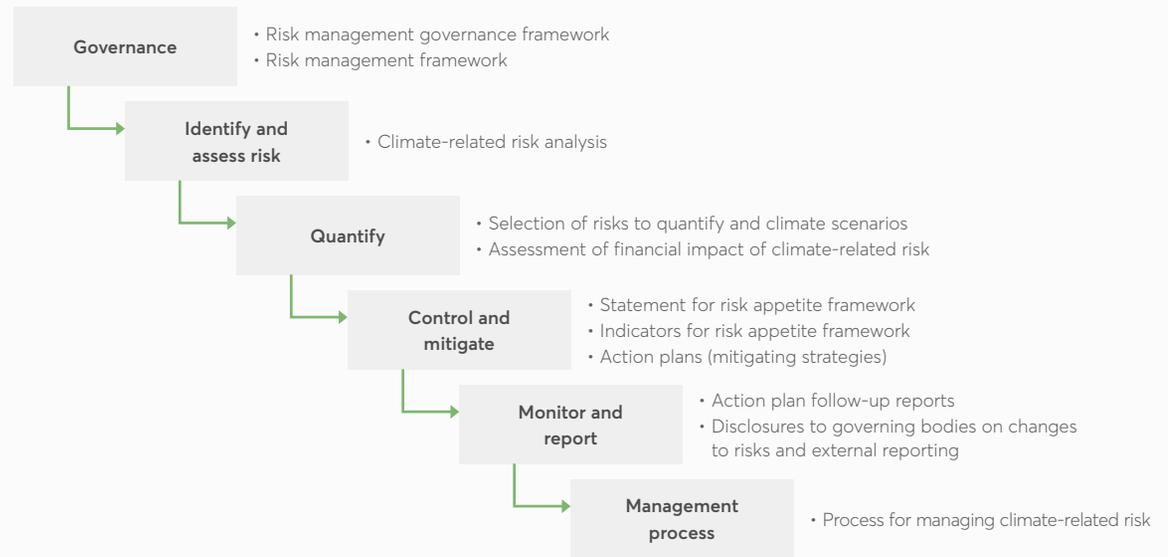
Recommendation 1: Describe the organization's processes for identifying and assessing climate-related risk.

- Short-, medium- and long-term climate-related risks are identified, assessed and managed through an organization-wide multidisciplinary framework. Designated people work with risk management, sustainable development and responsible finance teams. They're tasked with identifying potential risks specific to their business sector (lending, investing, insurance) or their operations. They also assess the risk level (low, moderate or high).
- We updated the methodology for climate-related risk analysis in 2020 to reflect the specific situation of each business sector and the potential repercussions on our members and clients.

Recommendation 2: Describe the organization's processes for managing climate-related risk.

- In 2020, we began reviewing the management approach for climate-related risk so that we can better integrate it into our existing risk management practices. The structure of our approach is shown at right.
- We started and finalized certain aspects of our approach in 2020, including governance, risk analysis, selection of relevant climate scenarios and quantification of the impact of certain risk factors. This work enabled us to strengthen the existing structure and preserve certain elements, such as the action plans underway.

Integrating climate-related risk into our existing risk management practices



- Following an assessment of climate-related risk, we establish action plans and an implementation schedule for measures to mitigate risk, where needed.
- Each year, the results of the climate-related risk analysis are presented to the Desjardins Group Finance and Risk Management Committee.



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 our future performance, so it’s considered an emerging risk and is followed up on quarterly by senior management.

Metrics and targets

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. Where relevant, the indicators and associated targets are included in executives’ and employees’ compensation structure.

Green shift

- Annual business volume of Green Program products and services (\$ millions).
- Cumulative volume of investment and financing in renewable energy (\$ millions).

Carbon footprint

- Carbon footprint of operational activities (metric tons of CO₂ equivalent and GHG / m²) (see the Environment section on page 37)
- Difference in carbon footprint of our own investments versus the benchmark indexes
- We use internal carbon pricing for certain large projects. The price is based on the amount spent to purchase carbon offsets. In 2018–2019, the price was \$13 per metric ton of CO₂ equivalent.

- We also track other indicators related to climate action and a just energy transition, like the percentage of our investments and financing in carbon-intensive industries and renewable energy and the amount of paper we use for our operations.
- In 2020, we joined the Partnership for Carbon Accounting Financials to adopt and promote an international standard for measuring the GHG emissions of our loans and investments. We’re working on estimating our financed emissions for the asset classes covered by the standard.



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 is listed on page 37.
- Since 2017, we’ve been purchasing certified carbon offsets for the GHG emissions reported in our annual GHG statement.

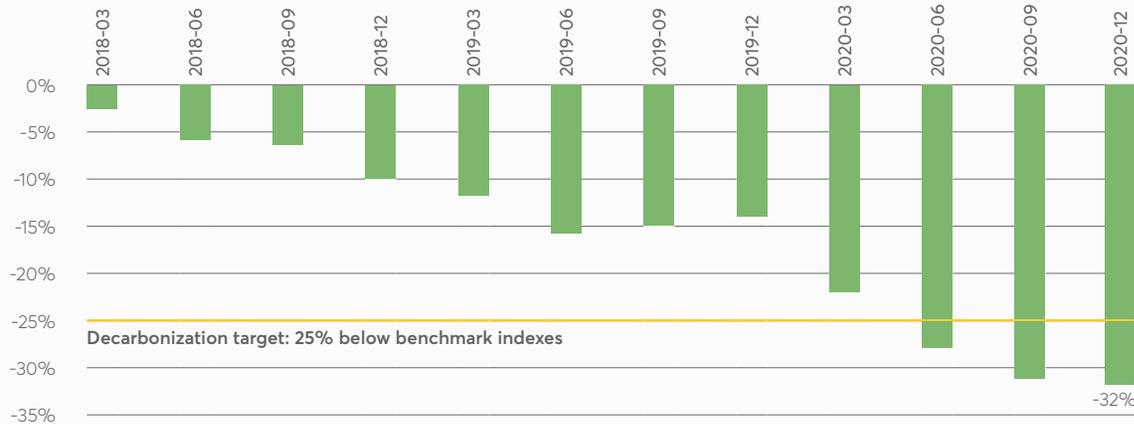
Recommendation 3: Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

- We've set a number of targets to effectively reduce our GHG emissions. (See table below.)

	Scope	Base year	Deadline	Target	Decrease in 2020
Emissions under operational control	Buildings, business travel and paper consumption	2018	2024	-20%	-46%
Paper consumption	Our own paper consumption	2018	2024	-32%	-44%
Weighted difference in carbon footprint of our investments versus benchmark indexes	Stocks and corporate bonds held in our own investments	-	2020	-25%	-32%

- In support of the Paris Agreement's climate targets, we set a decarbonization target designed to reduce the carbon intensity of our own investments to 25% below the benchmark indexes as at December 31, 2020. We not only achieved but surpassed this target, at 32% below the benchmark indexes.
- These targets remain in effect until we set new ones. Maintaining this level of performance will require constant work, as society—and the benchmark indexes representative of the economy—moves toward a lower-carbon economy. We'll set new science-based targets in 2021 as we begin working toward our long-term climate ambition.

Difference in carbon intensity of our own investments versus benchmark indexes





Social

Member/client experience 51

Socioeconomic leadership..... 69

Responsible finance..... 82

Diversity and inclusion..... 91

Employees..... 97



MEMBER/CLIENT EXPERIENCE

As part of a cooperative financial group, Desjardins employees are committed to always doing what's best for members and clients. Everyday, our employees put our members and clients first, empowering them financially and making sure they get the right advice, products and services. Throughout the COVID-19 pandemic, we've been there for our members and clients, supporting them with relief measures, products and services that meet their needs.

Protecting members and clients

Keeping our members, clients and employees safe

When governments across Canada introduced strict public health measures to slow the spread of COVID-19, our teams responded right away to keep employees, members and clients healthy while continuing to offer essential services.

GRI 103-1 | 103-2 | 103-3

See the GRI index for a full description of our management approach for the member/client experience ([page 34](#)).



Working from home: A major shift

To keep things running during the pandemic, 40,639 employees—more than 80% of our workforce—made the switch to working from home. We followed public health recommendations and enforced strict information security standards. We owe the success of this major shift of people and technology to our employees.

We also wanted to be sure our employees were properly and comfortably equipped for telework, so we created an employee allowance for ergonomic and IT equipment and accessories.

Keeping people safe on site

Nothing was overlooked at our sites to make sure we could keep our members, clients and employees safe. We installed plexiglass barriers and hand sanitizing stations, posted physical distancing signs, required masks, and more. To limit the spread of COVID-19, we temporarily closed some locations and reduced in-person business hours.

Raising the contactless payment limit

We were the first financial institution in Canada to raise the contactless payment limit for our debit and credit cards. We increased the limit from \$100 to \$250 for all purchases, meaning more of our members and clients could pay touch-free.

Speeding up automation

We reduced the need for in-person visits by automating a number of procedures for our members and clients (using online forms for things like direct deposit registration).

Our collaboration with the Canada Revenue Agency to set up direct deposit was recognized by the Honourable Anita Anand, Minister of Public Services and Procurement, in a letter to our president and CEO, Guy Cormier.

Promoting digital security

Security section on AccèsD

We created a new Security section on the AccèsD site and app so users can quickly and easily manage all their security settings in one place:

- Username
- Password
- Security questions
- Security image
- Verified devices
- 2-step verification

This section also gives users a snapshot of the security level of their account and 4 types of personalized recommendations to improve it.

Digital security tips

We created a [page with advice](#) that covers everything from recognizing phishing emails to sending *Interac* e-Transfers securely and protecting personal information. Members and clients can check it out for tips, tricks and tools to stay safe online.



Desjardins Identity Protection

All our members and clients are covered by [Desjardins Identity Protection](#), one of the best programs of its kind in Canada



Protection

Accounts and assets at Desjardins are fully protected against unauthorized transactions.



Support

If a member or client's identity is stolen, we can provide individual support through every step of the identity recovery process.



Reimbursement

If a member or client's identity is stolen, they may be reimbursed up to \$50,000 for certain expenses incurred to restore their identity, such as notary or attorney's fees and lost wages.



Equifax credit monitoring service

This credit monitoring service gives members and clients daily access to their credit report for 5 years and alerts them to key changes to their file. It also comes with identity theft insurance.



Relief and support measures

In March 2020, much of the Canadian economy shut down to slow the spread of COVID-19. We offered a wide range of relief measures to members and clients who were hardest hit by the pandemic.

We were one of 3 financial institutions in North America acknowledged by the United Nations in early April 2020 as a responsible institution during the COVID-19 pandemic.

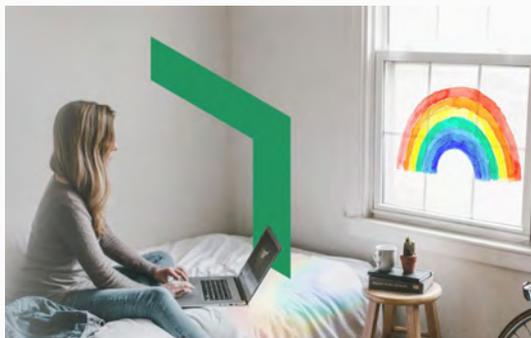
In a comprehensive study by Lanla, a leading Quebec marketing research firm, Quebecers recognized us as the financial institution that has best managed the COVID-19 crisis.



Our priority: Helping our members and clients

Lending a helping hand with relief measures

We proactively contacted members and clients who were eligible for relief measures, refunds and coverage like credit balance insurance that applies in the event of a job loss. We've been doing everything we can to help our members and clients weather the pandemic, using our digital platforms to share financial management advice for personal and business members from every age group.



For individuals

We received 308,295 requests from personal members for payment deferrals on credit cards, Accord D financing, loans and lines of credit.

We temporarily reduced the annual interest rate on credit cards to 10.9% for cardholders who received a payment deferral on a Desjardins financing product.

We introduced emergency loans of up to \$3,000 for members who were hardest hit by the pandemic.

We also refunded fees for members who went over the number of transactions included in their plans through September 2020.

For young people

We offer a psychological support and legal advice hotline for members and clients ages 18 to 30.

We extended fee-free plans for students who turned 26, the maximum age for their plan.

For insurance clients

Since most Canadians were driving much less and auto insurance claims dropped significantly, Desjardins Insurance decided to refund over \$155 million to auto insurance policyholders across Canada.

We offered relief measures on insurance premium payments for people who experienced financial hardship due to COVID-19.

We gave Multi-Trip Annual Insurance policyholders who weren't able to travel much due to the pandemic a 33% refund on their premiums. In total, we refunded \$3.3 million to more than 22,000 travel insurance policyholders.

We added several other measures to help our members and clients navigate the impacts of the COVID-19 pandemic, such as increasing the coverage limit for teleworkers, temporarily relaxing vehicle storage rules and adding payment flexibility.

For seniors

The pandemic has been a very isolating time for the elderly. They're not always familiar with our online services, they may have a hard time getting around and they may be cut off from the support they usually receive from their loved ones. We wanted to do something to help them through this time.

Providing a priority phone line and personalized support for seniors

Members ages 70 and up who call 1-800-CAISSES don't have to wait as long to speak with an advisor and get help with their financial transactions.

Teaching digital tools

The pandemic meant we needed to prioritize online transactions and remote meetings. Since more than half of seniors ages 65 and up have a computer or tablet, we prepared some short videos to help them learn how to manage their personal finances online. These [tutorials](#) explain how to use the AccèsD site and app.

Preventing financial abuse

The pandemic really shone a light on the challenges and limitations facing people in vulnerable situations, and in response, we developed several measures to support them. In particular, we focused on promoting the In [Charge of Your Life and Your Property program](#) to help prevent fraud and financial abuse, which are more frequent in isolating circumstances.

Since 2005, caisses have teamed up with community organizations for projects like the In Charge of Your Life and Your Property program to help identify and prevent financial abuse of people in vulnerable situations, including our elderly members and clients.



