



2020 GRI index

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GRI 101: FOUNDATION 2016

No specific disclosures are required for GRI 101.

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GRI methodology

GRI 102: GENERAL DISCLOSURES

GRI 102-1 TO 102-13: ORGANIZATIONAL PROFILE

GRI 102-1 NAME OF THE ORGANIZATION

Desjardins Group

GRI 102-2 ACTIVITIES, BRANDS, PRODUCTS AND SERVICES

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

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

Our brand architecture looks like this:

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



DESJARDINS BRAND

Master brand



COMMERCIAL BRANDS

Pillar brands



Identity brands



INSTITUTIONAL BRANDS





ENDORSED BRANDS



Brands for DFS independent brokers



STAND-ALONE BRANDS





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GRI 102-3 LOCATION OF HEADQUARTERS

100 Rue Des Commandeurs
Lévis QC G6V 7N5

GRI 102-4 LOCATION OF OPERATIONS

Desjardins is the leading cooperative financial group in North America. We conduct most of our business in Canada. Our banking operations are heavily concentrated in Quebec, but our insurance operations in Ontario and Quebec provide diversification.

See the **Accessible experts and services** section of our Social and Cooperative Responsibility Report to learn more (page 61).

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

Développement international Desjardins (our non-profit organization) operates in 30 or so countries around the world and is active in the following 2 areas:

- Expert advice
- Investments

GRI 102-5 OWNERSHIP AND LEGAL FORM

Desjardins comprises the Desjardins caisse network in Quebec, Caisse Desjardins Ontario Credit Union Inc., the Fédération des caisses Desjardins du Québec and its subsidiaries, and the Desjardins Security Fund. A number of our subsidiaries and components are active across Canada, and we maintain a presence in the US through Desjardins Bank, National Association.

Caisse Desjardins Ontario Credit Union Inc. is the product of a merger between the Fédération des caisses populaires de l'Ontario Inc. and its 11 member caisses populaires that took effect on January 1, 2020.

GRI 102-6 MARKETS SERVED

Through our Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance segments, we offer a comprehensive, integrated range of financial services for individuals, businesses, institutions, not-for-profit organizations and cooperatives.

The financial services we offer include day-to-day banking, savings and payment transactions, investment management, financing, specialized services, access to capital markets, development capital, business ownership transfers and advisory services. Through our Canada-wide distribution network, we also offer individual and group life and health insurance products and property and casualty insurance products. We help clients who do business abroad, and we provide banking services in Florida through Desjardins Bank, National Association and Desjardins Florida Branch.



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GRI 102-7 SCALE OF THE ORGANIZATION (AS AT DECEMBER 31, 2020)

Total number of employees	48,930
Total income	\$21,473M
Total assets	\$362,035M
Number of caisses and caisse points of service in Quebec and Ontario (including caisse head offices, service centres and branches)	851
Product portfolio	FS7 FS8

GRI 102-8 WORKFORCE DISTRIBUTION

	2020	2019	2018
Business sectors and support functions	32,512	30,716	28,615
Caisse network	16,418	17,133	17,601
Quebec	43,504	42,445	40,868
Ontario	4,904	4,887	4,839
Rest of Canada	455	436	425
Outside Canada	67	81	84
Permanent	93.3%	92.2%	91.7%
Contract	6.7%	7.8%	8.3%
Upper management	1.3%	1.3%	1.4%
Managers	6.8%	6.4%	6.3%
Employees	91.9%	92.3%	92.3%
Total workforce	48,930	47,849	46,216

GRI 102-9 SUPPLY CHAIN

See the **Responsible and inclusive procurement** section of our Social and Cooperative Responsibility Report to learn more about our procurement practices (page 80).

GRI 102-10 SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN

- On July 15, 2020, we acquired the Canadian real estate operations of Purplebricks Group plc through 9420-7404 Québec inc., a company operating mainly under 2 brands, DuProprio and Purplebricks Canada. The operations we acquired include more than 500 employees, with over 300 in Quebec and 200 or so across Ontario, Manitoba and Alberta.
- We started gradually phasing out in-store Accord D financing on May 1, 2020.
- We acquired a portfolio of quality residential mortgages from La Capitale on February 1, 2020, consolidating our position as a leader in Quebec's residential mortgage market.
- On January 1, 2020, we finalized a long-term partnership with Global Payments, a company operating in the electronic payment sector.

GRI 102-11 PRECAUTIONARY PRINCIPLE OR APPROACH

At Desjardins, we take the direct impact of our operations on the environment seriously and have integrated environmental and social risks into our risk management framework. In reviewing credit applications from commercial, industrial, real estate or agricultural borrowers, we examine potential environmental risks against current regulations. We also analyze ESG criteria for capital market borrowers. ESG criteria are also integral to the risk analyses we conduct for our large-scale initiatives.

GRI 102-12 EXTERNAL INITIATIVES

As a corporate citizen committed to sustainable community development, we support many initiatives:

- United Nations Environment Programme – Finance Initiative – Member (2003)
- CDP (formerly the Carbon Disclosure Project) – Signatory (2013)
- Statement on the Cooperative Identity (International Co-operative Alliance) – Signatory
- Declarations of the International Summit of Cooperatives – Signatory (2012, 2014 and 2016)
- Principles for Responsible Investment – Signatory (Desjardins Investments in 2009)
- Principles for Responsible Investment – Signatory (Desjardins Global Asset Management in 2017)
- Principles for Responsible Investment – Signatory (Desjardins Group Pension Plan in 2018)
- Principles for Sustainable Insurance – Signatory (Desjardins Insurance in 2019)
- Women's Empowerment Principles – Signatory (2020)
- Tobacco-Free Finance Pledge – Signatory (2020)
- Powering Past Coal Alliance – Member (2020)
- Partnership for Carbon Accounting Financials – Signatory (2020)
- Principles for Positive Impact Finance – Signatory (Desjardins in 2017)
- Statement by Financial Institutions on Energy Efficiency – Signatory (2015)
- European Association of Co-operative Banks COP21 statement – Signatory (2015)

Développement international Desjardins supports the following initiatives:

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

GRI 102-13 MEMBERSHIP OF ASSOCIATIONS

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

Cooperatives and mutuals

- International Cooperative Alliance (and its members)
- Canadian Association of Mutual Insurance Companies
- Canadian Credit Union Association
- International Confederation of Popular Banks
- Cooperation Council of Ontario
- Conseil québécois de la coopération et de la mutualité (and its members)
- Cooperatives and Mutuals Canada (and its members)
- Crédit Mutuel CIC
- International Cooperative and Mutual Insurance Federation
- Filene Research Institute
- Fondation pour l'éducation à la coopération et à la mutualité
- Forum of Canadian Ombudsman
- European Association of Co-operative Banks
- International Raiffeisen Union
- Réseau COOP

Finance and insurance

- Advocis, The Financial Advisors Association of Canada
- Association of Quebec Women in Finance
- Financial Consumer Agency of Canada
- Aon Risk Solutions
- Association de la retraite et des avantages sociaux du Québec
- Association of Canadian Pension Management
- Canadian Life and Health Insurance Association
- Mutual Fund Dealers Association of Canada
- Canadian Insurance Claims Managers Association
- Canadian Association of Financial Institutions in Insurance
- Investment Industry Association of Canada
- Canadian Bankers Association
- Responsible Investment Association
- Autorité des marchés financiers
- Financial Services Regulatory Authority of Ontario
- Canadian Securities Administrators
- Business Development Bank of Canada
- Canada Infrastructure Bank
- Bank of Canada
- Insurance Bureau of Canada
- Office of the Superintendent of Financial Institutions
- Canadian Association of Independent Life Brokerage Agencies
- Caisse de dépôt et placement du Québec
- Canada Forum for Impact Investment and Development
- Canadian Association of Direct Relationship Insurers
- Canadian Association of Special Investigation Units
- Canadian Data Aggregation Initiative
- Canadian Market Infrastructure Committee
- Canadian National Insurance Crime Services
- Financial Transactions and Reports Analysis Centre of Canada
- Center of Development in Insurance and Financial Services (Power Eleven)
- Cercle finance du Québec
- Chambre de l'assurance de dommages
- Chambre de la sécurité financière
- Canadian Coalition for Good Governance
- Ontario Securities Commission
- Conference Board of Canada
- Canadian Council of Insurance Regulators
- Digital Identification and Authentication Council of Canada
- Conseil des fonds d'investissement du Québec
- Conseil des professionnels en services financiers
- Quebec Retail Council
- Corporation des assureurs directs de dommages du Québec
- Discover
- Euro-Information
- Export Development Canada
- Facility Association
- International Cooperative and Mutual Insurance Federation
- Finance Montréal
- FinDev Canada
- Federation of Mutual Fund Dealers
- Fondation
- Traffic Injury Research Foundation
- International Fund for Agricultural Development
- FP Canada
- GAMA International Canada

Finance and insurance (continued)

- General Insurance Statistical Agency
- Global Impact Investing Network
- Global Risk Institute
- Groupement des assureurs automobiles
- Health Claims for Auto Insurance
- Canada Pension & Benefits Institute
- Institut d'assurance de dommages du Québec
- Montreal Structured Finance and Derivatives Institute
- Investment Funds Institute of Canada
- Institut québécois de planification financière
- Institute for Catastrophic Loss Reduction
- Institutional Shareholder Services
- Interac
- Investissement Québec
- Journal de l'assurance
- Women in Insurance Cancer Crusade
- Large Credit Union Coalition
- Life Insurance Marketing and Research Association
- Mastercard
- Million Dollar Round Table
- Montréal International
- Mouvement d'éducation et de défense des actionnaires
- National Association of Mutual Insurance Companies
- Nexo
- Office de la protection du consommateur
- Ombudsman for Banking Services and Investments
- Ontario Chamber of Commerce
- Investment Industry Regulatory Organization of Canada
- Payments Canada
- Proparco
- Proxfin
- Québec International
- Regroupement des cabinets de courtage d'assurance du Québec
- Réseau PRI Québec
- Réunion des organismes d'assurance mutuelle
- Sanofi
- Canada Mortgage and Housing Corporation
- Canada Deposit Insurance Corporation
- Property and Casualty Insurance Compensation Corporation
- State Farm US
- Statistics Canada
- Sustainability Accounting Standards Board
- UNI Financial Cooperation
- Visa