United against financial elder abuse

Video summary (1 min 15 s)

Financial abuse of the elderly is unfortunately all too common, and it's a legitimate concern. And that's why supporting our senior members is a top priority.

For businesses

When many businesses were ordered to close, we created **special relief measures for business owners** to help small- and medium-sized businesses—the heart of our economy—get back to focusing on growth.

- Financing: Temporary changes to line of credit terms, moratorium on principal payments across all industries, fast-tracked approval and refinancing for certain loans
- Credit cards: Payment deferrals and temporary reduced annual interest rate of 10.9% for cardholders who received a payment deferral on a Desjardins financing product
 - In 2020, we received 33,900 requests from business members and clients for payment deferrals on credit cards, Accord D financing, loans and lines of credit.
- Automation of government program applications (including the Canada Emergency Business Account, the Concerted Temporary Action Program for Businesses from Investissement Quebec and the Business Credit Availability Program from Export Development Canada) to quickly process 120,247 requests representing over \$4.1 billion in funding (as at December 31)

- Rollout of Fundica, a unique, powerful, free search engine to help businesses find grants, tax credits and loan guarantees from 250 assistance programs, including grants supporting the transition to a greener economy
- Personalized support and advice from our frontline employees, who took specific training to advise entrepreneurs on bouncing back after COVID-19
- Business matchmaking to help companies connect and survive the pandemic (such as through mergers and acquisitions or identifying new suppliers and sales opportunities)
- Development of an internal tool for downgraded credit risk ratings due to COVID-19 to personalize reviews based on individual circumstances, compared to across-the-board reviews for entire sectors at the majority of financial institutions
- Moratorium on principal payments, moratorium on principal payments with capitalized interest and deferred management fees for Desjardins Capital Management Inc.'s partner businesses affected by the pandemic to give them some additional leeway
- Negotiation of an agreement with our partner Medisys to set up a telemedicine program for all our business members
- Negotiation of an employee and manager assistance program with a generous mental health support component for all our business members with our partner Optima Global Health

For employers with employee group insurance plans

- Flexible or deferred contract renewals and a 30-day extension on the grace period for premium payments
- Reimbursement of some dental insurance premiums
- Options to maintain benefits in the event of a temporary layoff or unpaid leave, whether or not the clause was originally part of the contract
- Addition of new services and support measures to help employees prioritize their well-being and that of their loved ones, including:
 - Publication of health information about COVID-19 to help people take better care of themselves and their families

- Support service for employees and their dependents to help them through this difficult time: free access to 4 hours of counselling online or by phone (whether the group plan offers the service or not)
- Expanded list of virtual care providers, with 12 additional counsellors, therapists and healthcare professionals
- 4-month extension on drugs up for renewal between March 30 and June 30, 2020
- Promotion of online services to avoid any delays caused by slowdowns or interruptions in the postal service





Improving the member/client experience

Empowering members and clients with a streamlined online experience

New online options for mortgages

- **Renewing mortgages**

As of 2020, eligible members can [renew their mortgage online](#) up to 120 days before their renewal date.

This innovative omnichannel experience is available through the AccèsD site, mortgage financing advisors via the AccèsD hotline and our staff in the caisse network.

When they choose to renew online, members get a personalized interest rate and access to a simulator to calculate which repayment scenario lets them pay the least interest.

- **New prepayment feature**

Members can now make extra payments toward the principal of a closed mortgage online. This new feature—which was already an option on open mortgages and auto and leisure vehicle loans—helps empower members to manage their finances and reduce the amount of interest they'll need to pay.

More ways to manage credit cards

We added a number of new features for credit cardholders to help people save time, stress less, feel more secure and manage their finances more easily.

- **Locking and unlocking credit cards**

Cardholders can lock their credit card with just one click if it's lost or stolen, quickly blocking fraudulent transactions. And if they find their card, it's just as easy to unlock it.

- **Replacing a lost or stolen card**

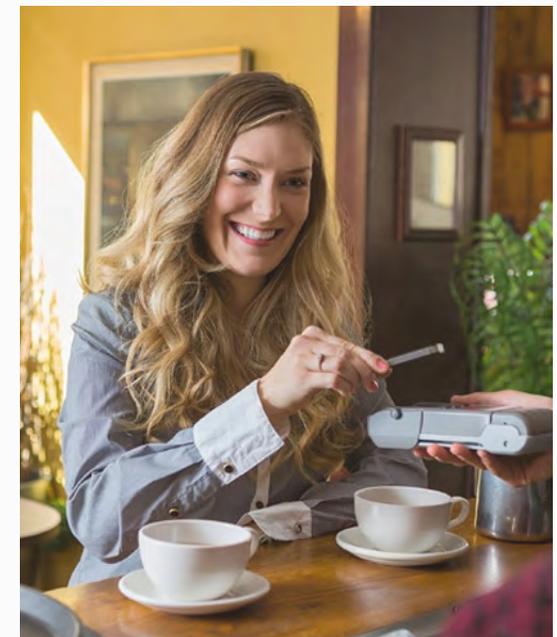
No need to call us to replace a card anymore—requesting a new one online is quick and easy.

- **Cancelling card payments**

Cardholders can now cancel payments on credit cards from Desjardins and other financial institutions on the same day they make the payment.

- **Paying credit cards**

To avoid interest on late payments, the minimum payment and full balance from the last statement are clearly posted so cardholders can choose what they want to pay in just one click.





Simplifying insurance claims

• Travel insurance

Pandemic-related restrictions took a big toll on the travel industry in 2020, and we responded by quickly rolling out virtual solutions to speed up the claims process for our travel insurance policyholders.

- New express option for cancelling trips paid for before March 13, 2020
- Option to download claim forms and fill them in electronically, eliminating the need to print and sign them
- Ability to submit claim forms and supporting documents in electronic format
- Ability to send a photo of a void cheque to set up direct deposit

• Property and casualty insurance

In 2020, we completed nearly 10,000 vehicle damage appraisals using our photo-based estimate feature, saving our policyholders a trip to the auto body shop. We also added new features so clients can track their home insurance claims online.



Saving time

Introducing virtual wait times in call centres

We rolled out a virtual wait time feature for call centres that gives members the option to be called back so they don't have to wait on the phone, while keeping their place in the queue.

Streamlining the credit granting process

We streamlined how we process credit applications for members. If they meet certain conditions, their financing is granted in 5 days or less.

The International Institute of Business Analysis awarded the top Grand Recognition of Achievement in Analysis and Leadership award to the Desjardins team that developed this innovation.

Simplifying individual insurance claims

• Express processing for life insurance claims \$10,000 and under

When the beneficiaries are legal heirs, claims can be processed very quickly online, without documents, providing peace of mind for grieving loved ones.

• Appointing a single contact person

We decided to appoint a single contact person to process a member or client's entire individual insurance claim (life, health or disability), which has greatly reduced turnaround times.

For members who want to improve their money management

Non-sufficient funds (NSF) alerts

Members who have signed up for NSF alerts will be notified if they issue a cheque and don't have enough money in their personal chequing account to cover the payment, saving them frustration and extra fees.

New Flexi credit card

In June 2020, we launched the Flexi credit card, which features a low interest rate and no annual fee. With the COVID-19 pandemic causing financial hardship for many members and clients, we moved up the launch date so more people could benefit from the low rates sooner.

For insurance clients who want great coverage

An app that looks out for our members and clients and their property

We developed the Desjardins Insurance Home-Auto app for our members and clients with features like Alert™, Radar™, and Ajusto®.

With Alert, policyholders get a free water and freeze detector for their home that sends alerts to their smartphone so they can limit damage. With Radar, policyholders get a notification when severe weather is in the area so they can prevent damage to their home and property. Extreme weather is becoming more common with climate change, so we're helping protect people and their property.

With Ajusto, drivers get feedback sent right to their smartphone, which helps them improve their driving and make the roads safer.

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

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

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

For business members who want to grow their businesses

Interac e-Transfers for businesses

The *Interac* e-Transfer feature in AccèsD Affaires is a quick, easy solution to managing cashflow that doesn't require handling cash or cheques or making trips in-person.

Passive investment income impact calculator

Advisors can use this tool to show business members how tax changes affect investment income to help them make the best possible decisions.

Exclusive advantages for members

For personal members

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

- 17 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, with more added all the time.
- 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 11 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.



Improving the member/client experience

We're keenly focused on the member/client experience. We're working to improve this experience on all channels members and clients use to do business with us, whether online or in person, in Quebec, Ontario or anywhere else.

Satisfaction surveys

In 2020, we assessed over 100 types of interactions across all our channels and business segments through satisfaction surveys. Over 500,000 members and clients shared their feedback with us by answering our 5 new standard questions. Managers then contacted over 35,000 members and clients to hear more about their recent interactions with us. 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 improve the experience of members and clients across the organization.

Training on sound commercial practices is available to caisse network employees and the teams that support them.



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See the GRI index for a full description of our management approach for the member/client experience ([page 34](#))



Convenient services and expertise

An extended network in Quebec and Ontario

In Quebec and Ontario, members have access to:



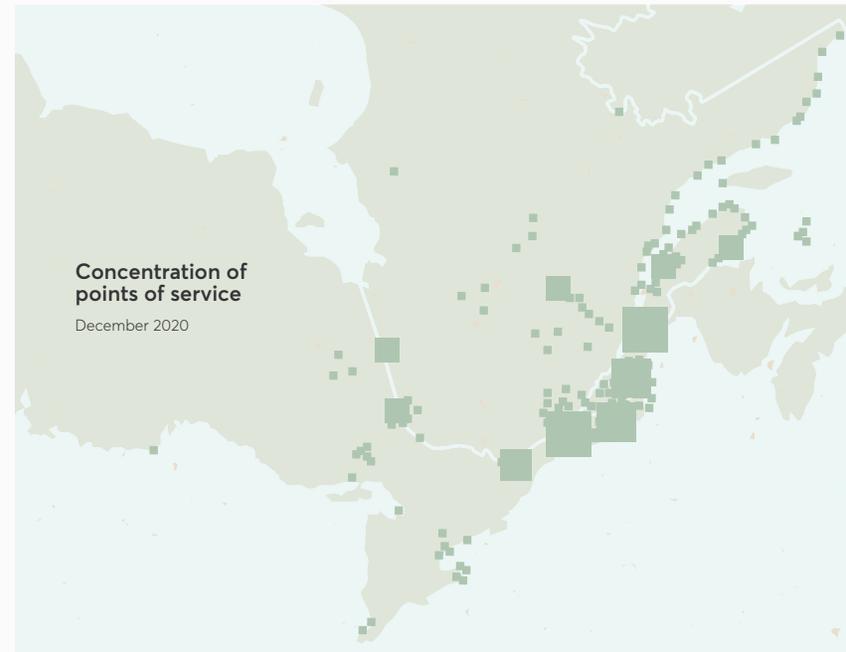
On January 1, 2020, the Ontario caisses merged to better serve their members and communities.

The new Desjardins Ontario Credit Union has 48 locations, 64 ATMs and 6 agencies in northwestern Ontario.

We have a branch in the heart of Toronto's financial district that 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.

In November 2020, we negotiated an agreement so members can make withdrawals free of charge at over 2,000 ATMs in the AccuLink network—over 450 of which are in Ontario.

Members also have access to 26 points of service and 26 ATMs with no *Interac* fees through our agreement with Caisse Alliance in Ontario.





Serving sparsely populated regions

In 2020, we operated a total of 851 points of service, including caisse head offices, service centres (in Quebec), branches (in Ontario) and complementary network centres. In Quebec, 183 of these points of service—23% 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.

Staying close to our members and clients

At Desjardins, we take steps to ensure that members and clients in remote regions and members and clients 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 training
- Installation of computers 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

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' and clients' ever-changing needs. In 2020, members carried out 1.28 billion financial transactions on AccèsD and the Desjardins mobile services app, 27% more than the year before. Teller and ATM transactions dropped by 41% and 32%, respectively. In Quebec, Desjardins has more ATMs than any other financial institution.

As at December 31, 2020, 219 caisses offered telephone service from 6:00 a.m. to midnight, 7 days a week. Our members can call for 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.

Other ways we're making it easier to access our products and services

- 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 features will become available throughout 2021.
- 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 Desjardins websites, mobile apps and public content subject to the *Accessibility for Ontarians with Disabilities Act* to meet W3C's Level 2.0 AA Web Content Accessibility Guidelines.

Meeting all kinds of needs

Desjardins 360^d

Desjardins 360^d 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 university campuses. When schools switched to online learning, we pivoted to find ways to still be there for young members. We ended up running over 200 webinars, activities and contests, attracting over 9,000 participants.

Mobile branches

Our mobile branches are another innovative way members can do business with us. We've transformed 2 buses into modern, welcoming financial service centres on wheels. Our environmentally friendly mobile branches are powered by built-in solar panels and run on biodiesel.

Our mobile branches were off the road for most of 2020 due to the pandemic, but they were in use at the start of the year and for part of the summer to provide services for members during caisse renovations and closures.

Signature Service

Signature Service assists members who have complex financial needs. In 2020, we added 2 new offices, the Abitibi-Témiscamingue et Nord-du-Québec office and the Lévis-Lotbinière-Bellechasse office, to our already established locations. We also started to transition Signature Service to the Investment Industry Regulatory Organization of Canada regulatory platform to round out our investment lineup.

Online Business Centre

Our Online Business Centre is there for our business members when they need it. From 8:00 a.m. to 8:00 p.m. on weekdays and 8:00 a.m. to 4:00 p.m. on weekends, we help make life easier for businesses by providing phone and online support for day-to-day financial management, financing, savings and insurance products. We also provide advice for startups and growing businesses about grants, microcredit and government programs.

Desjardins at the Montreal-Trudeau airport

Whether they need expert advice or a last-minute opinion, we're there for members and clients at the Montreal-Trudeau airport. Our relationship managers provide financial advice in several languages with or without an appointment, and our employees working at the kiosk answer impromptu questions before international trips. Plus, the Desjardins Odyssey Lounge is a great place for travellers to relax before their flight.

In 2020, Desjardins squads greeted seasonal workers at the airport in Spanish, helping them open accounts to deposit their Canadian pay and activate their debit cards. By welcoming these workers, our squads helped them prepare to start work at our agricultural businesses while contributing to their financial empowerment from their first day on Canadian soil.



Services available outside Quebec and Ontario thanks to intercooperation

In the rest of Canada

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 through:

- Over 1,500 advisors and representatives in our affiliate networks, including Desjardins Financial Security Independent Network and Desjardins Financial Security Investments, as well as over 450 Desjardins Agents
- 65 points of service and 94 ATMs in Manitoba (Caisse Financial Group) and New Brunswick (UNI Financial Cooperation)

Jointly owned by Desjardins (50% stake) and a partnership of provincial credit union centrals and The Co-operators (through CUMIS) (50% stake), Aviso Wealth is one of Canada's leading independent integrated financial services firms. It provides Canadian credit unions and other independent financial organizations with a host of wealth management solutions.

We also have a 99.87% 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 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 2020, it opened over 1,800 new accounts.

On social media

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



28,500 followers



334,000 followers



158,000 followers



19,000 followers

All caisses use Facebook to communicate with their members and get their input. Each week, over **1.1 million** people view Desjardins's Facebook posts.

Education that supports financial empowerment

At Desjardins, financial literacy has always been central to our mission. We help design and deliver financial and cooperative education programs for members, clients, individuals and communities. In 2020, we invested \$7 million in programs to foster healthy financial habits, financial wellness and financial empowerment.

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See the GRI index for a full description of our management approach for education and cooperation ([page 34](#)).

For adults

The basics of stock market trading

Broker@ge 18-30 is an exclusive offer by Desjardins Online Brokerage that teaches 18- to 30-year-olds, especially those interested in investing in the stock market, about the importance of managing their finances. In 2020, 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.

Each year, Desjardins Online Brokerage puts on over 250 events to help members and clients boost their investing IQ and make informed investment decisions.

Co-op Week – Your partner in financial wellness

In 2020, we celebrated our cooperative nature through online financial literacy initiatives. This is just one of the ways we did what's best for our members and clients and empowered them financially.

We ran 5 webinars that touched on a variety of topics:

- Desjardins Dialogues: Rebuilding for a better tomorrow
- Responsible investment: A driver for change
- Financial education without borders
- Budgeting: Tips and tricks
- United against financial elder abuse

The webinars were a hit! Financial education without borders, which was organized by Développement international Desjardins, was attended by some 700 participants from over 30 countries.

We also created a new online escape room that tied in with Desjardins's 120th anniversary celebrations. Players travelled back in time to learn more about important moments in Desjardins's history.

Desjardins caisses teamed up with program partners to offer online Personal Finance: I'm in Charge!® sessions for young people ages 16 to 25.

A financial literacy campaign for our English-speaking members and clients

We produced a series of videos with Jessica Moorhouse, a money expert and financial literacy advocate in Ontario. Our goal is to provide our English-speaking members and clients with helpful content that explores a variety of topics, including how to adjust your budget if your financial situation changes, how to build an emergency fund, and how to invest responsibly (and if it means sacrificing returns).

2020 was the 10th anniversary of Financial Literacy Month in Canada, and we wanted to help actively promote financial empowerment for all Canadians. During the month of November, we shared some videos on social media where personal finance expert Angela Iermieri interviewed well-known public figures like Winston Sih, Jennifer Valentyne and Natasha Sharma.



Financial empowerment and well-being zone

We're proud to work with our health partners, Heart & Stroke and the Canadian Cancer Society, to provide helpful advice and support tools. The [Financial empowerment and well-being zone](#) is open to everyone and encourages people to adopt healthy habits and take control of their finances.

Expanding our online education lineup

In the Financial Wellness Centre on the group retirement savings website, plan members can check their nest egg and find the resources they need. We recently added new content to the site, including a video called "[COVID-19 and your blue savings plan](#)" to help reassure and support plan members.

Keeping members in the know with our personal finance newsletter

Nearly 1.9 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 participating caisses and Desjardins Business centres can include local information in their newsletters for members.

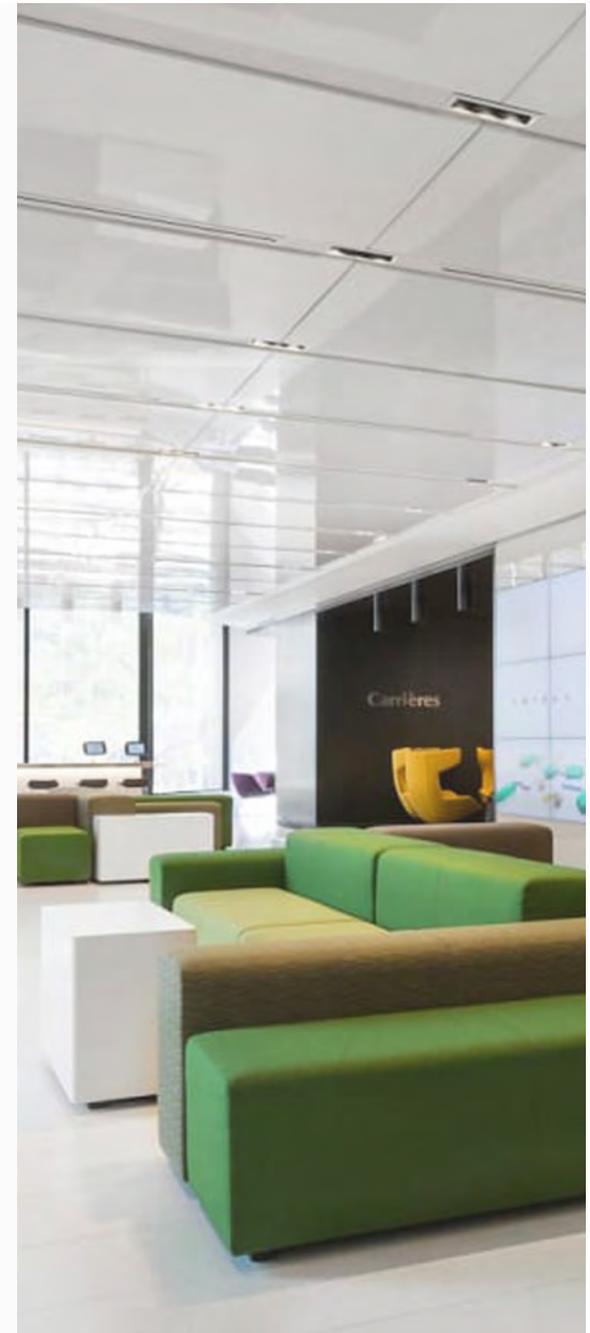
[Subscribe to the newsletter or check out our personal finance advice](#)

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

For 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 blog posts featuring info and tips on home, auto and business insurance.

Espace Desjardins

Espace Desjardins in Complexe Desjardins in Montreal showcases our cooperative financial group. Since it opened in 2014, Espace Desjardins has welcomed over 50,000 visitors. The modern, high-tech space has an outstanding team dedicated to providing visitors with a unique experience. Espace Desjardins staff can talk to visitors about Desjardins's presence, innovations, history, engagement and socioeconomic leadership. In 2020, we updated the Espace Desjardins multimedia tools and launched online workshops.





For entrepreneurs

Providing tools and advice to entrepreneurs

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

We provide all kinds of assistance to entrepreneurs. They 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.

Our website 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 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 some 30 years of experience operating out of 40 offices in over 50 countries.

Encouraging young people to go into business

We joined forces with 2 other finance leaders to launch *Devenir Entrepreneur*, a major campaign that aims to inspire young people to start a business and help them get their business off the ground. The campaign's website, www.devenirentrepreneur.com/en, is a great resource for anyone who wants to know more about starting their own business.

Introducing entrepreneurship at an early age

For 21 years, we've been working with OSEntreprendre 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 volunteers from the business community. We partnered with this organization to present *Soirée Mtl inc.*, a fundraiser that showcases young entrepreneurs and connects them with influential members of the business community.

The Desjardins Foundation announced its support for Youth Fusion's initiatives to introduce school-aged children to the world of entrepreneurship. The organization seeks to motivate at-risk youth to excel and is present in more than 220 schools in urban, rural and Indigenous communities in Quebec and Ontario.

Mentoring young entrepreneurs

[Adopt Inc.](#) is a mentorship program open to all Quebec entrepreneurs ages 18 to 39 who have started their own business. The selected entrepreneurs receive financial support, mentoring and training for one year. In 2020, we mentored 2 young entrepreneurs: Cynthia Savard, founder of ORAKI, and Philip Oigny, founder of Kartus. [ORAKI](#) is fully committed to ecologically sustainable development and makes all of its clothing out of recycled plastic bottles. [Kartus](#) creates specialized wheelchairs for outdoor and sports activities.

This experience can change everything for an entrepreneur, as former mentee Céline Juppeau, designer, business owner and founder of [Kotmo](#), can attest (video in French only).

Supporting the next generation of farmers

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.

For immigrants

Teams and locations helping immigrants get settled

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 comes in. We also have 13 caisses and service centres that cater to cultural communities (e.g., Italian, Portuguese and Ukrainian). In addition, we've developed online training to help newcomers learn how Quebec's financial system works.



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.

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

Quebec Immigration and Integration Fair

For the ninth year in a row, we took part in the Quebec Immigration and Integration Fair, which was held online in 2020. We participated in 3 areas (Travailler au Québec, Entreprendre au Québec, and S'installer et s'intégrer au Québec) and hosted 2 online conferences about real estate and entrepreneurship.

Online conferences

Over 700 newcomers participated in 12 webinars on topics like:

- The basics of the Canadian banking system
- How to buy property as a newcomer
- Saving for retirement
- Saving for your kids' education
- Information on recent immigration measures



SOCIOECONOMIC LEADERSHIP

We believe in economic development that respects both people and the environment and that benefits both present and future generations. Our caisses have always been drivers of economic and social development, promoting financial literacy to help individuals and communities take charge of their futures.

At Desjardins, we're committed to enriching the lives of members and communities. We help build sustainable and responsible national and regional economies. We've developed tools and programs to help us fulfill our mission nationwide, and caisses can tailor them to their local communities.

Direct economic impacts

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.



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See the GRI index for a full description of our management approach for economic performance ([page 24](#)).

Direct economic value generated and distributed

Desjardins (\$ millions)	2020	2019	2018
Operating income	18,399	17,862	16,583
Total income	21,473	20,757	17,312
Non-interest expense	8,297	8,032	7,509
Salaries	3,101	2,970	2,836
Fringe benefits	777	676	571
Member dividends	330	317	253
Remuneration on capital stock	210	211	425
Income taxes on surplus earnings	661	651	536
Indirect taxes	1,491	1,434	1,383
Donations and sponsorships	72	87	94
Reserves and undistributed surplus earnings	23,190	21,311	19,569

We also operate client relations centres in several Quebec cities:

- Online Business Centre and Accès Desjardins – Granby: 350 employees work at the Carrefour de la coopération serving individuals and businesses
- Accès Desjardins – Trois-Rivières: 525 employees work in 2 call centres serving individuals and businesses
- Student Advisory Centre – Gaspé: 80 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



Socioeconomic recovery

GoodSpark Fund

The GoodSpark Fund is a flagship initiative to jump-start regional development and socioeconomic recovery. We've committed to invest \$250 million from 2016 to 2024 in community projects that have the potential to shape our society. Our goal is to support initiatives in Quebec and Ontario that address key community priorities, such as employment, economic vitality, education and the environment.

As at December 31, 2020, we had committed a total of \$123 million to support 530 initiatives benefiting members, communities and regions.



Initiatives approved in 2020 by sector	2020 (%)
Employment and workforce	7
Entrepreneurship and business succession	44
Economic excellence and innovation hubs	4
Local services and housing	0
Education and training	7
Sports, recreation, arts, culture and tourism	19
Humanitarian work and civic engagement	5
Environment	7
Health and healthy lifestyles	7
Total	100%

2020 key projects

The GoodSpark Fund supports many initiatives in Quebec and Ontario:

- L'Univers innovant prepares young people for the jobs of tomorrow and makes sure our future leaders have the knowledge and skills they need to thrive in the continually changing fields of science and technology. With help from school staff and businesses specializing in the transfer of knowledge, the program promotes youth development, education and innovation in the Bas-Saint-Laurent region of Quebec.
- Through Expérience Québec VAOLO, explorers share their experiences to promote local tourism. The program encourages travellers to visit Quebec destinations to help regional economies bounce back.
- Lanaudière will be home to Quebec's first education museum. Thanks to a collaborative online platform, the general public will be able to discover, through virtual exhibits and learning activities, how education has evolved in Quebec over the years.
- A new crisis centre specializing in suicide prevention will be opening in Abitibi so community members can get in-person support from specialized resources whenever they need it.
- The Centre national intégré du manufacturier intelligent will be set up on UQTR's Drummondville campus. The centre will focus on education, research and manufacturing productivity.
- CANOtogo's goal is to get more Montrealers to do takeout without the waste. Members can borrow reusable smart cups and containers.
- The Pôle d'excellence de l'industrie des systèmes électroniques du Québec in Bromont stimulates economic development in Quebec by motivating and guiding the province's electronic systems stakeholders.

Taking projects to the next level

As part of our commitment to supporting people and communities, we chose 9 of the projects that have received funding to date and gave them the chance to win an additional \$100,000. The projects were divided into 3 categories (youth, sustainable development and entrepreneurship), and the general public voted for the winner of each category last fall. The winners were announced on television last December.