Sustainable community development

- Academos
- Lire et faire lire
- Teens Against Drinking and Driving New Brunswick
- Æquo
- Agence Universitaire de la Francophonie
- Alberta Severe Weather Management Society
- Alloprof
- arrive alive DRIVE SOBER
- Canadian Education Association
- Canadian Political Science Association
- Canadian Mental Health Association
- Association des directeurs généraux des municipalités du Québec
- Association des directions générales scolaires du Québec
- Association québécoise d'information scolaire et professionnelle
- Quebec Association for the Production of Renewable Energy
- Association québécoise des enseignantes et des enseignants du primaire
- Association québécoise pour la maîtrise de l'énergie
- Consumer associations, such as family finance cooperative associations
- Canadian Cancer Society
- Carbone Scol'ERE
- CEFRIO
- United Way Centraide
- Centre for Addiction and Mental Health
- Centre interdisciplinaire de recherche et d'information sur les entreprises collectives
- International Reference Centre for the Life Cycle of Products, Services and Systems
- Collectif des femmes immigrantes du Québec
- Chaire d'actuariat (Université Laval)
- Chaire de coopération Guy-Bernier (Université du Québec à Montréal)
- Chaire de leadership en enseignement et en développement régional et économique (Université Laval)
- Chaire Desjardins en développement des petites collectivités (Université du Québec en Abitibi-Témiscamingue)
- Chaire Desjardins en finance responsable (Université de Sherbrooke)
- Chaire en éco-conseil (Université du Québec à Chicoutimi)
- Canadian Chamber of Commerce
- Chamber of Commerce of Metropolitan Montreal



Sustainable community development (continued)

- Chambre de commerce et d'industrie de Québec
- Chantier de l'économie sociale
- CHU de Québec-Université Laval
- CHUM
- CHUS
- Club canadien de Toronto
- Coalition des associations de consommateurs du Québec
- Food Sovereignty Coalition
- Carbon Pricing Leadership Coalition
- Communauto
- Canada Safety Council
- Montreal Council on Foreign Relations
- Canada Green Building Council
- Conseil du patronat du Québec
- Quebec Business Council on the Environment
- Boreal Leadership Council
- Conseil québécois des entreprises adaptées
- Conseil régional de l'environnement de Montréal
- Coop Carbone
- Coopérative de développement régional du Québec
- Canadian Red Cross
- McGill University Health Centre
- Down Syndrome Resource Foundation
- Éco Entreprises Québec
- Ecohome
- École d'Entrepreneurship de Beauce
- École de technologie supérieure
- Écotech Québec
- Educaid
- Éducaloi
- Empty Stocking Fund
- Équiterre
- Espace québécois de concertation sur les pratiques d'approvisionnement responsable
- exo (RTM)
- Fédération des centres de services scolaires du Québec
- Fédération des chambres de commerce du Québec
- Quebec Federation of Villages-relais
- Fédération québécoise des municipalités
- Armand-Frappier Foundation
- David Suzuki Foundation
- Fondation de l'entrepreneurship
- Psychology Foundation of Canada
- Fondation des Auberges du cœur
- Montreal Canadiens Children's Foundation
- Heart and Stroke Foundation of Canada
- Mental Illness Foundation
- Fondation du Cégep de Lévis-Lauzon
- Fondation du Cégep de Sainte-Foy
- Fondation du cégep du Vieux Montréal
- Fondation du Conservatoire de musique et d'art dramatique du Québec
- Jasmin Roy Sophie Desmarais Foundation
- Fondation Jeunes en Tête
- Fondation Les Voltigeurs
- Fondation Maison Dauphine
- New Pathways Foundation
- Literacy Foundation
- Fondation québécoise en environnement
- Fondation Sport-Études
- Fonds d'action québécois pour le développement durable
- JDRF
- Youth Fusion
- Healthy Enterprises Group
- Groupe investissement responsable
- Habitat for Humanity Canada
- Desjardins Sports Charity Dinner (Canadian Progress Club)
- Moncton Hospital
- Hôpital Maisonneuve-Rosemont
- United Nations Environment Programme Finance Initiative
- InnoCité MTL
- Insertech Angus
- Montreal Heart Institute
- Institut de coopération pour l'éducation des adultes
- Research and Education Institute for Cooperatives of the University of Sherbrooke
- Institut du Québec
- Alphonse and Dorimène Desjardins International Institute for Cooperatives of HEC Montréal
- Institute for governance of private and public organizations
- École supérieure d'études internationales (Université Laval)
- Quebec Heart and Lung Institute
- Smart Prosperity Institute
- International Women's Forum
- Jeunesse, J'écoute
- Kids Help Phone
- Kids Now
- La Ruche
- Les Impatients
- MicroEntreprendre
- MOBA



Sustainable community development (continued)

- Mobili-T
- Moisson Montréal
- Mouvement québécois de la qualité
- New Brunswick Community College
- Novae
- Obesity Canada
- Operation Red Nose
- OSEntreprendre
- Parachute
- Pathways to Education
- Place aux jeunes en région
- Parliamentary Internship Programme
- Quartier de l'innovation
- Climate Reality Canada
- RECYC-QUÉBEC
- Regroupement national des conseils régionaux de l'environnement du Québec
- Community Futures Network of Canada
- Réseau de transport de la Capitale
- Réseau des carrefours jeunesse-emploi du Québec
- EdCan Network
- Réseau FADOQ
- Réseau intercollégial des activités socioculturelles du Québec
- CFER Network
- Montreal Hooked on School
- Société canadienne du cancer
- Service de police de Saguenay
- Société d'habitation du Québec
- Société de transport de Lévis
- Société de transport de Montréal
- Société des relations internationales de Québec
- Solidarité rurale du Québec
- Southlake Regional Health Centre Foundation
- Soutien-O-sinistrés
- Students Against Drinking and Driving Alberta
- SWITCH, the Alliance for a Green Economy in Quebec
- Toronto International Film Festival
- Toronto Region Board of Trade
- Union des consommateurs
- Union des municipalités du Québec
- Union des producteurs agricoles
- University of Ottawa
- Université de Montréal
- Université de Sherbrooke
- Université du Québec à Chicoutimi
- Université du Québec à Rimouski
- Université du Québec à Trois-Rivières
- Université du Québec en Abitibi-Témiscamingue
- Université du Québec en Outaouais
- Université Laval
- Ville de Lévis
- Ville de Montréal
- Ville de Québec
- Vivre en Ville
- Voyagez Futé
- Moncton Wildcats
- The YMCAs of Québec
- YMCA of Greater Toronto

GRI 102-14 AND 102-15: STRATEGY AND ANALYSIS

GRI 102-14 STATEMENT FROM SENIOR DECISION-MAKER

See our Social and Cooperative Responsibility Report to read the message from the president and CEO (pages X and X).

GRI 102-15 KEY IMPACTS, RISKS AND OPPORTUNITIES

Identification and management of main risks

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

The risk management function ensures that our risk profile corresponds to our risk appetite. Each quarter, this team ensures that we comply with the statements and indicators set by senior management and the board of directors, and provides them with an update. When the threshold or limit of a risk appetite indicator is exceeded, we look into it immediately. We then inform the appropriate bodies why this occurred and notify them of the action plan, if applicable.

A detailed presentation of our risk management principles, especially in terms of environmental and social risk, can be found in our annual report under the **Risk management** section of the **Management's Discussion and Analysis** (desjardins.com/annualreport).

The mandates and lists of members of the commissions and committees that support the board are available on our website at desjardins.com/ca/about-us/desjardins/governance-democracy/index.jsp. The Risk Management Commission's annual report (available in French only) can also be found there.

GRI 102-16 TO 102-17: ETHICS AND INTEGRITY

GRI 102-16 VALUES, PRINCIPLES AND NORMS OF BEHAVIOUR

Culture of integrity

The board of directors is responsible for promoting the corporate culture based on our values: money serving human development, democratic action, personal commitment, integrity and rigour in the cooperative enterprise, solidarity with the community and intercooperation, with a view to earning the trust of the public and ensuring members and clients have confidence in their financial services cooperative. The board is also responsible for enforcing our rules of professional conduct. The *Desjardins Code of Professional Conduct*, which is available to the public on Desjardins.com, applies to all Desjardins components. It includes a section on ethics and Desjardins's mission and values, and a second that describes all the rules of professional conduct. All Desjardins employees and directors can take 2 online training courses on professional conduct and conflicts of interest. Every year, they're required to acknowledge that they've read and understand the principles and rules set out in the *Desjardins Code of Professional Conduct* and agree to uphold them, and that they understand the scope and provisions of the guidelines (or standard) on managing conflicts of interest.

GRI 102-17 MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS

The Federation's Board of Ethics and Professional Conduct ensures the independence and objectivity of the Office of the Ombudsman and the Federation's inspection and audit service, adopts and enforces the rules of ethics and professional conduct that apply to all Desjardins components based on our values, provides the caisses and the Federation with support in matters of ethics and professional conduct, acts as a liaison between our various governance bodies responsible for ethics and professional conduct and handles complaints made by Federation members.

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The Board of Ethics and Professional Conduct has 5 members. They're caisse directors who are all independent from the Federation's management team and board. For Desjardins caisses in Quebec, responsibility for ethics and professional conduct is assumed by the caisse's Audit and Professional Conduct Committee and Governance and Ethics Committee. For Desjardins Ontario Credit Union, these responsibilities are assumed by the Audit Committee, which is also made up of caisse directors. We also have a policy for reporting violations of regulations and of the *Desjardins Code of Professional Conduct*. This policy is combined with a confidential reporting mechanism that protects the anonymity of those who use it.

We oversee the financial reporting process and the disclosure of any major changes that may affect our financial position. We use various channels to ensure effective communication with our many stakeholders. These channels include: the Office of the Ombudsman, our ethics and professional conduct support team and the caisse complaint handling procedure. Other mechanisms include:

- Annual general meetings
- Disclosure of quarterly financial results
- Desjardins publications (including annual reports)
- Toll-free telephone numbers
- Intranet portals and the portal for caisse directors
- Desjardins.com (which includes information on education, cooperation and dialogue with our members and clients, and a Member relations section)
- Member Services team (Federation)
- Mechanisms for reporting regulatory violations
- Newsletters
- Social media (Facebook, YouTube, LinkedIn, Twitter, etc.)

GRI 102-18 TO 102-39: GOVERNANCE

GRI 102-18 GOVERNANCE STRUCTURE

See the **Governance** section of our Social and Cooperative Responsibility Report to learn more about our governance (page 103). The governance structure is disclosed in full in Desjardins Group's Annual Report available on SEDAR.com.

GRI 102-21 CONSULTING STAKEHOLDERS ON ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

See Standards 102-40, 102-42, 102-43 and 102-44. The board is the highest governance body dealing with economic, environmental and social topics.

GRI 102-32 HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING

Upon the recommendation of its Cooperation and Culture Commission, the board approves the **Social and cooperative responsibility** section of the annual report.

GRI 102-38 ANNUAL TOTAL COMPENSATION RATIO

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

The compensation ratio is calculated every year by the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group. The 2020 ratio is 36 times the average compensation of full-time-equivalent employees.

GRI G4-55 BOARD ATTENDANCE FIGURES

In 2020, the attendance rate for meetings of the Federation's board was 98.6%.



GRI 102-40 TO 102-44: STAKEHOLDER ENGAGEMENT

GRI 102-40 LIST OF STAKEHOLDER GROUPS

See the **Our approach** section of the Social and Cooperative Responsibility Report.

GRI 102-41 COLLECTIVE BARGAINING AGREEMENTS

In Canada, the right to organize is protected by law. We're fully compliant with applicable labour legislation. In 2020, collective bargaining agreements covered 15% of employees across the entire organization and 21.6% of caisse network employees, including Desjardins Business centre employees.

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

GRI 102-42 IDENTIFYING AND SELECTING STAKEHOLDERS

GRI 102-43 APPROACH TO STAKEHOLDER ENGAGEMENT

GRI 102-44 KEY TOPICS AND CONCERNS RAISED

For GRI 102-42, GRI 102-43 and GRI 102-44, see the **Our approach** section of the Social and Cooperative Responsibility Report.



GRI 102-45 TO 102-56: REPORTING PRACTICE

GRI 102-45 ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

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

Subsidiary	Nature of operations	As at December 31 2020 ¹	As at December 31 2019 ¹
Desjardins Capital Inc.	Issuance of securities on the markets and financing of the Desjardins caisses	100%	100%
Desjardins Financial Holding Inc.	Holding company	100%	100%
Zag Bank ²	Financial institution	–	100%
Desjardins Financial Corporation Inc.	Holding company	100%	100%
Desjardins Global Asset Management Inc.	Asset management	100%	100%
Desjardins General Insurance Group Inc. ³	Property and casualty insurance	90%	100%
Property and casualty insurance subsidiaries ^{3,4}	Property and casualty insurance	100%	90%
Desjardins Financial Security Life Assurance Company	Life and health insurance and financial services	100%	100%
Desjardins Investments Inc.	Design, administration and distribution of insurance and savings products	100%	100%
Desjardins Trust Inc.	Asset custody and trust services	100%	100%
Desjardins Technology Group Inc.	Development and maintenance of technology	100%	100%
Desjardins Securities Inc.	Securities brokerage	100%	100%
9420-7404 Québec inc. ⁵	Real estate services	100%	–

1. Represents also the proportion of voting rights we hold in these subsidiaries.

2. In the fourth quarter of 2020, Zag Bank changed its name to Desjardins Finco Inc. It was acquired by Desjardins Investments and then liquidated.

3. On January 1, 2020, Desjardins General Insurance Group (DGIG) and some of its subsidiaries carried out a series of transactions to restructure their capital. DGIG acquired the common shares of its subsidiaries held by holders of non-controlling interests to bring its ownership interest in them to 100% and issued common shares as consideration.

4. Represents a group of 6 property and casualty insurance subsidiaries.

5. 9420-7404 Québec inc. operates 2 brands: DuProprio and Purplebricks Canada.



GRI 102-46 DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

GRI 102-47 LIST OF MATERIAL TOPICS

For GRI 102-46 and GRI 102-47, see the **Our approach** section of the Social and Cooperative Responsibility Report.

GRI 102-48 RESTATEMENTS OF INFORMATION

For 2020, GHG emissions are calculated for all sources over which we have financial control. Rental spaces we occupy, as well as spaces we own that are occupied by third parties (real estate investments) are therefore included. Estimates were used for these sites when data wasn't available. So we can perform data quality control earlier in the reporting cycle and reduce the risk of incomplete data, the data collection period for energy indicators is from November 1 to October 31. The data collection period for all other indicators is from January 1 to December 31.

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

GRI 102-49 CHANGES IN REPORTING

This report reflects our commitment to complying with the strictest social responsibility reporting standards, namely the Global Reporting Initiative (GRI) methodology and integrated reporting. Changes made in 2020 are compliant with the GRI Standards. Minor changes in scope that have been made to certain elements are specified in the corresponding text.

GRI 102-50 REPORTING PERIOD

The annual report covers the period from January 1 to December 31, 2020.

GRI 102-51 DATE OF MOST RECENT REPORT

The previous report was published in March 2020 and covered operations for the 2019 calendar year.

GRI 102-52 REPORTING CYCLE

Since publishing our first Social and Cooperative Responsibility Report in 2004, we've been disclosing our social and cooperative responsibility performance every year. See the full list of our past reports: <https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/reports/>.

GRI 102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

For questions about the Social and Cooperative Responsibility Report, email: rse_coop@desjardins.com.

For more information on our social and cooperative responsibility, see the Social and cooperative responsibility section of our website at: <https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/index.jsp>.

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GRI 102-54 CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS

We affirm that our Social and Cooperative Responsibility Report has been prepared in accordance with the GRI Standards: Core option.

GRI 102-55 GRI CONTENT INDEX

The GRI content index is presented in this section.

GRI 102-56 EXTERNAL ASSURANCE

All data disclosed was validated by senior management. Our 2020 report was subject to an internal audit. Since 2017, Pricewaterhousecoopers LLP has independently reviewed our GHG emissions and provided limited assurance on our Scope 1, 2 and 3 emissions (<https://www.desjardins.com/ressources/pdf/d50-rapport-certification-2020-e.pdf>).



Economic – social – environmental disclosure

GOVERNANCE – MANAGEMENT APPROACH | GRI 103-1 | 103-2 | 103-3

<p>103-1 Materiality</p>	<p>At Desjardins, the primary purpose of our governance practices is to support our mission of contributing to improving the economic and social well-being of people and communities. The Fédération des caisses Desjardins du Québec (the Federation) oversees the development and application of the Desjardins-wide governance framework, which takes into account our cooperative nature, our sustainable development objectives, the complexity of our operations, and Autorité des marchés financiers (AMF) guidelines. This framework covers the activities of the Federation, the Desjardins Security Fund, our subsidiaries, Quebec caisses and Caisse Desjardins Ontario Credit Union Inc. As certain components are subject to specific regulations, the framework complies with rules established by the Canadian Securities Administrators, the Office of the Superintendent of Financial Institutions and the Financial Services Regulatory Authority of Ontario, as well as industry best practices.</p>
<p>103-2 Management</p>	<p>Our objective is to have effective and efficient governance, based on strong values, that takes into account the long-term interests of the organization and its members and clients.</p> <p>The Federation has a governance policy in place to ensure sound governance. Our governance framework consists of documents, processes, reporting mechanisms and an independent audit, all of which consider applicable legislative and regulatory requirements, including AMF guidelines.</p> <p>FUNDAMENTALS LEARNING PATH</p> <p>The Desjardins Fundamentals learning path teaches our employees and directors more about our cooperative nature. The goal is to make sure everyone works together to always do what's best for our members and clients. By the end of 2021, all employees and directors will have taken the training. New employees will also be required to take it.</p>
<p>103-3 Evaluation</p>	<p>The Federation's board of directors is responsible for implementing and assessing our governance framework. This framework is consistent with the complexity of our operations, our risk profile, our ownership and organizational structures, and our available resources. It also outlines the division of responsibilities between the board, its commissions and committees, and senior management.</p>

See the [Governance](#) section of our Social and Cooperative Responsibility Report for a full description of our achievements (page 103).