AgrÉcoles



La Mouche Rose



Groupe TAQ

Winner in the youth category: AgrÉcoles

Mission

AgrÉcoles helps students learn about the farm-to-fork food production cycle through in-class learning and field trips. Giving kids the opportunity to explore their environment helps them make healthier lifestyle choices and understand the delicate balance that exists in our ecosystem.

Goal

To roll out AgrÉcoles in schools across the province so that kids can learn more about the food production process and become advocates for the environment.

Winner in the sustainable development category: La Mouche Rose

Mission

La Mouche Rose offers an alternative to highly toxic insecticides by raising and releasing sterile, pink-tinted flies that mate with wild onion flies. This cross-breeding helps to gradually reduce wild fly populations and prevent them from decimating dry and green onion crops. This solution is safer not only for the environment but also for the health of onion farmers and their communities.

Goal

To contribute to a healthier environment across Canada by raising and exporting genetically engineered onion and cabbage flies to be used as an alternative to chemical pesticides.

Winner in the entrepreneurship category: Groupe TAQ

Mission

Groupe TAQ is a social economy enterprise that provides good, stable jobs to people with disabilities. Its factory employs over 300 people, most of whom have functional limitations.

Goal

To launch the Ma Serre à moi project in the Quebec City area to give the community access to fresh, locally grown fruits and vegetables and to give people with functional limitations the chance to thrive and succeed at work.

La Ruche supported by Desjardins

We invested \$1.2 million and partnered with La Ruche to launch La Ruche supported by Desjardins. This online crowdfunding platform helps socioeconomic stakeholders and the general public support group and entrepreneurial projects.

Our goal is to make La Ruche part of our approach to supporting business members and community organizations. Right now, 23 caisses, 3 Desjardins Business centres, the Online Business Centre and economic business partners are involved in a pilot project. With their support, we can help entrepreneurial projects get off the ground and stay in business for a long time to come.

This online ecosystem supports projects that will boost regional economies, visibility and vitality in Quebec.

La Ruche supported by Desjardins by the numbers (from August 24 to December 31, 2020):

\$4,027,688 crowdfunded	\$3,236,654 in additional funding	30,969 contributors	195 contributors per campaign on average
\$130 average contribution	511 projects created	170 online projects	159 projects reached their goal

Pay It Forward

To encourage consumers to buy local, foster community solidarity and help local organizations, we rolled out Pay It Forward on La Ruche supported by Desjardins. Through this innovative program, consumers helped support local organizations by buying gift cards from local merchants or making donations to fundraising campaigns.

We committed to matching the dollar amount of all gift cards purchased and donations made, up to \$25,000 per fundraising campaign. Over the course of the program, 78 crowdfunding campaigns were launched on La Ruche.

- We gave a total of \$2.5 million to more than 200 local organizations and over 2,000 merchants
- 26,500 individual contributors supported local businesses, for a direct socioeconomic impact of more than \$10 million

This innovative program helped boost local economies through civic involvement.

Double Your Impact: \$2.4 million raised to fight hunger

Because donations couldn't be collected in person during the pandemic, we needed to find new ways to get food on the table for the growing number of families in need. With our partner La Ruche, we set up online crowdfunding to support local fundraising initiatives. A total of 53 fundraising drives (media, Society of Saint Vincent de Paul and others) benefited from this crowdfunding.

To encourage people to give more and donate online, we doubled the contributions made on La Ruche. With the support of the caisses, we increased our initial commitment of \$1 million by 20% to match the exceptional generosity of donors. Desjardins and donors contributed a total of \$2.4 million to organizations that help fight hunger.

Online tour for economic recovery

We partnered with the Fédération des chambres de commerce du Québec (FCCQ) to launch the En Mouvement pour la relance socioéconomique tour. In fall 2020, close to 130 chambers of commerce from across Quebec met online with community stakeholders to find ways for local economies to bounce back. To help business owners make informed decisions about their company's future, the FCCQ and Desjardins published the results of the regional assessments that were conducted. Desjardins economists also prepared local economic outlooks using sector-based data for the regions in question.

Momentum Fund: \$10 million over 2 years to support growth of small and medium businesses

We announced that we'd be donating \$10 million over 2 years to help business owners get back on their feet and protect jobs impacted by the pandemic. To meet the growing needs of businesses during the COVID-19 crisis, we added 4 new project categories. Businesses can now apply for financial support under these 9 categories: innovation, business succession planning, access to foreign markets, investment in talent, investment in energy-savings equipment, digital transformation, ergonomics and physical distancing, psychological support and business model transformation.

In 2020, we provided \$3.5 million to Quebec and Ontario businesses by granting up to \$10,000 in non-repayable funding to 570 businesses to support their projects.

Grants for small businesses in Ontario, Western Canada and Atlantic Canada

We recently launched GoodSpark Small Business Grants to help drive socioeconomic recovery in the midst of the pandemic. Through this program, we're able to give a financial boost to small businesses in Ontario, Western Canada and Atlantic Canada where we operate.

In November, agents in the Desjardins Agent Network and advisors in the Desjardins Financial Security Independent Network nominated small businesses in their communities that could use a helping hand. Those selected will receive financial backing of up to \$10,000, depending on the severity of the challenges they're facing.

The program will also offer local advertising support and pair MBA students with small businesses. Participating students will be able to put their knowledge and skills into practice for their selected business and will also be compensated for their efforts.

Partnership with École d'Entrepreneurship de Beauce and SPB/Skillable

To keep the various programs at École d'Entrepreneurship de Beauce (EEB) up and running, we helped develop and roll out a learning path called S'équiper pour rebondir for business owners who needed help bouncing back. SPB psychologists, EEB coaches and Desjardins experts provided online support through a platform developed by Skillable.





Support for online sales

We teamed up with Global Payments and votresite.ca to offer free training (in French only) on how to set up an online store. Business owners were able to learn the ins and outs of running a business online and using digital marketing to their advantage.

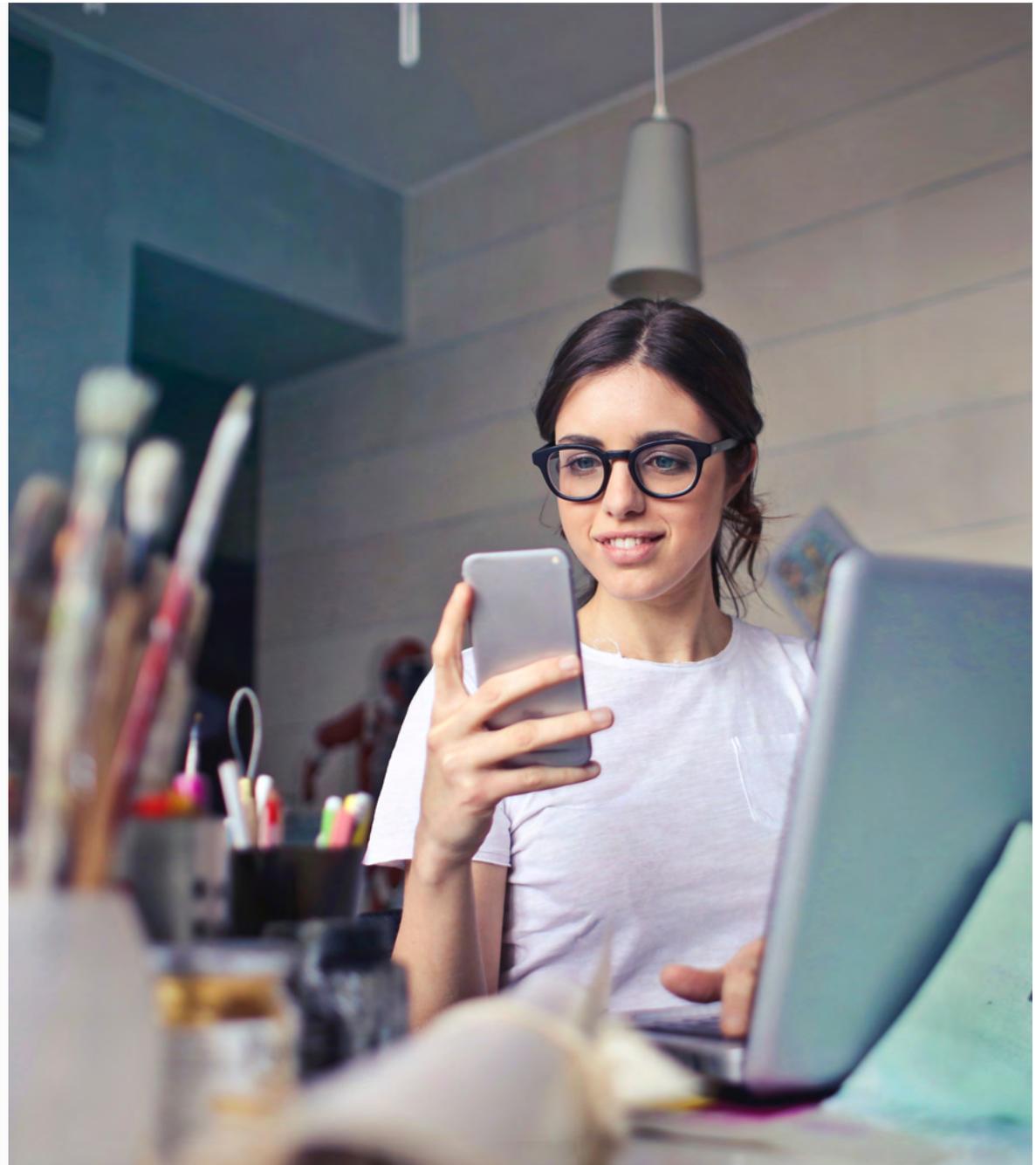
More online support

Sometimes our business members and clients need more than just financial support. That's why we've partnered with Inno-centre, a subsidized consulting firm. Members and clients can book time with professionals and business owners from this firm to get helpful advice.

Turning sponsorships into donations

In addition to offering our partners a wide array of relief measures, we upheld our commitments to them, even offering additional support to organizations that help people in need. In many cases, we turned sponsorships into donations, helping to ensure the survival of events that will inject life back into our communities when better days return.

- Fondation du CHU de Québec (Bal des Grands romantiques)
- Fondation du Musée national des beaux-arts du Québec (Gala)
- Fondation Madeli-Aide
- CFER Network (Réseau québécois des Centres de Formation en Entreprise et Récupération)
- Montreal Heart Institute Foundation (Grand Bal des Vins-Cœur)





Support for local economies

Catalogue 100 % membres

We launched the Catalogue 100 % membres, an online tool that helps Desjardins entities and employees support our business members. The catalogue features a range of 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. In addition to boosting sales, the catalogue helps business members forge ties with our 48,930 employees, who feel invested in the success of local businesses.

New eat-fresh-and-local app

Quebec farmers play a key role in putting food on everyone's table. The Mangeons local plus que jamais! app (in French only) is a natural extension of the eat-fresh-and-local movement. We hope this new app will encourage more people to get on board with the trend. The app helps consumers find farmers, farmers' markets and agri-food processors across Quebec.

Road Trip contest to support business members

We created a 100% Members/Tourism catalogue for employees to support businesses in the tourism, hospitality and entertainment sectors, which were deeply affected by the pandemic.

We also held a contest to encourage employees to visit our 840 business members. During the contest, employees visited more than 300 Quebec and Ontario businesses. The contest boosted local economies by helping businesses stay afloat and protecting jobs.

A helping hand for restaurants

Last fall, we added restaurants to our BONUSDOLLARS rewards categories. Within the first week, 75% of the BONUSDOLLARS redeemed were in this new category. It's just one more way we're helping businesses make it through the pandemic.



Indirect economic impacts

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.

Injecting capital to help regions and cooperatives grow

In Quebec, Desjardins Capital Management Inc.'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



As at December 31, 2020, we had committed \$1.5 billion to 551 businesses, cooperatives and funds. This includes \$959 million for 409 businesses that are based somewhere other than Montreal or Quebec City and \$214 million for 31 cooperatives. And since 2014, we've committed over \$196.7 million to regional county municipalities in economic decline.

Funds associated with Desjardins Capital Management Inc. include:

- Capital régional et coopératif Desjardins, a public fund with over 109,000 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 Inc.'s economic impact in Quebec (\$ millions)

Development capital investments at cost	1,046
Investments at cost in cooperatives or other businesses located in resource regions	329
Development capital investments at cost in regional county municipalities in economic decline (since 2014)	196.7

GRI 103-1 | 103-2 | 103-3

See the GRI index for a full description of our management approach for indirect economic impacts ([page 25](#)).



Innovation challenges for a better world

Cooperathon

The Cooperathon is the brainchild of the Desjardins Lab and its partners. As the largest open innovation challenge in Canada, it aims to have maximum social impact.

Because of the pandemic, the 2020 Cooperathon had to completely reinvent itself. Participants, mentors and partners had to go digital, and recruitment and the launch were done online.

The fifth annual Cooperathon brought together a record 1,551 participants working on 224 projects that really made a difference in 9 Canadian provinces and territories. Participants could choose one of a dozen challenges to work on. The challenges focused on the promotion of discussion and reciprocity between young people and seniors, the adoption of energy efficient solutions, the accessibility of cultural content, financial empowerment and telemedicine. Over \$150,000 in prizes and grants were awarded.

During the Cooperathon, participants develop innovative solutions to support the United Nations Sustainable Development Goals. The event showcases the importance of diversity and inclusion as a source of innovation.

TwinGen won the Desjardins challenge on how seniors and youth can share knowledge and experiences on an ongoing basis to mutually help each other. Their digital platform connects seniors and young people for knowledge sharing and mutual assistance.

Post-COVID Challenge

Together with Google and Bonjour Startup Montréal, our Cooperathon team helped organize another innovation challenge that ran from May 1 to June 2. As part of this open innovation challenge, Quebecers were invited to brainstorm to find innovative solutions to the new realities we're facing because of the COVID-19 crisis. Participants could choose from a number of challenges, including one proposed by Desjardins to find ways to be there for seniors while social distancing measures are in place. The Health Care Challenge winner, Portail Résidences, is an online platform for private seniors residences in Quebec. The platform combines technology, innovation and support to help seniors and their families find the best place for them to live.