Economic disclosure

ECONOMIC PERFORMANCE – MANAGEMENT APPROACH | GRI 201 | 103-1 | 103-2 | 103-3

<p>103-1 Materiality</p>	<p>Economic performance is central to our operations. We measure economic performance in terms of our returns, financial strength and contributions to building a sustainable, responsible economy.</p> <p>We believe in economic development that respects both people and the environment and that benefits both present and future generations. In 2019, we held a consensus-building activity to streamline our position on sustainable development and roll out local initiatives over the 2020–2021 horizon.</p> <p>Our caisses have always been drivers of economic and social development, promoting financial literacy to help individuals and communities take charge of their futures.</p> <p>At Desjardins, our ongoing mission is to enrich the lives of members and communities. We’ve developed tools and programs to help us fulfill our mission nationwide, and caisses can tailor them to their local communities.</p>
<p>103-2 Management</p>	<p>SUPPORT FOR PARTNER ORGANIZATIONS AND MEANINGFUL PROJECTS</p> <p>Our 219 caisses are firmly rooted in local communities. They maintain partnerships with community development stakeholders, such as municipalities, chambers of commerce and community organizations. These close relationships keep the caisses informed of member and community partner needs and involved in meaningful local projects. To strengthen these ties, we’ve created community collaboration groups to guide caisses’ community involvement.</p> <p>All caisses have a Community Development Fund (CDF). CDFs are funded with surplus earnings by a vote of caisse members at their annual general meetings. We use traditional and social media to spread the word about the projects we support, secure buy-in and get people involved.</p> <p>The GoodSpark Fund is a flagship initiative to jump-start regional development and socioeconomic recovery. We’ve committed to invest \$250 million by 2024 in community projects that have the potential to shape our society. Since 2016, we’ve awarded grants to more than 400 initiatives in Quebec and Ontario that address key community priorities, such as employment, economic vitality, education and the environment.</p> <p>Through our close relationships with governments, municipalities and Canadian socioeconomic development organizations, we help identify key issues and shape development initiatives.</p> <p>We contribute directly to economies outside major urban centres through our Shared Services Centre and our decentralized operating model. Community needs drive how and when we get involved.</p> <p>The Desjardins Economic Studies team prepares regional and topical overviews and analyses of the credit and savings markets in Quebec, Ontario and all of Canada. This information is available to caisse directors.</p>
<p>103-3 Evaluation</p>	<p>Our quarterly financial reports review a wide range of indicators across all our business lines, giving our directors, employees, members, clients and investors the information they need to make informed decisions.</p>



INDIRECT ECONOMIC IMPACTS – MANAGEMENT APPROACH | GRI 203 | 103-1 | 103-2 | 103-3

<p>103-1 Materiality</p>	<p>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.</p>
<p>103-2 Management</p>	<p>GROWING LOCAL ECONOMIES</p> <p>We believe in the value of decentralizing our operations to help grow and support vibrant communities outside urban centres, and we've had a formal decentralization policy in place for many years. Our subsidiaries also provide good jobs all across Canada.</p> <p>SUPPORTING BUSINESSES AND CREATING JOBS</p> <p>We help grow businesses and keep jobs in both rural and urban communities through our wide range of products and services and through:</p> <ul style="list-style-type: none"> • Our caisses, business centres and complementary networks like Desjardins 360^d • Desjardins Capital Management Inc., a fund manager specializing in development and venture capital • Our solidarity-based finance programs Créavenir and Desjardins Microcredit to Businesses • The Momentum Fund, which grants non-repayable funding to small and medium businesses and has been adapted to address pandemic needs • La Ruche supported by Desjardins, which offers additional funding for businesses • Programs like Double Your Impact, to support local businesses and organizations during the pandemic • Our partnerships with Place aux jeunes en région, the Réseau des carrefours jeunesse-emploi du Québec, Adopt Inc., OSEntreprendre and the Regroupement des jeunes chambres de commerce du Québec <p>TRAINING DIRECTORS</p> <p>We train our 2,546 directors to help them develop their skills, do more for their community and make the best decisions for their caisse's future. This training strengthens our democratic processes and helps to build stronger communities.</p> <p>DÉVELOPPEMENT INTERNATIONAL DESJARDINS</p> <p>Développement international Desjardins (DID) is our main component operating outside North America. DID works on the ground to strengthen local financial institutions and the inclusive finance industry at home and in developing and emerging countries. DID also helps improve financial inclusion and access to financial services for everyone, with a specific focus on women and youth. The principles of sustainable development and climate action are also reflected in DID programs.</p>
<p>103-3 Evaluation</p>	<p>A report on the indirect economic impacts of our operations can be found in our annual report.</p>

See the [Socioeconomic leadership](#) section of our Social and Cooperative Responsibility Report for a full description of what we do for communities (page 69).



PROCUREMENT PRACTICES AND SUPPLIER ASSESSMENT – MANAGEMENT APPROACHES

GRI 204 | 308 | 414 | 103-1 | 103-2 | 103-3 | 102-9

<p>103-1 Materiality</p>	<p>For us, procurement is more than simply acquiring goods and services. It's a strategic process that's based on the 5Rs (rethink, reduce, reuse, recycle, repurpose) and other considerations. 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.</p> <p>We purchase products and services primarily from suppliers in Canada. The effects of our purchases and procurement requirements are felt throughout our supply chain, from suppliers to their subcontractors and partners. Given our purchasing volume and the number of partners we do business with, we're in a position to influence our suppliers and encourage them to adopt sustainable practices. Because we're a service business, our supply chain supports operations and our purchases aren't typically turned into products. Our supply chain is stable, with the exception of providers used for one-time initiatives.</p>
<p>103-2 Management</p>	<p>Under the new procurement policy we adopted in 2019, we factor responsible procurement principles into all our purchases. These principles include using resources responsibly, incorporating ESG factors into all procurement processes and adopting the 5Rs (rethink, reduce, reuse, recycle and repurpose). The caisses began applying this policy in 2020, in support of our buy local mindset.</p> <p>RELATIONSHIPS WITH SUPPLIERS</p> <p>We strive to build respectful and collaborative business relationships with our suppliers based on industry best practices. During the acquisition process and throughout our business relationship with suppliers, we ensure that they understand and share our sustainability efforts and approach. Since adopting our procurement policy in 2019, we've also been encouraging our suppliers to use a similar approach when dealing with their own suppliers. Our contracts include strict ethical principles.</p> <p>QUEBEC LEADER IN RESPONSIBLE PROCUREMENT</p> <p>As a seasoned responsible procurer, we have a standardized system to assess our suppliers against ESG factors. This is part of our overall assessment of suppliers and their offers and—for some of our more strategic purchases—the contract management process. We encourage our business partners to follow best practices.</p> <p>To better communicate our sustainability expectations to suppliers, we have a Supplier centre on our website with a section on responsible procurement. The <i>Desjardins Group Supplier Code of Conduct</i> sets out our expectations in the areas of ethics, governance, human rights, workplace health and safety, the environment, overall performance and continuous improvement.</p> <p>We have an internal committee on responsible procurement charged with launching initiatives that make a difference and raising employee awareness of the benefits of this type of procurement. The committee has published a sustainable procurement rule and updated our sustainable procurement guide to promote sound purchasing behaviours across Desjardins. It has also worked to include more social economy enterprises in our procurement processes and specific sustainability criteria for the procurement of certain key products and services. These measures are part of our annual responsible procurement plan.</p> <p>We've also:</p> <ul style="list-style-type: none"> • Instituted building management procurement mechanisms at our main worksites. These include responsible procurement rules and assessment of products' health and environmental claims. • Signed a statement of commitment to the Conseil d'économie sociale de l'île de Montréal's L'économie sociale : j'achète! initiative. Every year we beat our internal target for this commitment. • Announced that we're going to stop buying certain single-use plastics (water bottles, cups, coffee stir sticks and straws) and paper products that aren't made with 100% recycled fibre.



GRI index

103-3 Evaluation

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

See the [Socioeconomic leadership](#) section of our Social and Cooperative Responsibility Report for a full description of the impacts of our supply chain (page 81).

FRAUD AND FINANCIAL CRIME PREVENTION – MANAGEMENT APPROACH

GRI 205 | 103-1 | 103-2 | 103-3

103-1 Materiality

With more people doing their banking online, payments being processed faster and all the changes in the banking industry, financial institutions must be able to quickly adapt to the creative schemes and resources fraudsters and criminals are using to find and exploit potential cracks in Canada's and the world's financial systems.

Whether it's corruption, money laundering, terrorist financing or tax evasion, stakeholders across society must work together to keep financial crime in check. Financial crime significantly hampers a country's progress and is a threat to social stability.

103-2 Management

Our Security Governance, Projects and Analytics Division is responsible for defining frameworks, and developing and implementing fraud management and financial crime prevention programs.

Our Fraud and Financial Crime Prevention Division operationalizes these programs, with a focus on detection and response activities for all Desjardins stakeholders.

The goal is to gain the trust of members, clients and all stakeholders who may be the target of a financial or reputation threat or fear such a threat.

The Desjardins Group Security Office aims to be a Canadian leader in fraud and financial crime management. The Security Office proactively and transparently helps members and clients who are victims of fraud.

Everything we do lines up with our framework to ensure sound management of operational risk. The framework is based on industry best practices and regulatory requirements such as those set out in the AMF's Financial Crime Risk Management Guideline. The framework includes a process for preventing, detecting and responding to financial crime, as well as management mechanisms for examining any situations or activities potentially linked to financial crime.

Managers use operational risk management tools to identify, assess and mitigate significant risks, including those related to internal and external fraud.

The *Desjardins Code of Professional Conduct*, which applies to all our employees and directors, is a key tool in the fight against corruption. As part of training on the code, directors and employees are reminded of their responsibilities and duties, including the requirement to act with discretion, diligence, honesty and loyalty at all times.

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

FRAUD PREVENTION

The Security Office uses a comprehensive fraud prevention framework that combines protection, detection and response with member/client, employee, supplier and product life cycles. This 360° view helps us protect people and organizational assets.

103-2 Management (continued)

Main governance document

We'll be drafting a fraud prevention policy in 2021.

Key training and awareness-raising initiatives

We offer a wide range of fraud prevention training to our employees. Employees don't have to take all the training that's available, just what's specific to their role within the organization.

FINANCIAL CRIME PREVENTION

We have a chief anti-money laundering officer who is responsible for ensuring sound management of risks associated with money laundering and terrorist financing, as well as international economic sanctions and other measures. We adjust our compliance program, policies, procedures and training regularly to reflect regulatory changes and emerging trends. These measures help prevent, detect and report transactions associated with money laundering and terrorist financing.

We also have a chief anti-tax evasion officer. We have a program to ensure compliance with regulatory requirements, including the intergovernmental agreement between Canada and the United States, pursuant to the Foreign Account Tax Compliance Act, and the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development. We're therefore required to obtain tax residence and US citizenship information from our members and clients and report it to the Canada Revenue Agency every year.

We prohibit all forms of corruption, which we define as the offer, promise, request, acceptance or transfer of an undue advantage, directly or indirectly, to a person or from a person, to unduly influence or reward the exercise of a professional function or activity. To meet legal requirements and maintain the public's trust, we appointed a chief anti-corruption officer who oversees the implementation of control measures to mitigate corruption risks, with a focus on high-risk operations. We also created an anti-corruption team in June 2020. Our anti-corruption framework is designed to prevent, identify, assess, handle, report and impose penalties in cases of corruption, in compliance with best practices and applicable legislation.

Our chief anti-corruption officer participates in a round table every quarter with anti-corruption officers from other Canadian financial institutions to stay informed of best practices.

Main governance documents

We have internal governance documents on:

- Anti-money laundering and anti-terrorist financing
- Compliance with international anti-tax evasion regulations
- Anti-corruption
- Conflict of interest management
- Operational risk management
- Integrity and competency of directors (for Quebec caisses)
- Integrity of directors (for Desjardins Ontario Credit Union)
- Security and credit checks for employment
- Professional conduct

103-3 Evaluation

We make sure our financial crime prevention programs are being implemented properly and monitor regulatory risk, which allows the Security Office to provide an opinion on the adequacy, application and effectiveness of control mechanisms.

The Desjardins Group Monitoring Office provides an independent assessment of the relevance and effectiveness of the management framework. As required by regulations, the Monitoring Office conducts an independent assessment every 2 years to make sure all our reporting entities are in compliance with anti-money laundering and anti-terrorist financing requirements.

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



GRI 205 KEY TRAINING AND AWARENESS-RAISING INITIATIVES

- **MISSION POSSIBLE – Fighting Money Laundering and Terrorist Financing:** 39,787 employees completed the training over the last year (mandatory training).
- **Anti-Tax Evasion:** 3,783 employees completed the training over the last year.
- **International Economic Sanctions:** 7,202 employees completed the training over the last year.
- **Conflicts of Interest: Don't Look the Other Way:** 11,796 employees and directors completed the training over the last year.
- **Anti-corruption training:** Our senior managers and directors completed the training in 2020. Training will be available for at-risk employees starting in 2021.
- **Measure Your Professional Conduct Quotient for the Desjardins Code of Professional Conduct:** 11,197 employees and 300 directors completed the training in 2020.

Environmental disclosure

MANAGING ENERGY USE AND GHG EMISSIONS – MANAGEMENT APPROACHES

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

<p>103-1 Materiality</p>	<p>Climate change is one of the most pressing challenges facing our world, which is why it's the main focus of our environmental efforts. We've taken action on the largest sources of GHG emissions, mainly in Quebec and Ontario, but elsewhere in Canada as well.</p>
<p>103-2 Management</p>	<p>TRANSPORTATION</p> <p>We provide a shuttle for our employees travelling between the Montreal and Lévis offices. With manager approval, some employees are able to work from home a certain number of days every month, which also helps us reduce the impact of employee travel. Employees with a company vehicle must choose a hybrid or electric model. We're pleased to offer employees greener transportation options.</p> <p>Our Alternative Transportation Program also lightens the environmental load of our employees' travel. The program is available to employees in our main employment hubs (Lévis, Montreal, Quebec City, Toronto, Mississauga and Aurora). Each year, we set a target number of employees to participate in the incentive program, with an allocated budget of around \$1 million.</p> <p>PAPER CONSUMPTION</p> <p>On average, an employee working in the finance sector uses between 50 and 75 kg (10,000 sheets) of paper every year. A life cycle analysis of paper products reveals numerous environmental impacts of paper consumption on top of GHG emissions:</p> <ul style="list-style-type: none"> • Deforestation • Consumption of non-renewable energy resources and other fossil fuels • High water consumption • Creation of de-inking sludge and effluent containing toxic compounds (for recycled paper) • Use of bleaching chemicals, such as chlorine, which produce pollutants with potentially high toxicity levels <p>We use paper in our offices (mainly in Quebec and Ontario). Paper documents may also be mailed out to members and clients across Canada. We only buy paper made in Quebec from 100% post-consumer waste to minimize the negative impacts of our paper consumption.</p> <p>Each year, we use hundreds of millions of sheets of paper in the course of our operations. Because we're aware of the environmental impact of our consumption, we've decided to extend the Paper Challenge until 2024. A key part of our strategy to reduce our GHG emissions, the Paper Challenge aims to reduce our paper consumption and increase our use of recycled paper. A taskforce of employees from our various business sectors and support functions is working on identifying and prioritizing ways we can use less paper. Some of our offices have been renovated to include collaboration zones, and the use of cloud-based technology is increasingly widespread. Both of these changes encourage employee mobility and decrease our reliance on printed documents. New ATMs with envelope-free deposits also make a difference. Black-and-white double-sided printing is now the default for our multifunction devices and printers. The Desjardins Group Management Committee receives quarterly reports on our paper consumption.</p>



<p>103-2 Management (continued)</p>	<p>ENERGY CONSUMPTION</p> <p>Because of our Quebec-wide presence, we use a lot of energy to heat, cool and light our office space and to power our computer equipment. We have a number of energy efficiency measures in place to reduce our GHG emissions and lower our energy costs. These measures have led to LEED® or BOMA Best® certification for some of our buildings. We take energy efficiency into consideration when building and renovating. We've also signed the Statement by Financial Institutions on Energy Efficiency.</p> <p>In 2019, we rolled out the Desjardins Energy Transition plan to minimize our real estate portfolio's energy consumption and reduce our GHG emissions. We also started assessing our real estate operations based on ESG criteria using the Global Real Estate Sustainability Benchmark. We'll be identifying areas for improvement for sites with higher carbon footprints.</p>
<p>103-3 Evaluation</p>	<p>Since 2008, we've been producing an annual inventory of our GHG emissions and publishing it through CDP, formerly the Carbon Disclosure Project. CDP's goal is to collect data on how businesses around the world manage their environmental impacts, and share it with investors.</p> <p>In 2019, we set a new target for reducing our carbon footprint. The goal is to reduce our GHG emissions to 20% below 2018 levels by December 31, 2024. To reach this reduction target, we'll leverage in-house initiatives that optimize business travel, reduce paper consumption and increase our energy efficiency. We don't buy renewable energy certificates to reduce the carbon footprint of our electricity consumption. Instead, we offset our GHG emissions by purchasing carbon credits certified under recognized protocols.</p> <p>Our operations have been carbon-neutral since 2017. We're offsetting our GHG emissions on a voluntary basis, through a rigorous process that takes scientific and industry best practices into account. We use GHG Protocol rules and ISO 14064 to calculate the reduction in our GHG emissions, and our calculation is reviewed by a credible, independent third party. Carbon credits are assigned a unique serial number. We also work closely with the sponsors of projects with a proven, transparent and long-term commitment to reducing GHG emissions. We commissioned a study by the Chaire en éco-conseil at Université du Québec à Chicoutimi to confirm the scientific rigour of what we're doing to offset our GHG emissions. The results confirmed the validity of our carbon-neutral assertion for 2017 within our inventory boundary. We've been using the same process since 2017. As a national socioeconomic leader, we select projects with positive environmental impacts across Canada. In 2020, we offset 100% of our 2019 GHG emissions and the 2018 adjustment by buying carbon credits from these projects:</p> <ul style="list-style-type: none"> • Lauzon Recycled Wood Energy Inc. (Quebec): Recovering, processing and recycling wood residue that would otherwise end up in waste piles or landfills • Niagara Escarpment Forest Carbon Project (Ontario): Managing, conserving and maintaining the diversity of ecosystems along the Niagara escarpment • Greenhouses led by Les serres coopératives de Guyenne and Les Productions Horticoles Demers (Quebec): Reducing carbon emissions by setting up heating systems that use 100% renewable energy, such as forest biomass residue or biogas from landfills • Terreau Biogaz Inc. (Quebec): Recovering and processing biogas from landfill sites and feeding it into Hydro-Québec's green energy grid • Madre de Dios Amazon REDD Project (Peru): Preventing deforestation and preserving the natural habitats of endangered species and tribal communities in a conservation area near Machu Picchu <p>We've also made an additional commitment to budget the equivalent of 1% of our carbon footprint to support Coop FA's Bourse du carbone Scol'ERE. This educational program teaches school-aged children and their families about the importance of protecting the environment.</p> <p>Real estate is one of the main sources of our GHG emissions. Our real estate sector is working on a decarbonization plan (Cap Carbone) to get our real estate holdings and operations on the road to carbon neutrality. This ambitious plan will provide comprehensive carbon accounting tools so the real estate sector can quantify all GHG emissions for materials used (intrinsic carbon) and operations (energy, residual waste and procurement). Cap Carbone's methodology is based on the Science Based Targets initiative, market benchmarking tools, the Carbon Risk Real Estate Monitor and the Global Real Estate Sustainability Benchmark.</p> <p>We set a new target for reducing our carbon footprint: we plan to reduce our GHG emissions to 20% below 2018 levels by December 31, 2024. To reach our goals, we'll leverage in-house initiatives that optimize business travel, reduce paper consumption and increase our energy efficiency.</p>