Desjardins Disaster Relief Fund

The Desjardins Disaster Relief Fund provides emergency financial support 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. It's available to help:

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





Educating to prevent injury, illness and death

Our investment in road safety

We invest in road safety to help reduce collisions and prevent injuries and fatalities on our roads.

- Through longstanding partnerships with organizations like Parachute and the Traffic Injury Research Foundation we promote education and awareness of road safety issues (dangers of distracted and impaired driving) and new vehicle safety technologies.
- Because motor vehicle collisions are the leading cause of death in young people ages 16 to 19, we support Parachute's National Teen Driver Safety Week.
- Desjardins is also a partner of Operation Red Nose and arrive alive DRIVE SOBER®, both of which are committed to eradicating impaired driving.

Access to cognitive behavioural therapy

Access to mental healthcare isn't just a news headline; it's a social issue, particularly during the pandemic. Plan members whose contract includes supplementary healthcare, a health spending account or an employee assistance program have access to internet-delivered cognitive behavioural therapy (iCBT).

Cognitive behavioural therapy (CBT) is the most studied and clinically proven psychotherapy treatment. Many therapists use it to treat mental health disorders like depression, anxiety and insomnia. CBT care plans are now available online (iCBT), making this type of therapy more practical:

- Support from an authorized mental health professional
- Access on smartphones, tablets and computers via secure messaging
- Personalized care featuring a treatment plan, therapeutic exercises and information modules

Innovative partnership with Les Impatients

Desjardins was the first to team up with Les Impatients to offer plan members the possibility of attending creative workshops. Founded in 1992, Les Impatients helps people with mental health challenges express themselves through art. This organization offers creative workshops and shares the art created in their workshops with the public.

According to a recent study, 87% of people who attended this type of workshop saw an improvement in their health, and 66% said they made fewer trips to the hospital.

Promoting the health benefits of art is just one way we help our plan members get well again.

Obesity Canada and Desjardins Insurance partner for the health of Canadians

Today, 1 in 4 adults and 1 in 10 children in Canada are obese, which increases their risk of developing diabetes, high blood pressure and high cholesterol. According to a recent study by the Canadian Cancer Society, obesity will soon be the second leading cause of cancer after smoking. Associations such as the World Health Organization consider obesity a chronic illness caused by environmental, genetic, lifestyle and other factors. Deeply ingrained weight bias often translates into significant inequities in employment, healthcare and education.

Desjardins Insurance is the first insurance and employee benefits provider to join Obesity Canada's FOCUS partnership program. The goal of the program is to raise funds for obesity research, education and awareness-raising initiatives.

We also rolled out the Healthy Way to a Healthy Weight program for group insurance plan members. The program's unique approach goes straight to the source, tackling several factors at once, to help plan members manage their weight in a realistic and sustainable way.

Responsible and inclusive procurement

Responsible procurement

At Desjardins, we believe that the future of our communities depends on practices and products that encourage sustainable development and responsible consumption. For us, procurement is more than simply acquiring goods and services. It's a strategic process that's based on many principles: using resources responsibly, incorporating environmental, social and governance factors into all procurement processes and adopting the 5Rs (rethink, reduce, reuse, recycle and repurpose). 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 use the BNQ 21000 self-evaluation checklist to continually improve our approach to responsible procurement. In 2020, we adopted a new responsible procurement rule based on our procurement policy. Regardless of the nature or value of the goods or services being purchased, our goal is to ensure that procurement decisions follow sound financial management principles and incorporate sustainability considerations.

Winning practices

We took part in the Sustainable Procurement Barometer 2020—an Espace québécois de concertation sur les pratiques responsables initiative—to see if our responsible procurement performance had improved over the last 4 years. We advanced from level 3 (progress) in 2016 to level 4 (maturity) in 2020, a sign that our responsible procurement practices are getting better with time. The average level of all 142 participating organizations is 2 (commitment).



Inclusive procurement

In 2017, we signed a statement of commitment to the Conseil d'économie sociale de l'île de Montréal's L'économie sociale: j'achète! initiative. Last year we issued a request for proposals when our biggest contract—cleaning services for the Montréal Tower—came up for renewal. [Axia Services](#), a social economy enterprise, won the bid based on the merits of its proposal.

We wanted to make our supply chain more inclusive, so in 2020 we started laying the groundwork for the supplier diversity program we'll be rolling out. One of the program's goals is to encourage equitable procurement of goods and services from diverse suppliers.¹

To learn more about diversity and inclusion at Desjardins, see the Diversity and inclusion section (page 91).

¹ Social economy enterprises or companies that are at least 51% owned, operated and controlled by either women, members of the LGBTQ+ community, members of a visible minority group, members of an Indigenous community, people with disabilities, veterans or young people under 35.



103-1 | 103-2 | 103-3

See the GRI index for a full description of our management approach for procurement ([page 26](#)).

Local purchasing

As a socioeconomic leader, we give priority to goods and services that are located as close as possible to our physical locations, provided that all other competitive bidding conditions have been met. In 2020, we purchased \$2 billion in products and services from 2,080 suppliers, most of which are based in Canada.

Breakdown of purchases made by Desjardins in 2020

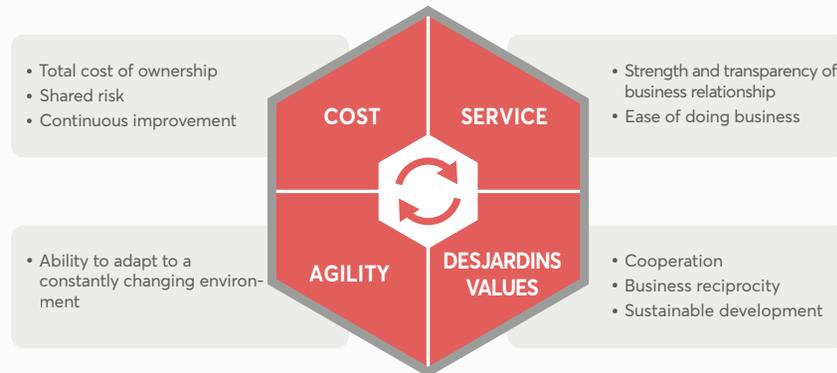
(excluding claims and purchases made with Visa cards and by the caisse network)



Supplier ESG performance

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've standardized our supplier sustainability and social responsibility assessments. All our suppliers now have to answer a questionnaire that covers 3 areas:

1. Environmental criteria (E)
2. Social criteria (S)
3. Governance criteria (G)

Based on the answers, we assign each supplier an ESG score. We consider this score, along with factors based on our cooperative and sustainability values, in their overall assessment.

In 2020, we assessed the sustainability of 294 suppliers and purchased over \$1.16 billion in products and services from them. Since standardizing this process in 2016, we've assessed more businesses every year using our standard sustainability criteria.

	2020	2019	2018
Suppliers assessed	14% (294 out of 2,080)	11% (242 out of 2,280)	8% (208 out of 2,494)
Products and services purchased from assessed suppliers	58% (\$1.16 billion out of \$2 billion)	50% (\$895 million out of \$1.8 billion)	47% (\$800 million out of \$1.7 billion)





RESPONSIBLE FINANCE

As a cooperative financial group, our purpose is to enrich the lives of people and communities.

We do this by being mindful of environmental, social and governance (ESG) factors in our business decisions, by offering solidarity-based and inclusive finance programs, and by providing responsible products and services that meet our members' and clients' financial needs.

Incorporating ESG criteria in our decisions

We follow our sustainable development policy and the recommendations of our ESG Steering Committee to incorporate ESG factors into our operations. We've also taken strong positions on certain industries, as noted in our report.

Sustainable development policy

As we do every 5 years, we updated our sustainable development policy in 2020, making ESG criteria even more central to our practices. For the first time, we adapted the policy to include our caisses. This move will help us take a more unified approach to sustainable development at the local level, in keeping with our goals. Caisses received the policy in early June 2020 and are now in the process of adopting it.

As at December 31, 2020, the policy had been adopted by 159 caisses out of 219 (73%). Our goal for 2021 is to have all caisses adopt the policy.

Links to our [Desjardins Group](#) and [caisse \(in French only\)](#) sustainable development policies

See the GRI index for a full description of our sustainable development policies and standards (page 38).

ESG positions

In 2018, we reviewed our position on certain industries in order to divest from those that no longer fit with our sustainable development goals.

Tobacco

Tobacco and vaping products are harmful to both consumer health and the environment. We therefore decided to stop investing in these industries and became one of the first organizations in North America to sign the Tobacco-Free Finance Pledge. The pledge was developed in collaboration with the United Nations Environment Programme Finance Initiative to support global anti-tobacco efforts.



Non-conventional weapons

We exclude certain weapons subject to international treaties, such as anti-personnel mines; cluster munitions; nuclear, biological and chemical weapons; and weapons of mass destruction.

For other defence and security products, services and players, we conduct a case-by-case analysis mindful of the potential for military, security or police equipment to be misused, as well as the risk of corruption and diversion.



Coal

In 2020, we upheld our commitment to divest from the coal sector and became the first financial institution in North America to join the Powering Past Coal Alliance. Promoted by Canada, the UK and the United Nations, this coalition of businesses, governments and organizations is working to accelerate the phase-out of unabated coal power.



We committed to divesting from coal, while providing support on an exceptional basis to companies in the industry with a clear and firm plan to transition from coal to renewable energy in line with Intergovernmental Panel on Climate Change (IPCC) Guidelines (by 2030 for OECD countries) and [our own position on coal](#).

In December 2020, Reclaim Finance reported that we'd adopted one of the world's most robust coal exit policies—and the most robust in North America.

"It's a little big bang across the Atlantic. Desjardins has just adopted a coal policy far superior to those of its Canadian and North American competitors. The Canadian [financial institution] becomes the second non-French financial institution to have adopted a robust coal policy and the 17th internationally."

– Yann Louvel, Policy Analyst at Reclaim Finance, December 2020

[Read Reclaim Finance's full analysis of our position on coal.](#)

We monitor the application of our positions through quarterly reporting on our exposure, as shown in the table below.

Exposure to sectors on which we have a stated position

	Coal	Tobacco	Non-conventional weapons
Share of our investments ¹	0.1%	0.01%	0.02%
Share of our financing ²	< 0.01%	< 0.01%	–

¹ The residual exposure in our investments is chiefly due to indexes, which makes it difficult to exclude certain securities (regulatory and cost issues). Our teams are looking at ways to reduce our exposure to these sectors through passive management.

² The share of our financing is calculated by dividing loan commitments to companies in excluded sectors by our total financing.

Criteria:

Coal: Exclusion of companies operating or developing coal mines, companies with greater than 10% (or 5 GW) installed coal power generation capacity, and companies building, extending or renovating coal mines, power plants or infrastructure. We may work with companies that have announced a coal phase-out strategy in line with IPCC Guidelines, which call for a complete coal phase-out by 2030 for OECD countries and 2040 for the rest of the world. (See our position on coal.)

Tobacco: Exclusion of major cigarette manufacturers, vaping oil and liquid producers, tobacco producers and specialized distributors.

Non-conventional weapons: Exclusion of manufacturers of weapons subject to international treaties, such as anti-personnel mines; cluster munitions; nuclear, biological and chemical weapons; and weapons of mass destruction.

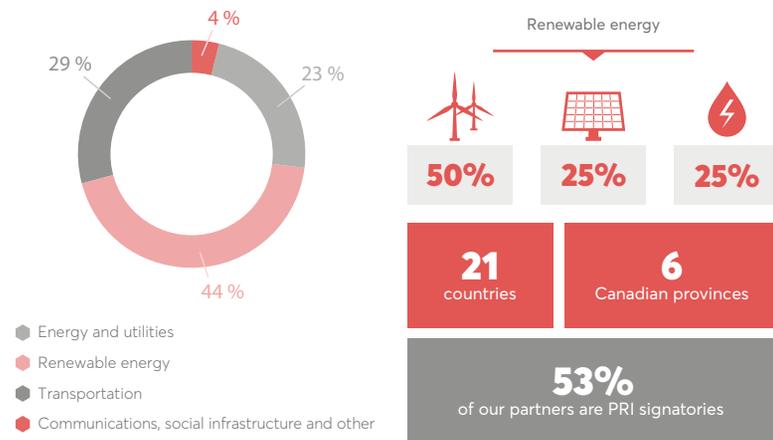
Incorporating ESG criteria in our infrastructure portfolios

For the infrastructure sector, we combine ESG analysis with traditional risk diversification and return strategies targeting stable and predictable long-term cash flow. Weightings and scores are assigned to ESG criteria, which then influence the analysis of each co-investment infrastructure project and the selection of external managers for indirect investments.

We work with external partners to manage high-quality infrastructure investment portfolios for our partners and clients. Together with the Desjardins Group Pension Plan (DGPP), we have an infrastructure portfolio valued at approximately \$2.8 billion as at September 30, 2020.³ Our investments in the renewable energy sector total more than \$1.2 billion, or 44% of our infrastructure portfolio. Our portfolio includes 58 assets held jointly with strategic partners.

In 2020, the DGPP and Desjardins Financial Security made their first direct acquisition in the United States, becoming a shareholder in 4 wind farms and a solar farm under construction. The DGPP also entered the renewable energy sector in Asia, acquiring a minority interest in a 376 MW offshore wind farm.

Breakdown of renewable energy investments



³ The complete year-end data for private infrastructure investments used in this report isn't available until approximately 90 days after December 31. The most recent complete data available is as at September 30, 2020.