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LEED® CERTIFICATION

Building	City	Certification date	Level
150 Rue Des Commandeurs	Lévis	2016-02-19	Gold
Desjardins Securities, Le Windsor	Montreal	2009-11-30	Gold
Desjardins Securities	Toronto	2013-01-30	Gold
Caisse Desjardins de Lévis (head office)	Lévis	2017-04-10	Silver
Caisse Desjardins de Terrebonne (head office)	Terrebonne	2015-10-01	Gold
Caisse Desjardins de l'Ouest de la Mauricie (head office)	Louiseville	2015-05-20	Gold
Caisse Desjardins de l'Ouest de la Mauricie (Saint-Étienne-des-Grès Service Centre)	Saint Étienne-des-Grès	2015-04-24	Silver
Caisse Desjardins Thérèse-De Blainville (head office)	Ste-Thérèse	2014-04-30	Gold
Caisse Desjardins Le Manoir (La Plaine Service Centre)	Terrebonne (La Plaine)	2013-06-27	Certified
Caisse Desjardins des Chutes Montmorency (head office)	Boischatel	2012-08-15	Silver
Caisse Desjardins de Granby-Haute-Yamaska (head office)	Granby	2011-02-23	Gold

BOMA BEST® CERTIFICATION

Building	City	Certification date	Level
150 Rue Des Commandeurs	Lévis	2017	Platinum
Complexe Desjardins	Montreal	2019	Gold
6300 Boulevard Guillaume-Couture	Lévis	2018	Silver
6500 Boulevard Guillaume-Couture	Lévis	2018	Silver
95 Rue Des Commandeurs	Lévis	2020	Gold
59 Rue Bégin	Lévis	2018	Silver
100 Rue Des Commandeurs	Lévis	2020	Gold
200 Rue Des Commandeurs	Lévis	2018	Certified
995 Boulevard Alphonse-Desjardins	Lévis	2018	Certified
6075 Boulevard Wilfrid-Carrier	Lévis	2019	Certified

BOMA 360 CERTIFICATION

Building	City	Certification date
150 Rue Des Commandeurs	Lévis	2020



RESIDUAL WASTE – MANAGEMENT APPROACH | GRI 306 | 103-1 | 103-2 | 103-3

<p>103-1 Materiality</p>	<p>Every year, close to 13 million metric tons of residual waste is produced in Quebec. At Desjardins, we're working with our suppliers and employees to reduce our environmental footprint. Waste management is part of our commitment to fostering a green economy and ensuring compliance with the <i>Environment Quality Act</i>. Waste management systems are in place in business sector and support function buildings that Desjardins owns or leases, but not in the caisse network.</p>
<p>103-2 Management</p>	<p>\$7.7 MILLION FOR CURBSIDE RECYCLING</p> <p>Since 2006, we've invested more than \$7.7 million in funding for municipal curbside recycling. Each year, we give hundreds of thousands of dollars to Éco Entreprises Québec and the Canadian Stewardship Services Alliance to help fund these important services and protect the environment.</p> <p>INTEGRATED RESIDUAL WASTE MANAGEMENT</p> <p>We've rolled out the Programme Récüp within the organization to harmonize our approach to residual waste management. Our standardized data collection system provides annual data to help us better manage the following materials: paper and cardboard, office supplies, glass, metal, plastic, organic material, computer equipment (desktop and laptop computers, printers, servers, monitors, peripherals, cartridges), telecommunications equipment (headsets, cellphones, landline phones, videoconferencing systems, peripherals) and office furniture.</p> <p>Concrete measures are in place to reduce how much residual waste we generate and to promote reuse and recycling based on the 5Rs (rethink, reduce, reuse, recycle, repurpose). A full-time employee is assigned to coordinate our residual waste management efforts.</p>
<p>103-3 Evaluation</p>	<p>Our residual waste management program and objectives are reviewed annually. In addition to environmental management and traceability, we're upgrading the Programme Récüp with financial and carbon accounting to reflect the new trade perspectives for upgraded raw materials.</p>



Social disclosure

LOCAL COMMUNITIES – MANAGEMENT APPROACH | 103-1 | 103-2 | 103-3

<p>103-1 Materiality</p>	<p>At Desjardins, our purpose is to enrich the lives of people and communities.</p> <p>The cooperative business model is a powerful force for community development, and its values of solidarity, self-help and support for entrepreneurship make it an ideal fit for local communities.</p> <p>We're firmly rooted in Quebec and growing our presence in Ontario. We're pleased to partner with local, regional, national and international organizations. Our network of partners and socioeconomic and environmental leaders puts us at the forefront of the community development and shared prosperity movement.</p> <p>The AMF has designated Desjardins as a domestic systemically important financial institution in Quebec. Domestic systemic importance is measured in terms of the impact that distress or insolvency of a financial institution would have on the domestic economy.</p>
<p>103-2 Management</p>	<p>At Desjardins, we help build vibrant communities in many ways, including:</p> <ul style="list-style-type: none"> • Funding long-term community development projects • Supporting community organizations through director and employee involvement • Financing individual and group entrepreneurship projects • Offering relief measures to support people and communities during the pandemic • Offering products and services tailored to individual and community needs • Promoting financial literacy and inclusion in Canada and abroad • Making crowdfunding available to individual and group project promoters through La Ruche supported by Desjardins • Launching sustainable development initiatives <p>As a socioeconomic leader, we've developed financial support tools that can be customized to suit community needs, like our GoodSpark Fund, a \$250 million fund for 2016 to 2024. With this fund, we support development projects that make a difference for people and communities at the local and national levels.</p> <p>Our insurance subsidiaries also do their part for community development by supporting health and road safety initiatives. In addition, their investment portfolios include investments in infrastructure projects and businesses that meet ESG criteria.</p>
<p>103-3 Evaluation</p>	<p>We evaluate our community engagement strategies every year and adjust them as required. We track the number of entrepreneurs we support, the number of individuals who have completed projects or received training and our investments in cooperative organizations and group projects. For the GoodSpark Fund, we also track and evaluate participation levels and the number of people affected by the projects supported, the number of jobs created or maintained, and the overall positive effect of our contributions.</p> <p>We collect and analyze feedback from our community partners. Finally, we tally contributions made by members to their local caisse's Community Development Fund.</p> <p>To learn more: GRI 413-1 205-2 FS13 FS14 FS16 203-2</p>

See the [Support for local communities](#) section of our Social and Cooperative Responsibility Report for a full description of how we're helping communities (page 21).



EDUCATION AND COOPERATION – MANAGEMENT APPROACH | GRI 103-1 | 103-2 | 103-3

103-1 Materiality	Financial education has always been central to Desjardins's mission and important for members and clients. We help design and deliver financial and cooperative education programs for members, clients, individuals and communities. Some of these programs are developed and presented in partnership with educators and consumer protection advocates in Quebec and Ontario.
103-2 Management	In 2020, we invested \$7 million in programs to foster healthy financial habits, financial wellness and financial empowerment. We have an internal financial education policy that serves as a basis for our education initiatives, guides our financial education efforts and incorporates financial education into our business practices. We also have mechanisms in place to ensure these programs are updated regularly.
103-3 Evaluation	We assess participant satisfaction with financial education programs like Personal Finance: I'm in Charge®. However, it's difficult to measure the long-term effects of our programs on the financial empowerment of individuals and businesses.

See the [Education and support for youth](#) and [Education that supports financial empowerment](#) sections of our Social and Cooperative Responsibility Report for a full description of what we're doing to help members and clients learn more about money and finances (pages 27 and 65).

MEMBER/CLIENT EXPERIENCE – MANAGEMENT APPROACH | GRI 103-1 | 103-2 | 103-3

103-1 Materiality	As a cooperative financial group striving to always do what's best for our members and clients, we're keenly focused on the member/client experience. We're working to improve this experience across all channels members and clients use to do business with us, whether online or in person, in Quebec, in Ontario or anywhere else.
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**103-2
Management**

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

NET PROMOTER SYSTEM

With the Net Promoter System®, we collect member and client feedback about their interactions with us and use it to keep improving our processes. We're gradually expanding this system to cover most of the interactions we have with our members and clients.

USER EXPERIENCE (UX) RESEARCH

UX research helps us find out ahead of time from users what it's like to use our online platforms—our goal is to make the experience as simple, efficient and user-friendly as possible. We use a variety of approaches and a wide range of tools, including a state-of-the-art UX lab, to develop cutting-edge online experiences tailored to the needs of members and clients.

MEMBER, CLIENT AND CONSUMER SURVEYS

To learn more about people's needs, expectations, preferences and perceptions, we conduct surveys through the Desjardins Web Panel, which has over 6,600 members, and our Canadian consumer panels. We also use member/client email lists.

ONLINE COMMUNITIES

We use online communities to get qualitative data on member/client needs, expectations and behaviours. Each online community has between 25 and 80 people who complete a workbook over the course of several days. These communities encourage personal reflection and group discussion.

FOCUS GROUPS AND INDIVIDUAL INTERVIEWS

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

MYSTERY CLIENTS

Mystery clients help us get a realistic picture of our service delivery, products and services. They're actual consumers who are registered with specialized firms.

EXPLORING NEW IDEAS THROUGH THE DESJARDINS LAB

To stay current and in step with the needs of our members and clients, we have to think outside the box. The Desjardins Lab is a key part of how we explore new ways of resolving member/client problems. It's a place where sectors can brainstorm and work directly with members and clients to find new solutions and quickly move on to the testing stage. The Desjardins Lab also sparks the innovative spirit by developing tools that foster team creativity and innovation.

DISSATISFACTION MANAGEMENT

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

INTERNET AND SOCIAL MEDIA

We have a dedicated social media team that handles complaints and negative feedback posted on social media sites like Facebook and Twitter. We analyze comments posted on our pages to improve the overall experience of our members and clients and to make sure our offers keeps pace with their changing needs. The AccèsD team handles any other complaints, negative feedback and suggestions we receive online.

CYBERMETRICS

How members and clients use our online platforms tells us a lot about their intentions, habits and how they want to use our products and services. We use cybermetrics to collect this data and make it available securely. We take what we learn from our analyses and reports to improve our online platforms and make them easier for our members and clients to use.



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103-2 Management (continued)

COMPLAINT HANDLING

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

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

Step 2: File an official complaint with our Complaint and Dissatisfaction Management Compliance Department. Official complaints are kept confidential, and the member or client will receive a response in a timely manner.