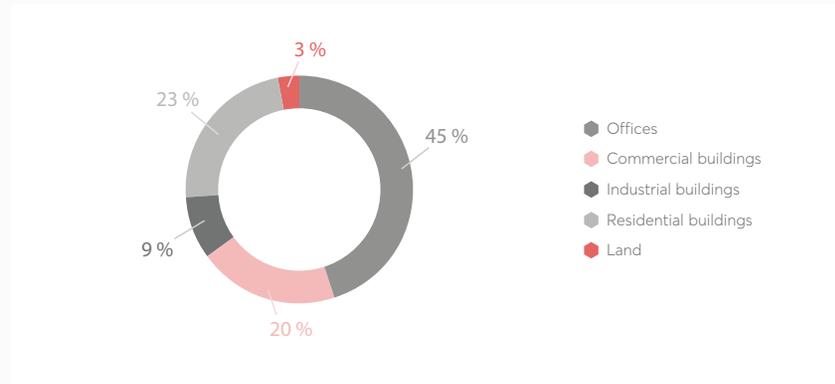
Assets subject to positive and negative environmental or social screening

As at December 31, 2020, we'd screened the equivalent of \$110.9 billion in assets against ESG criteria.

Incorporating ESG criteria in our real estate investments

Since 2018, Desjardins Global Asset Management (DGAM) has gradually incorporated ESG criteria into its real estate investment practices, including its real estate acquisition and development strategy and all stages of the asset management process with its partners and clients. DGAM invests in a broad range of funds and properties.

Breakdown by asset class as at December 31, 2020:



- An ESG governance committee is responsible for implementing an ESG strategy for DGAM's real estate investments.
- In 2019, DGAM set a goal to get BOMA BEST® or LEED® building certifications for 100% of its buildings by 2023. To be certified, buildings must meet criteria such as sustainable site development, energy efficiency and effective health and safety management.
- DGAM uses Measurabl to measure and track the ESG performance of its buildings according to set targets.
- DGAM participates in the annual Global Real Estate Sustainability Benchmark (GRESB) Assessment for real estate assets and infrastructure. In 2020, DGAM received a special mention from GRESB for improving its score by 4% in a year when most other participants saw their scores drop.

Carbon-neutral real estate portfolio (as at December 31, 2020)

75% of portfolio certified	4% improvement in GRESB score
--------------------------------------	--------------------------------------------

Solidarity-based finance programs

Through strategic partnerships with community organizations, we continued to expand our solidarity-based finance programs across Quebec and Ontario.

In 2020, we invested \$13 million in these programs. More than 95% of caisses offer at least one solidarity-based financing product.

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 literacy and budget counselling.

In 2020, the Desjardins Mutual Assistance Fund provided financial guidance and support to 14,820 people. This figure includes everyone who took part in individual or group financial education activities.

Following the first lockdown, caisses and their partners quickly shifted to providing budget counselling remotely. In 2020, most budget counselling was done by phone or video conference.

Desjardins Mutual Assistance Fund	2020	2019	2018
Caisse participation rate	77%	76%	76%
Number of people supported	8,732	10,096	10,528
Number of loans	376	614	683
Total loan amount	\$250,000	\$409,000	\$453,782

Créavenir Youth Entrepreneurship Program

The [Créavenir Youth Entrepreneurship Program](#) is a financing program that supports young entrepreneurs by providing business startup grants and loans with no collateral required. The program also has a financial education component, and mentoring is provided by local partners with business startup expertise.

2020 snapshot:

- \$1,805,000 in financial support for 132 projects
- Value of projects supported: \$10,453,000
- 278 jobs created or maintained

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

Créavenir Youth Entrepreneurship Program	2020	2019	2018
Caisse participation rate	90.0%	67.0%	53.5%
Total loans	\$1,805,000	\$1,599,997	\$1 262,047
Total grants	\$378,243	\$382,791	\$345,669



(In French only)

Desjardins Microcredit to Businesses

The [Desjardins Microcredit to Businesses program](#) helps entrepreneurs and self-employed workers without access to traditional credit get business advice and flexible non-traditional financing they can afford.

Run in partnership with 14 organizations from the MicroEntreprendre network, the program is designed to help:

- Micro-entrepreneurs and self-employed workers who have little or no access to traditional credit
- Newcomers to Canada who need help getting their startup off the ground

2020 snapshot:

- 802 entrepreneurs (106 businesses) supported
- \$6,670 in average financing
- 186 jobs created or maintained
- 91% repayment rate
- Value of projects supported: \$4,129,000

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

Desjardins Microcredit to Businesses	2020	2019	2018
Caisse participation rate	70%	61%	62%
Total loans	\$686,900	\$900,685	\$832,572

In 2020, we invested \$9.2 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 around the globe

Inclusive finance offered worldwide

In 2020, Développement international Desjardins (DID) celebrated its 50th anniversary. For half a century, DID has been sharing Desjardins's experience and expertise with developing and emerging countries. Operating in some 30 countries around the world, DID supports its partners in all facets of inclusive finance. This year, DID also made climate risk a bigger focus of its business support operations.



Contribution to the development of inclusive finance institutions in developing and emerging countries¹

	2020	2019	2018
Number of members and clients at partner institutions	- ²	17,565,810	15,800,652
Savings volume at these institutions	- ²	\$9,328M	\$3,980M
Outstanding credit volume	- ²	\$10,895M	\$4,853M

¹ Data includes institutions that received technical support from DID and institutions that received a loan or investment through DID's investment subsidiary.

² Data for 2020 will not be collected and compiled until June 30, 2021, which, for many of the financial institutions involved, is the regulatory deadline to file their audited results.

Investment funds for developing and emerging countries

Through the Partnership Fund and Desjardins Fund for Inclusive Finance, DID and its subsidiary FONIDI Management support 11 inclusive financial institutions in 10 countries, as well as 2 investment funds that benefit more than 1 million clients and their families.

Aequitas: A \$50 million social impact fund

In 2020, we teamed up with DID to establish the Aequitas investment fund to promote gender equality, combat climate change and contribute to other United Nations Sustainable Development Goals through financial inclusion in developing countries. We provided \$50 million in startup capital for the fund.





Providing secure financial services to marginalized people

The inclusive finance institutions that DID works with have over 5,000 points of service, many of them located in rural or marginalized areas. This network gives 17.6 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 branch
- Financial literacy programs to help people better understand and use financial services

In 2020, DID worked to support people in developing countries through a number of projects funded by Global Affairs Canada and other partners.

In Colombia, DID promoted financial literacy and inclusion among thousands of farmers through PASAC, a project supporting the agricultural financial system.

In Haiti, through the PANSEH program, DID directly supported economic growth by helping foster investment, productivity and job creation in micro, small and medium-sized enterprises.

In Senegal, DID helped boost the employability of local youth in an area of the country facing high unemployment rates through a youth employment and skills program.



Our Green Program for consumers and businesses

To support our members, clients and communities in a just energy transition, we offer a number of incentives for consumers and businesses.

Green homes

We encourage our members and clients to invest in environmentally friendly homes. With our Green Homes Program, anyone who purchases a green new build or makes green renovations is 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

With a Desjardins Auto Loan with the Green Option, members and clients can buy a new hybrid or electric vehicle at a competitive fixed interest rate. Depending on the province, they may also qualify for a discount on their auto insurance. More than 55 new hybrid and electric models are eligible for our exclusive financing rate.

Discounts for environmentally friendly commercial vehicles and buildings

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.

New responsible investment solutions

A unique approach to responsible investment

Responsible investment (RI) products are designed for investors who are looking for attractive return potential and the opportunity to support companies that are committed to sustainability and social responsibility.

We offer more than 40 responsible investment product options, making us a responsible investment leader in Canada. As at December 31, 2020, we had almost \$7.4 billion in RI assets under management.

To learn more:

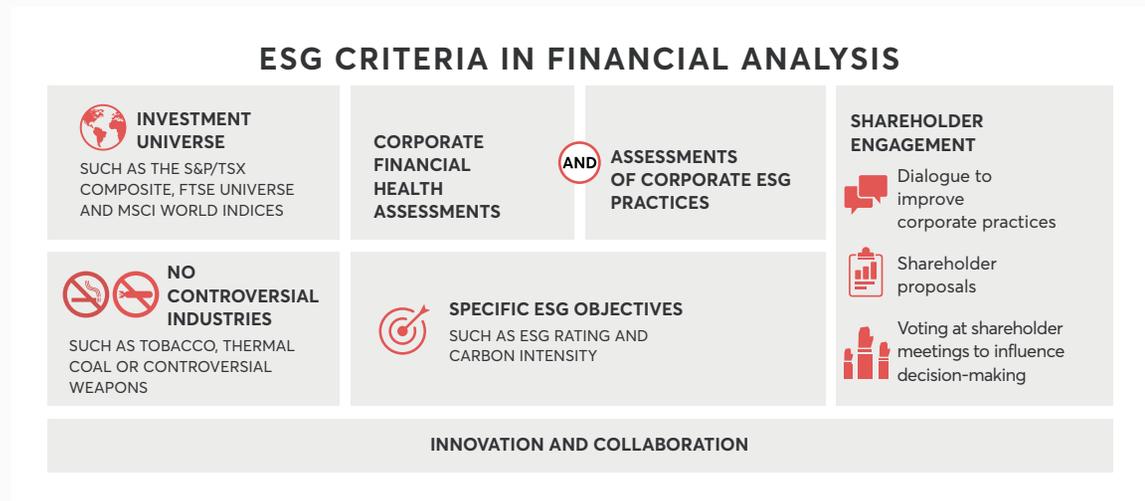
- [Responsible investing, a lever for change](#)
- [Understanding responsible investing](#)
- [What is responsible investing](#)

Principles for Responsible Investment (PRI) annual disclosures:

- [Desjardins Global Asset Management Inc.](#)
- [Desjardins Investments Inc.](#)
- [Développement international Desjardins](#)

Carefully selected companies

When developing responsible investment solutions, we put selected companies through a rigorous ESG review and in-depth financial analysis and exclude any controversial sectors. We believe that a company that cares as much about its ESG policies as it does about its financial performance is better equipped to meet the challenges of the global economy.



Shareholder engagement

We've also chosen to engage with companies in which we have stocks or bonds through dialogue and shareholder voting. Our components publish detailed reports about this each year.

To learn more about our policies on the exercise of proxy voting rights:

- [Desjardins Global Asset Management](#)
- [Desjardins Funds](#)

A wide range of solutions

SocieTerra funds and portfolios

Desjardins Investments offers products from issuing entities (public corporations, governments, etc.) that incorporate socially responsible and environmentally friendly practices. Before being included in a SocieTerra fund or portfolio, companies are subject to a rigorous analysis of ESG factors, in addition to the usual financial criteria.

2020 snapshot:

- **29%** of Desjardins Funds unitholders now hold SocieTerra funds or portfolios, up from **24%** in 2019.
- In the last year, our members and clients have invested more than **\$1 billion** in SocieTerra funds and portfolios, for a total of more than **\$5 billion** in assets under management, up **45%** over the previous year.

Desjardins SocieTerra Diversity Fund

In March 2020, we added a sixth profile to our SocieTerra portfolios with the launch of the Desjardins SocieTerra Diversity Fund. The fund invests in companies that have made a strong and demonstrable commitment to women’s representation, with at least 30% female representation on their board of directors and 15% on their management committee. It’s the first actively managed global equity mutual fund in Canada to focus on increasing gender diversity.

Sustainable Water Management Guaranteed Investment

We added the Sustainable Water Management Guaranteed Investment to our responsible investment lineup. This investment offers exposure to the utilities and industrial sectors that provide the infrastructure, technology, equipment and materials needed to efficiently and sustainably develop our water resources.

Desjardins RI Developed Markets ETF

In May 2020, we added the Desjardins RI Developed ex-USA ex-Canada – Low CO2 Index ETF to our lineup. The fund primarily invests in large and mid-cap companies from the Scientific Beta developed markets universe. The goal is to deliver a significant reduction in the weighted average carbon intensity of the ETF’s portfolio and ensure that all constituent issuers meet pre-determined ESG standards.



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See the GRI index for a full description of our management approach for product responsibility ([page 36](#)).



DIVERSITY AND INCLUSION

We follow the principles shared by all cooperatives. One of these principles is open and voluntary membership. That means that we promote our cooperative nature by welcoming and serving people from all communities.

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.

Among the first to sign the Canadian Investor Statement on Diversity & Inclusion

On October 1, 2020, we became a founding signatory of the [Canadian Investor Statement on Diversity & Inclusion](#), making a commitment to promoting diversity and inclusion in our internal, business and investment practices.

"I firmly believe that diversity enriches organizations and needs to be prioritized. Bringing new perspectives and skills to the table not only leads to more innovation and better results, but also helps us do a better job meeting the needs of our members and clients. We need to create an environment in which everyone can reach their full potential, both personally and professionally."

– Desjardins Group President and CEO Guy Cormier.



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See the GRI index for a full description of our management approach for diversity and inclusion ([page 44](#)).

Raising awareness about diversity and inclusion

We've invited our managers and caisse board members to attend workshops on unconscious bias. The workshops teach participants how to recognize personal bias and help build an organization that is based on equality and is free from discrimination and prejudice against underrepresented groups. We also create space for discussion by regularly organizing activities and talks on different aspects of diversity and inclusion.

Diversity and inclusion is everyone's job

As part of our efforts to raise awareness about inclusion among our employees, managers and directors, we launched an initiative to promote allyship. Our goal is to make sure everyone has the knowledge and tools they need to embody the values of diversity, integrity and respect that are the building blocks of an inclusive and barrier-free workplace.



Gender parity

Catalyst Honours Champion award for Guy Cormier

Catalyst has recognized our president and CEO for his efforts to promote inclusiveness in the workplace and his contribution to the advancement of women in the Canadian business world.

Ambitious parity goals for 2024

In 2020, we continued to step up our efforts toward achieving gender parity in senior management positions and in the boards of directors of the caisses and the Federation.

In March 2020, we signed the United Nations Women's Empowerment Principles and committed to speeding up gender parity and playing an active role in empowering women in other organizations.

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. In 2020, we surpassed the target for the Desjardins Group Management Committee, which oversees the implementation of our priorities. As at December 31, 2020, 55% of committee members were women.¹

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

¹ As at January 5, 2021, this figure was 45%, still within the parity zone, with 5 out of 11 committee members being women.

Promoting career advancement for women within our organization

We partnered with L'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 L'effet A 100 day challenge, participants follow a skills development path that reflects our organization's needs and realities. Since 2017, almost 200 women have

participated in this program. While we didn't offer any new cohorts in 2020 due to the pandemic, we plan to offer 2 cohorts with more than 50 women each in 2021.

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 areas of the finance industry and to increase the number of women in senior leadership roles in the Canadian economy.

Empowering Women

Empowering Women is a new network for women at Desjardins. The network's first pilot project, the Female Empowerment Program, was developed in collaboration with L'effet A and offers women a unique personal development learning path.



Promoting women's representation on boards through Desjardins Capital Management Inc.

Board diversity is one way companies can build a better response to strategic priorities and needs.

With this in mind, Desjardins Capital Management Inc. rolled out an initiative to support diversity on the boards of partner companies by:

- Adding a new clause on diversity to unanimous shareholder agreements.
- Creating a training and coaching program for business women seeking board positions. The first cohort included 21 women looking to refine their governance skills and knowledge.

Procurement and supplier diversity

In 2020, we began work on a supplier diversity program. Our goal is to increase the representation of diverse suppliers in our procurement.¹ We plan to officially launch the program in 2021.

We analyzed market trends, established a governance framework and roadmap, and mobilized our internal stakeholders. We then developed an approach that reflects our organizational culture, which values diversity, inclusion and social responsibility. Finally, we invited nearly 5,700 suppliers to begin self-identifying according to our diversity criteria. We'll continue to work on this program in 2021.

Ahead of the launch of our program, we became a member of 2 Canadian organizations: the [Canadian Gay & Lesbian Chamber of Commerce](#) and [Women Business Enterprises Canada](#). We also participated in the second cohort of the IDFAM project run by the [Réseau des Femmes d'affaires du Québec](#) (site in French only). The cohort comprised a dozen public and private organizations, including the BDC, BMO, TD Bank, EY Canada, Cogeco and Air Transat.

¹ Social economy enterprises or companies that are at least 51% owned, operated and controlled by either women, members of the LGBTQ+ community, members of a visible minority group, members of an Indigenous community, people with disabilities, veterans or people under 35.

Développement international Desjardins and partners make headway for women and youth

See the **Responsible finance** section on page 85

Diversity Fund and responsible investment

See the **Responsible finance** section on page 88

30% Club

We're a member of the 30% Club Canada, which is committed to increasing the number of women on corporate boards and in executive management positions, with the goal of 30% representation by 2022.



Breakdown of caisse directors and employees

Caisse director representation (%)		2020	2019	2018
By gender	Women	44.9	44.5	42.0
	Men	55.1	55.5	58.0
By age group	Under 35	15.2	15.8	14.4
	35-49	25.7	25.6	23.4
	50+	59.1	58.6	62.2

In 2020, the director representation index in terms of the gender and age of members was 93.09%. This index weights gender and age equally.

Employee representation by gender (%)		2020	2019	2018
Senior management ¹	Women	34.3	33.3	31.3
	Men	65.7	66.7	68.7
Managers	Women	59.3	58.7	59.0
	Men	40.7	41.3	41.0
Employees	Women	66.0	67.3	68.7
	Men	34.0	32.7	31.3

Employee representation by age group (%)		2020	2019	2018
Senior management ¹	Under 30	0.0	0.0	0.2
	30-44	20.6	20.0	18.1
	45-54	49.5	49.2	49.9
	55+	29.9	30.8	31.8
Managers	Under 30	2.8	3.3	3.0
	30-44	45.9	44.7	43.4
	45-54	35.9	37.1	38.2
	55+	15.4	14.9	15.4
Employees	Under 30	20.0	20.7	19.8
	30-44	40.8	39.6	39.2
	45-54	22.3	23.0	24.3
	55+	16.9	16.7	16.7

¹ In 2018, the definition of senior management was expanded to include the management level of director (class 7 or higher).

Representation of cultural communities (%) ²	2020	2019	2018
All of Desjardins Group	13.8	12.6	11.1
Senior management	5.8	5.1	4.1
Managers	8.6	8.2	8.0
Employees	14.3	13.0	11.5

² Managers and employees who voluntarily self-identified as a visible minority, ethnic minority or Indigenous person.

Support for Black and other racialized communities

Over the summer of 2020, in response to the killing of George Floyd in the United States and in support of the Black Lives Matter movement against systemic racism, we reaffirmed our commitment to the fundamental values of diversity and inclusion.

At Desjardins, Black lives matter. Black dreams matter. Black hopes matter. Black perspectives matter. Black businesses matter.

Support for diversity and inclusion allies

We turned to our Facebook community to help us identify organizations we could support to promote integrity, respect and equality. We donated \$60,000 split equally between 3 organizations that provide direct support to racialized communities:

- Afrique au Féminin is the only women's centre in Parc-Extension in the Villeray-Saint-Michel-Parc-Extension borough of Montreal. The neighbourhood has a high percentage of racialized people, nearly half of whom are women who face numerous barriers to integration.
- Pour 3 Points (P3P) is a non-profit organization that trains individuals to become both sports coaches and life coaches. P3P coaches become role models and mentors for youth, helping them develop skills to succeed in school and in life.

- CEE Centre for Young Black Professionals is a charity focused on Black youth ages 14 and over. They are committed to youth workforce development, education and advocacy to influence systems.

The BlackNorth Initiative Pledge

On July 20, 2020, we joined 350 leaders from major Canadian organizations online for the first BlackNorth Initiative Summit. CEOs from each organization signed a pledge stating the actions they plan to take to combat anti-Black systemic racism.

Here are some of the targets Desjardins has committed to achieving by 2025:

- 3% of our donations and sponsorships will go to projects that create economic opportunities in the Black community.
- 5% of our student workforce will come from the Black community, and we'll make sure the Black community is aware of our opportunities for employment.
- 3.5% of senior management positions will be held by Black leaders.

Supporting Black businesses

We made a \$500,000 donation through our GoodSpark Fund to Groupe 3737, a business incubator in the Saint-Michel neighbourhood of Montreal that supports diversity and innovation. The funding will be used to carry out a project under the federal government's Supporting Black Canadian Communities Initiative.

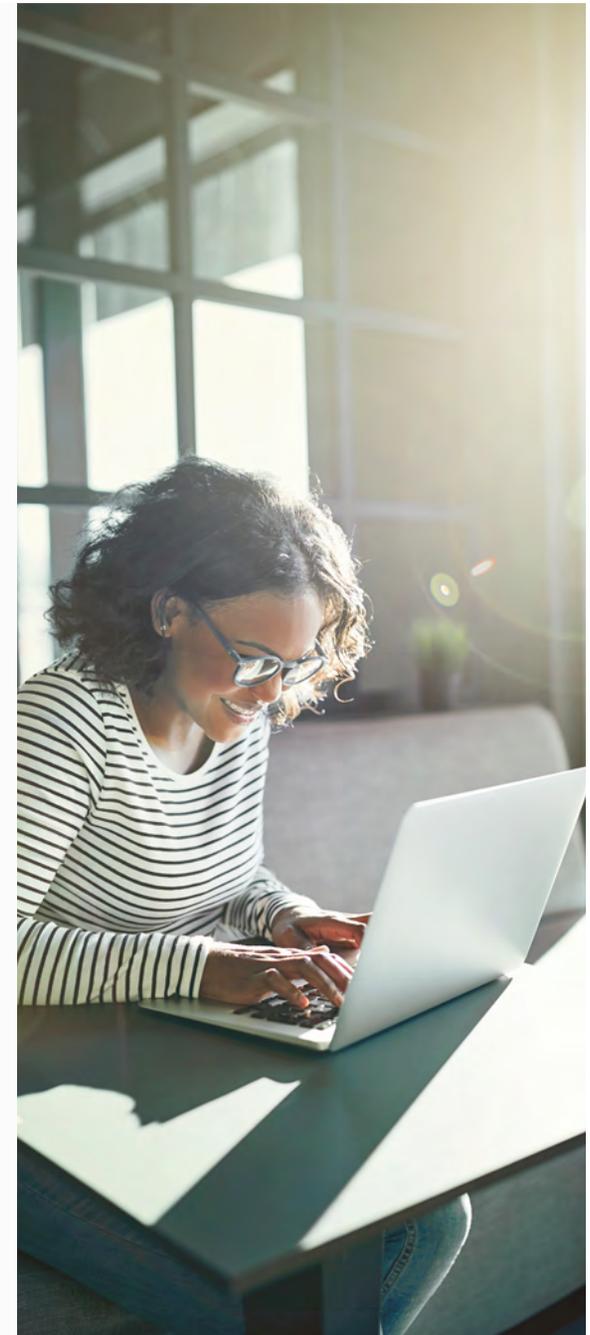
"This is a unique opportunity to support an incubator tailored to the business reality of the Black community. It combines socioeconomic development, the value of diversity and an effective response to community needs."

– Guy Nadeau, General Manager of Desjardins Business–Est de Montréal

Montreal International Black Film Festival

We're proud to be a co-presenter of the Montreal International Black Film Festival (MIBFF) and to encourage Black filmmakers to do what they love.

Created in 2005, the MIBFF plays a crucial role in ensuring Black talent is included on and off screen across Canada. It provides a platform and voice to thousands of Black artists who otherwise would not have been seen or heard. Since its inception, the festival has welcomed tens of thousands of festivalgoers—alongside international stars—and has presented films from over 50 countries.



LGBTQ+

We're continuing our efforts to support the LGBTQ+ community. For the Montréal Pride Festival, we dressed the windows of Complexe Desjardins in rainbow colours. We supported and participated in a number of online events across the country, including Fièrre la fête in Sherbrooke, Pride Toronto, Calgary Pride and Vancouver Pride.

We've also established partnerships with a number of organizations in the LGBTQ+ community to help our members, clients and employees become more aware of the community's challenges. Over the course of the year, we offered our employees and managers more than 20 webinars through our partner Pride at Work Canada.

Sponsoring Pride festivals across Canada: Toronto, Calgary and Vancouver

June is Pride Month in Toronto and, for the first time, we sponsored the Pride Toronto Parade. We've been active supporters of the LGBTQ+ community in Quebec for several years and we're proud to be extending our support across the country—all the way to Calgary Pride and Vancouver Pride.



Supporting the Take ACTION Against Bullying contest

For the second year running, we were proud to partner with Interligne youth services to present the Take ACTION Against Bullying contest.

"For Desjardins, this is a continuation of our many activities supporting youth and promoting academic motivation. We're determined to make a difference in our communities."

– Simon Déry, Desjardins LGBTQ+ Committee Chair and General Manager of Caisse Desjardins du Quartier-Latin de Montréal

[Winning videos from the Take ACTION Against Bullying contest](#)

Partnership with Fondation Émergence

We partnered with Fondation Émergence to make the ProAlly program available to all Canadian organizations, including our own. The goal of the program is to create safe and inclusive workplaces for members of the LGBTQ+ community.

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 2020, this program once again helped us connect with newcomers and hire new talent.

We 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.

To learn more about how we support newcomers, see the **Member/client experience** section on page 66.



EMPLOYEES

At Desjardins, people are the backbone of our business. Our 48,930 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.

The #1 private employer in Quebec

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
- Great benefits and competitive pay
- A flexible work environment that promotes work/life balance
- An organization-wide commitment to sustainable development and responsible finance
- 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, and we encourage our employees to pursue new challenges within Desjardins by promoting talent development and mobility within the organization. We make sure managers and employees have everything they need to hold rewarding, authentic conversations about career development.

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See the GRI index for a full description of our management approach for the employer/employee relationship ([page 45](#)).

Celebrating team achievements

The Desjardins Recognition Program celebrates outstanding team achievements across the organization. It's a source of inspiration, engagement and pride. Each year, we have a call for nominations, followed by a recognition event that showcases team successes. In 2020, we held the event online for the first time, and it was a big hit: 17,668 employees and directors tuned in to watch.

Desjardins behaviours (BRAVO! platform)

Our employees can use the BRAVO! platform to congratulate their colleagues for exhibiting the Desjardins behaviours and doing what's best for our members and clients. The BRAVO! platform encourages employees to give feedback across the organization. In 2020, our employees sent 186,484 messages on the platform.

Employee benefits

At Desjardins, we're committed to improving our employees' financial security and well-being by offering our full- and part-time permanent employees:

- Life and critical illness insurance
- Health insurance including drug and healthcare coverage, plus dental insurance
- Competitive benefits for major life events, such as the birth or adoption of a child
- Disability insurance
- Wellness initiatives
- Access to reduced-fee group RRSPs with a wide range of investment solutions
- A defined benefit pension plan

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.

Awards and distinctions

- One of Canada's Top 100 Employers for the 10th straight year according to Mediacorp Canada
- One of Canada's Greenest Employers (2020) according to Mediacorp Canada
- One of Canada's Best Diversity Employers, Top Employers for Young People, Top Family-Friendly Employers and Top Employers for Canadians Over 40 according to Mediacorp Canada
- One of the 100 best employers in Canada and the world in 2020 according to 2 annual rankings in *Forbes* magazine



Employee health and wellness

COVID-19 initiatives

Throughout the pandemic, we've opted for a caring approach, by focusing first and foremost on prevention, health, safety and well-being.