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

Step 4: File a complaint with the appropriate regulator. If they're still dissatisfied with the way their complaint was handled, the member or client can turn to the appropriate regulator for their province or territory.

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

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

103-3 Evaluation

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

See the [Members and clients](#) section of our Social and Cooperative Responsibility Report for a full description of what we've done to improve the member/client experience (pages 51).

PRODUCT RESPONSIBILITY – MANAGEMENT APPROACH | GRI 103-1 | 103-2 | 103-3

103-1 Materiality

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

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



103-2 Management

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

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

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

ESG FACTORS

We pioneered the responsible investment movement in Canada. The following Desjardins entities have signed the UN's Principles for Responsible Investment: Desjardins Investments, Desjardins Global Asset Management, Développement international Desjardins and the Desjardins Group Pension Plan. For 30 years, we've been one of the country's leading proponents of this approach. Responsible investment means integrating ESG factors into investment selection and management decisions and taking a long-term view by investing in companies with a focus on sustainable development. Our responsible investment solutions include SocieTerra portfolios and funds, the Priority Terra Guaranteed Investment, and our line of responsible investment exchange-traded funds. In accordance with our responsible investment policies, securities are selected and managed in our funds and portfolios using one or more of the following strategies:

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

In 2020, we continued to build on our responsible financing strategy and assess the carbon and ESG risks associated with our business financing.

Here are some of the ways we incorporated ESG factors into our operations in 2020:

- We became the first financial institution in North America to join the Powering Past Coal Alliance, a United Nations-backed coalition of organizations working to advance the transition from unabated coal power energy to clean energy. We're therefore withdrawing from the coal sector and will support the small number of remaining companies in our portfolio that have a firm, short-term plan to transition to renewable energy.
- We were one of the first organizations in North America to sign the Tobacco-Free Finance Pledge, which was developed in collaboration with the United Nations Environment Programme Finance Initiative to support global anti-tobacco efforts.
- We committed to fighting discrimination and promoting diversity by signing the Responsible Investment Association's Canadian Investor Statement on Diversity & Inclusion.
- We showed our support for the Black Lives Matter movement and signed the BlackNorth Initiative's Pledge, committing to concrete targets in our recruiting, representation and sponsorship policies.
- We excluded fossil fuels from our SocieTerra funds and portfolios, which are now available across Canada.
- We signed the United Nations Women's Empowerment Principles and launched the Desjardins SocieTerra Diversity Fund, which invests in businesses with strong female representation on their boards and management committees.
- We joined the Partnership for Carbon Accounting Financials to measure the GHG emissions generated by our financing and investment activities, using a recognized scientific method.

In 2020, Desjardins Insurance published its first report under the Principles for Sustainable Insurance. The first disclosure under the Principles for Responsible Banking and the second disclosure under the Principles for Sustainable Insurance can be found in an appendix to our Social and Cooperative Responsibility Report.

103-3 Evaluation

The Desjardins Group Management Committee tracks sales of our Green Program products on a quarterly basis. The growing popularity of our responsible financial products and services clearly shows that they meet the needs of our members and clients. We continually review and enhance our product lineup to ensure that it remains both relevant and accessible. As part of its annual assessment of responsible investment, the Principles for Responsible Investment gave Desjardins components scores of A and A+ for strategy and governance.



GRI FS1 POLICIES WITH SPECIFIC ENVIRONMENTAL AND SOCIAL COMPONENTS

We have internal governance documents on:

- Sustainable development
- Financial education
- Regional decentralization
- Vehicles for the caisse network
- Business travel
- Courtesy vehicles
- Procurement
- Disposition of property
- Exercise of proxy voting rights
- Responsible investment
- Caisse Community Development Funds
- Sustainable procurement
- Supplier conduct
- Professional conduct (for employees and directors)

GRI FS8 SOCIETERRA FUNDS AND PORTFOLIOS

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

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

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SocieTerra funds and portfolios – Assets under management as at December 31 (\$ millions)¹

	2020	2019	2018
Desjardins SocieTerra Canadian Bond Fund	11.9	7.7	1.9
Desjardins SocieTerra Environmental Bond Fund	0.2	59.2	49.7
Desjardins SocieTerra Global Bond Fund	12.8	0.9	– ²
Desjardins SocieTerra Canadian Equity Fund	1.7	3.6	0.5
Desjardins SocieTerra American Equity Fund	26.9	16.8	4.1
Desjardins SocieTerra International Equity Fund	1.6	3.2	0.2
Desjardins SocieTerra Emerging Markets Equity Fund	1.5	1.5	0.2
Desjardins SocieTerra Environment Fund	101.9	95.2	88.5
Desjardins SocieTerra Diversity Fund	1.3	– ³	– ³
Desjardins SocieTerra Positive Change Fund	116.9	6.6	1.7
Desjardins SocieTerra Cleantech Fund	109.6	56.2	32.4
SocieTerra Conservative Portfolio	733.4	505.8	427.8
SocieTerra Moderate Portfolio	45.9	– ³	– ³
SocieTerra Balanced Portfolio	1,804.0	1,333.1	1,091.5
SocieTerra Growth Portfolio	1,188.1	880.6	695.7
SocieTerra Maximum Growth Portfolio	725.5	498.4	382.1
SocieTerra 100% Equity Portfolio	55.3	5.4	– ²
Total	4,938.5	3,474.2	2,776.3

1. To avoid duplicate entry, the Desjardins Funds assets above do not include the amounts invested through the 4 SocieTerra portfolios.

2. Fund launched in 2019.

3. Fund launched in 2020.

GRI FS8 PRIORITY TERRA GUARANTEED INVESTMENT

With the Priority Terra Guaranteed Investment, investors can take advantage of the yield potential of environmentally conscious companies, while protecting their capital. The performance of this investment follows a basket of securities of companies in various economic sectors, including renewable energy, with the exception of the tobacco, nuclear and arms sectors.

To learn more: desjardins.com/ca/personal/savings-investment/market-linked-guaranteed-investments/priority-terra-guaranteed-investment/

GRI FS8 WOMEN'S IMPACT GUARANTEED INVESTMENT

With the Women's Impact Guaranteed Investment, investors can take advantage of the yield potential of companies in a variety of sectors around the world with women holding 30% of board seats, while protecting their capital.

To learn more: desjardins.com/ressources/pdf/f815-emis00128-indc013-e.pdf?resVer=00001



GRI index

GRI FS8 / SUSTAINABLE WATER MANAGEMENT GUARANTEED INVESTMENT

With the Sustainable Water Management Guaranteed Investment, investors can take advantage of the yield potential of companies that work with the world's most precious and essential natural resource: water. 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.

Market-linked guaranteed investments – Assets under management as at December 31 (\$ millions)

	2020	2019	2018
2-year Priority Terra Guaranteed Investment	85.3	88.7	52.3
3-year Priority Terra Guaranteed Investment	285.7	133.3	125.8
5-year Priority Terra Guaranteed Investment	866.3	652.8	517.9
3-year Women's Impact Guaranteed Investment	129.9	130.6	– ¹
5-year Women's Impact Guaranteed Investment	11.6	– ²	– ¹
5-year Sustainable Water Management Guaranteed Investment	13.8	– ²	– ¹
Total	1,392.6	1,005.4	696.0

1. Investment launched in 2019.
2. Investment launched in 2020.

GRI FS8 DESJARDINS ESG GLOBAL EQUITY CORE SELECTION PRINCIPAL PROTECTED NOTES

With these notes, investors can take advantage of the yield potential of a basket of 20 securities from companies in various sectors around the world that are industry leaders in sustainable development.

Desjardins ESG Global Equity Core Selection Principal Protected Notes – Assets under management as at December 31 (\$ millions)

	2020	2019	2018
6-year Desjardins ESG Global Equity Core Selection Principal Protected Notes	4.6	– ¹	– ¹
Total	4.6	–¹	–¹

1. Notes launched in 2020.

To learn more: desjardinsfunds.com/structurednotes/product/esg-global-equity-core-selection-principal-protected-notes,-series-1?id=c83e99af-40df-4f12-87a2-1c35a18b88d8

GRI FS8 SOCIETERRA GUARANTEED INVESTMENT FUNDS

We offer 6 responsible investment guaranteed investment funds under the Helios2 Contract. These funds give our members and clients access to the full potential of market growth, provide guarantees upon maturity and death, and foster sustainable development.

GRI index

SocieTerra guaranteed investment funds – Assets under management as at December 31 (\$ millions)

	2020	2019	2018
Guaranteed Investment Fund – Conservative – Desjardins SocieTerra	11.8	7.2	2.2
Guaranteed Investment Fund – Moderate – Desjardins SocieTerra	0.3	– ¹	– ¹
Guaranteed Investment Fund – Balanced – Desjardins SocieTerra	46.4	30.4	24.1
Guaranteed Investment Fund – Growth – Desjardins SocieTerra	25.3	11.0	3.4
Guaranteed Investment Fund – Maximum Growth – Desjardins SocieTerra	3.3	– ¹	1.1
Guaranteed Investment Fund – 100% Equity – Desjardins SocieTerra	0.6	– ¹	– ¹
Total	87.7	50.7	30.8

1. Guaranteed investment fund launched in 2020.

GRI FS8 ESG GLOBAL DIVERSIFIED BASKET – GUARANTEE ADVANTAGE

Guarantee Advantage's ESG Global Diversified basket is composed of securities issued by 20 conscientious companies, some of which are viewed as being proactive in the renewable energy sector.