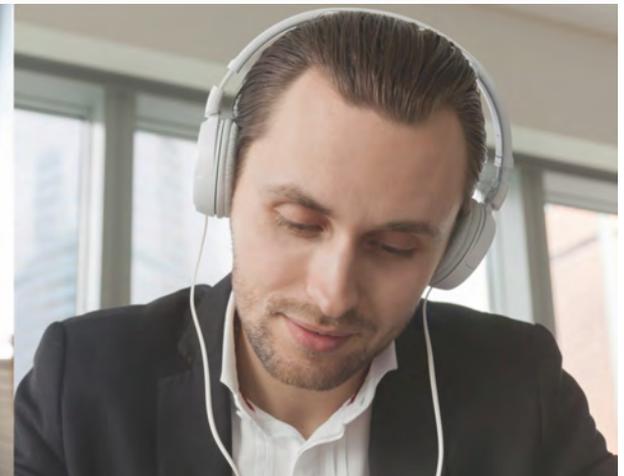
We set up several initiatives to help people stay positive while working from home, including:

- Regular videos for employees and managers about work/life balance during the pandemic
- A guide to online communications for managers to help them converse effectively with employees remotely
- Fitness challenges within and across teams to promote physical activity and wellness

Promoting healthy lifestyles

In 2020:

- 3,871 employees attended the online workshop "Finding pleasure in the little things" during Mental Health Week
- 7,435 employees watched 6 workshops live or in playback mode during MY HEALTH Week
- 15% of employees got a free seasonal flu shot
- 38% of employees used our reimbursement program for health and wellness expenses, which has been expanded to include mental health initiatives, sports equipment and online fitness programs
- All employees were given a temporary allowance to cover ergonomic and IT equipment expenses to make their home offices more comfortable.



New employee hires and employee turnover

In spring 2020, we moved our hiring process 100% online so we could keep recruiting and ensure business continuity for our members and clients during the pandemic. With this new approach, not only do we make a real difference in people's lives by offering them a job in which they can achieve their potential at work, we also directly impact the lives of our members and clients by hiring the best talent at the right time.

The retention rate for permanent employees is 94.8%, which is a testament to our engaging and dynamic work environment.

Permanent employees External hires	2020 (#)	2020 (%)	2019 (#)	2019 (%)	2018 (#)	2018 (%)
By age group						
Under 30	1,808	40.6	2,473	47.1	1,970	45.6
30-44	1,918	43.1	2,034	38.7	1,732	40.1
45-54	529	11.9	554	10.6	486	11.3
55+	192	4.4	191	3.6	127	2.9
By gender						
Women	2,172	48.8	2,872	54.7	2,461	57.0
Men	2,275	51.2	2,380	45.3	1,854	43.0
By location						
Quebec	4,008	90.1	4,630	88.1	3,649	84.6
Ontario	377	8.5	550	10.5	591	13.7
Rest of Canada	62	1.4	72	1.4	75	1.7

Permanent employee departures (%)	2020	2019	2018
Resignation rate	5.2	7.0	6.1
Retirement rate	2.3	2.9	3.3
Involuntary departure rate	1.9	2.1	2.3
Turnover rate	9.5	12.0	11.6

Breakdown of permanent employee departures (turnover)

	2020 (#)	2020 (%)	2019 (#)	2019 (%)	2018 (#)	2018 (%)
By age group						
Under 30	1,140	26.8	1,408	27.7	1,130	23.4
30-44	1,353	31.9	1,691	33.2	1,576	32.7
45-54	496	11.7	612	12.0	568	11.8
55+	1,251	29.6	1,379	27.1	1,544	32.1
By gender						
Women	2,681	63.2	3,339	65.6	3,180	66.0
Men	1,559	36.8	1,751	34.4	1,638	34.0
By location						
Quebec	3,825	90.2	4,502	88.4	4,171	86.6
Ontario	370	8.7	538	10.6	584	12.1
Rest of Canada	45	1.1	50	1.0	63	1.3





Skills development and training

Hours of training

In 2020, we invested \$94.46 million—or 2.75% 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

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



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 material

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 2020, we hired 442 interns. It's a win-win: interns get valuable on-the-job experience and our teams get additional help.

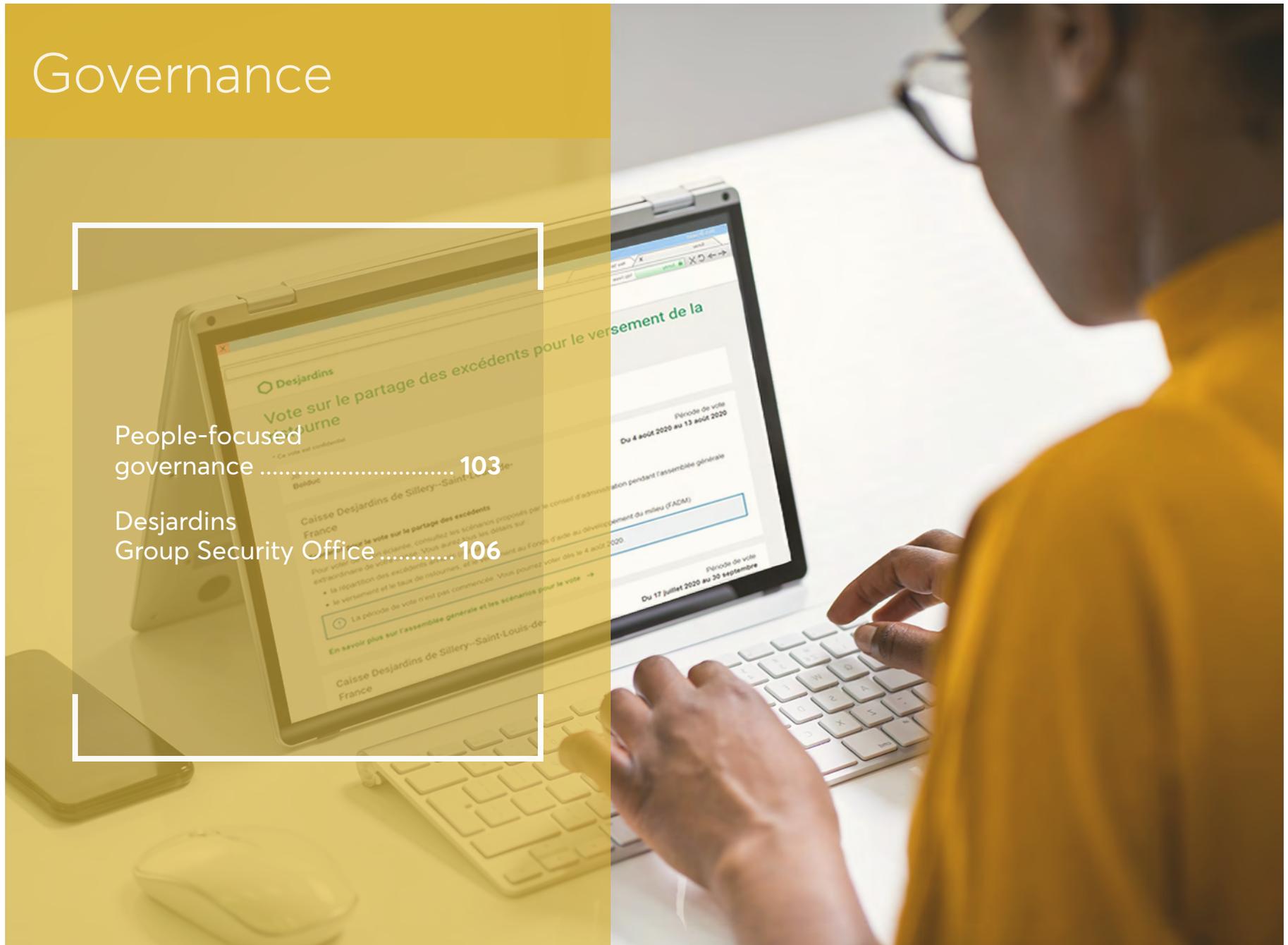
Intensive retirement planning sessions are available to members of the Desjardins Group Pension Plan who are 50 or older. In 2020, a total of 538 people participated in these sessions.



Governance

People-focused governance 103

Desjardins Group Security Office 106





PEOPLE-FOCUSED GOVERNANCE

At Desjardins, our corporate governance is designed to support our purpose of enriching the lives of people and communities. Based on strong cooperative values, our approach to governance takes into account the long-term interests of our organization and our members and clients.

To learn more, see the **Governance** section of [Desjardins Group's annual report](#).

Canada's top financial institution according to *The Banker*¹

In the annual ranking of the Top 1000 World Banks, Desjardins was out in front of the Canadian field for 2019. According to the prestigious magazine, we're the financial institution best positioned to weather the economic consequences of the pandemic in Canada.

¹ Pavoni, Silvia. "Top 1000 World Banks – Desjardins out in front of Canadian field." *The Banker*, July 2020.

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See the GRI index for a full description of our management approach for governance ([page 23](#)).



Online special general meetings

Due to COVID-19, we had to postpone our caisses' annual general meetings, which are normally held in April. We also had to wait to pay out member dividends, since they must be approved by our members first. We wanted to get this money to our members as quickly as possible, so we found another way of holding the meetings.

It took an enormous amount of work over a short period of time to organize online general meetings so members could exercise their right to vote. This innovative solution allowed a record number of members to participate in the democratic life of their caisse. Our members approved \$317 million in individual member dividends and \$47 million for community projects and organizations. This new form of participation will change our democratic process forever.

2 new independent directors on our board

We made improvements to the group profile for our board of directors by appointing 2 new independent directors with IT and information security backgrounds. The enhanced group profile is designed to support our organization over the long term and offer the best protection for our members and clients. Our group profile is also part of the governance requirements for a domestic systemically important financial institution.

Closer relationships with caisse directors

Our new portal for caisse directors offers a better user experience and makes it easier for directors to fulfill their duties toward the caisse, the community and members. Our community involvement and partnership cycle supports directors and general managers in organizing their caisse's community and relationship-building activities. This approach strengthens our democratic processes and helps to build stronger communities.

Including youth in decision-making

Youth Advisory Board

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.

The advisory board continued its work during the pandemic and met 7 times in 2020. Advisory board members met with the Desjardins Group Management Committee and board of directors to discuss topics such as strategic planning for 2021–2024, integrating sustainable development principles and the voice of the member/client. They also looked at issues relating to the use of new technologies like biometrics, the socioeconomic recovery, the growth of our organization, savings and financial literacy.

Young Intern Director Program

Our Young Intern Director Program provides an opportunity for young people between the ages of 18 and 35 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, 2020, we had 109 young intern directors in Quebec and Ontario.

[Learn more about the Young Intern Director Program.](#)

Awards and distinctions

- A private-sector executive award from the Regroupement des gens d'affaires de la capitale nationale for Stéphane Trottier, Chair of the Board of Desjardins Ontario Credit Union.
- The world's 5th largest financial cooperative (based on total revenue) according to the World Cooperative Monitor.
- 3rd in customer satisfaction (up from 7th in 2015) according to a survey of small businesses by the Canadian Federation of Independent Business. Survey respondents said they get better service from credit unions and regional financial institutions than the big banks.

Overview of caisse and Federation democratic structures

Community collaboration groups

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

These groups ensure collaboration between caisses in a community and intercooperation for the benefit of members. Their activities include implementing and promoting financial literacy and solidarity-based finance initiatives. Groups meet up to 5 times per calendar year, in person or remotely.

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 director under the age of 35 or a young intern director.

Desjardins Collaboration Forum

The Desjardins Collaboration Forum is responsible for discussing strategic issues and influencing strategic planning. The Collaboration Forum is also how we consult caisses about changes to the democratic and governance structure of the Federation, among other things.

The Desjardins Collaboration Forum is made up of the Desjardins Group President and CEO, the chair of each caisse (or a director appointed to replace them) and the general manager of each caisse. The members of the Federation's board of directors and Board of Ethics and Professional Conduct are also part of the Collaboration Forum, but without voting rights.

The Desjardins Collaboration Forum met 4 times in 2020 to discuss topics such as:

- Our sustainable development policy
- Open banking
- Financial empowerment of our members and clients
- Strategic planning for 2021–2024

Desjardins Group's electoral college

The electoral college is made up of the chair of each caisse or a director appointed to replace them. The electoral college elects the Desjardins Group President and CEO.

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

Election Committee

The Election Committee is made up of 5 caisse directors appointed by the Federation's board of directors. The committee oversees the integrity of the electoral process. The members of the committee can't be members of the Federation's board of directors or Board of Ethics and Professional Conduct.



DESJARDINS GROUP SECURITY OFFICE

A team of 900 professionals dedicated to protecting our members and clients

On January 23, 2020, we officially launched the Desjardins Group Security Office and appointed a chief security officer, reporting directly to the Senior Executive Vice-President and Chief Operating Officer of Desjardins Group.

Drawing on the expertise of a team of 900 professionals from 4 executive divisions, the Security Office is tasked with protecting our members and clients, their assets and their personal information. The Security Office is responsible for identifying and responding to all types of security threats. Our experts handle situations involving privacy protection, information security, data governance, financial crime and fraud prevention, physical security and compliance.

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GRI

See the GRI index for a full description of our management approach for:

- Fraud and financial crime prevention ([page 27](#))
- Information security and physical security ([page 47](#))
- Member and client privacy and data protection ([page 48](#)).

The Desjardins Group Security Office uses rigorous processes and a variety of strategies to ensure we have a strong, unified approach across the organization.

The Desjardins Fusion Centre is part of this strong, unified approach. The Fusion Centre is a tactical team of experts who specialize in preventing cybercrime, fraud and financial crime. The centre meets a growing need for data analysis to prevent and detect security incidents and financial crime.

Keeping our members, clients and employees safe during the pandemic

When the pandemic hit, the Desjardins Group Security Office oversaw a number of changes to our security practices to reflect the new reality and better serve our members and clients. We introduced alternative solutions¹ to reduce the need for travel or physical contact and to maintain physical distancing.

With the majority of our employees working from home, changes also had to be made to our information security tools and standards.

Some of these changes will remain in effect for the duration of the public health crisis, while others will become permanent.

¹ These measures comply with regulatory requirements and the guidelines issued by the Financial Transactions and Reports Analysis Centre of Canada.