ESG Global Diversified basket – Assets under management as at December 31 (\$ millions)

	2020	2019	2018
5-year ESG Global Diversified basket	8.1	– ¹	– ¹
Total	8.1	–	–

1. Basket launched in 2020.

GRI FS8 DESJARDINS SECURITIES DISCRETIONARY MANAGEMENT

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

Responsible investment – Assets under management as at December 31 (discretionary management) (\$ millions)

	2020	2019	2018	2017
Ethical Canadian Equity Fund (NEI Investments and QV Investors)	4.0	3.8	2.9	0.7
Ethical Global Dividend Fund (NEI Investments and Amundi)	7.9	6.7	5.9	4.4
Canadian Large Caps – Future (Desjardins Global Asset Management)	3.4	3.1	2.7	3.6
	15.3	13.6	11.5	8.7



GRI index

GRI FS8 GROUP RETIREMENT SAVINGS

We're one of the first in the industry to offer funds on our group retirement savings platform that have been selected based on ESG criteria. Employers and consultants have access to the assessment framework and fund scores.

Our group retirement savings lineup includes 4 responsible investment options. Of these 4 options, 2 are sustainable investment options—one focusing on environmental bonds and one on cleantech stocks. The other 2 are diversified, multi-manager fixed income and equity portfolios. These portfolios use ESG criteria for investment selection and management, in some cases with a focus on specific sustainability approaches and objectives. We're the only insurer to offer ESG portfolios in our group retirement savings solutions.

Responsible investment – Assets under management as at December 31 (group retirement savings) (\$ millions)

	2020	2019	2018
NEI Canadian Bond Fund ¹	–	–	5.2
NEI Ethical Canadian Equity Fund ¹	–	–	5.8
NEI International Equity Fund ¹	–	–	4.9
Desjardins Responsible Fixed Income Fund ²	5.6	4.6	–
Desjardins SocieTerra Environmental Bond Fund (Mirova) ²	0.9	50.4	–
Desjardins Responsible Growth Fund ²	14.3	10.4	–
Desjardins SocieTerra Cleantech Fund (Impax) ²	2.9	1.8	–
Total	23.7	67.2	15.9

1. Fund closed in 2019.

2. Fund launched in 2019.

To learn more about group retirement savings investment options: desjardinslifeinsurance.com/en/businesses/group-retirement-savings/services/investments/investment-options

GRI FS8 DESJARDINS PRIVATE WEALTH MANAGEMENT

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

Responsible investment – Assets under management as at December 31 (private wealth management) (\$ millions)

	2020	2019	2018
Socially responsible bonds	23.2	19.6	1.2
Socially responsible Canadian equity	48.2	39.3	39.9
Socially responsible US equity	27.4	28.9	23.0
Total	98.8	87.8	64.1



GRI index

GRI FS8 DESJARDINS GLOBAL ASSET MANAGEMENT

Desjardins Global Asset Management (DGAM) manages investments for institutional clients and provides responsible investment strategies. As at December 31, 2020, DGAM had over \$3.3 billion in responsible investment strategy assets under management.

Responsible investment – Assets under management as at December 31 (DGAM) (\$ millions)

	2020	2019	2018
ESG Canadian bonds ¹	1,851.3	1,201.8	1,183.5
ESG Canadian equity ¹	715.0	439.2	373.3
Desjardins RI ETF ²	765.0	79.7	27.0
Total	3,331.3	1,720.7	1,583.8

1. Include assets from SocieTerra funds and portfolios and institutional client ESG portfolios.

2. Duplicate entries possible because institutional clients can use Desjardins RI ETF strategies for their ESG portfolios.

DGAM is also responsible for strategies to reduce the carbon footprint of our investments. As at December 31, 2020, assets for these strategies totalled more than \$9.5 billion.

Assets as at December 31 (\$ millions)

	2020	2019	2018
Decarbonized bonds	8,016.3	7,176.9	5,633.6
Decarbonized equity	1,539.8	1,566.8	1,611.7
Total	9,556.1	8,743.7	7,245.3

[Learn more about DGAM and responsible investment](#)

SHAREHOLDER ENGAGEMENT – MANAGEMENT APPROACH | GRI 103-1 | 103-2 | 103-3

103-1 Materiality

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



GRI index

<p>103-2 Management</p>	<p>We use dialogue and shareholder voting to engage with companies in which we have stocks or bonds. Our components publish detailed reports about this each year.</p> <p>ENGAGING IN DIALOGUE Dialogue takes place behind closed doors. It's a chance for investors to speak directly with company leaders about their concerns and discuss any expectations they have for change. As part of the dialogue, investors may visit facilities to gain a better understanding of the company's operations.</p> <p>Several Desjardins entities use their position to engage in dialogue. The dialogues touch on a broad range of issues identified in a risk analysis of each company's corporate governance, environmental and social responsibility practices. These dialogues are all conducted directly by our responsible investment team or by external portfolio managers. Each year, we use this approach with over 100 securities issuers.</p> <p>EXERCISING VOTING RIGHTS By exercising our voting rights, we're able to address all the topics raised at annual shareholders' meetings. We emphasize this strategy because we recognize that we have a responsibility to take a firm stand on all proposals submitted to the shareholders of the companies we invest in, in keeping with our values and those of our partners and clients.</p> <p>The following Desjardins entities have signed the UN's Principles for Responsible Investment: Desjardins Investments, Desjardins Global Asset Management (DGAM), Développement international Desjardins (DID) and the Desjardins Group Pension Plan. DID is also a member of the Global Impact Investing Network and a founding member of the Canada Forum for Impact Investment and Development, while DGAM participates in the Environmental and Social Committee of the Canadian Coalition for Good Governance, the pre-eminent corporate governance organization in Canada.</p> <p>For companies to qualify for our responsible investment solutions, they must undergo 2 types of analysis: one using financial criteria, and another more thorough analysis using ESG criteria.</p> <p>Our responsible investment management approach seeks to influence targeted companies whose securities are held in SocieTerra funds and portfolios, responsible investment exchange-traded funds or specific client mandates by initiating dialogue, submitting shareholder proposals and exercising shareholder voting rights at annual general meetings.</p>
<p>103-3 Evaluation</p>	<p>Entities that have signed the Principles for Responsible Investment produce a public report each year.</p>

DIVERSITY AND INCLUSION – MANAGEMENT APPROACH | GRI 103-1 | 103-2 | 103-3

<p>103-1 Materiality</p>	<p>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.</p> <p>That's why we're committed to building an organization that reflects the richness of our society and that celebrates diversity.</p>
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GRI index

<p>103-2 Management</p>	<p>To diversify and enrich our human capital, we're making more room in the organization for young people, women in decision-making roles, members of cultural communities, people with disabilities and members of the LGBTQ + community.</p> <p>Our hiring and talent management policies and practices reflect our commitment to building a more diverse workforce that reflects our society across all levels of the organization.</p> <p>We also support initiatives and participate in public events catering to people from all walks of life:</p> <ul style="list-style-type: none"> • Fondation Émergence programs, to promote a more inclusive environment for sexual orientation and gender diversity • Action main-d'oeuvre specialized services, to hire people with autism spectrum disorder • Un emploi en sol québécois program, in partnership with the Fédération des chambres de commerce du Québec • Women in Leadership program with L'effet A • Partnership with Catalyst: Workplaces That Work for Women • Quebec Immigration and Integration Fair • Pride at Work Canada and Pride Montreal • Fédération des chambres de commerce du Québec • Partnerships with: Catalyst Canada, Women in Governance and the Association of Quebec Women in Finance <p>In Aurora, Mississauga and our other workplaces outside Quebec, we have about a dozen employee networking groups that organize activities promoting cultural, gender and sexual orientation diversity.</p> <p>Caisses have an enhanced group profile that allows each board of directors to set representation targets based on its reality and needs. One of the dimensions covered by this profile is diversity—in age, gender and background. The Young Intern Director Program also supports diversity.</p> <p>GENDER PARITY</p> <p>In 2020, we set our sights on increasing the number of women in senior management positions and on the boards of directors of the caisses and the Federation.</p> <p>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.</p> <p>Caisse boards of directors are also striving for parity by 2024 and implementing strategies to encourage more women to run for director positions, keeping their enhanced group profile top of mind.</p>
<p>103-3 Evaluation</p>	<p>We've had a major diversity and inclusion action plan on the go since 2018, with a community of ambassadors dedicated to growing diversity and inclusion within our organization.</p> <p>The representation of women is monitored quarterly for senior management positions and 3 times a year for caisse boards of directors.</p>

EMPLOYER/EMPLOYEE RELATIONSHIP – MANAGEMENT APPROACH | GRI 103-1 | 103-2 | 103-3

<p>103-1 Materiality</p>	<p>We use a wide range of strategies to attract and retain top talent. We understand that employee well-being is essential to retention and job satisfaction. We also know that a good employer/employee relationship is key. Our management practices focus on ongoing dialogue between managers and employees, and we see this as a shared responsibility.</p>
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GRI index

<p>103-2 Management</p>	<p>This ongoing dialogue is a cornerstone of our approach to performance management. In addition to meetings held at the beginning, middle and end of the year to set goals and review performance, this dialogue allows managers and employees to discuss and address individual and organizational needs.</p> <p>The president and CEO holds regular online meetings to build rapport with our employees and managers. These meetings are an opportunity to share our vision and expectations, discuss challenges and explain how they're being handled, and answer questions from participants. About 15% of our employees are unionized, and we have good relations with the unions that represent them.</p> <p>The Workplace Relations Administrative Department has processes in place to deal with any grievances or complaints in accordance with labour laws. We also have a process for handling employee complaints in the event of a dispute and an anonymous mechanism that employees can use to report issues, especially regarding human resources.</p> <p>OCCUPATIONAL HEALTH AND SAFETY</p> <p>At Desjardins, occupational health and safety are fundamental to performance. We're committed to offering a safe and secure work environment. We enforce required safety measures, including those mandated by provincial and federal laws and regulations.</p> <p>The group insurance plan is a key part of our compensation package. We care about our employees' health and financial security and the plan was designed to provide employees with the peace of mind they need for personal and professional growth. Our employees also have a defined benefit pension plan, which contributes to better retirement planning.</p> <p>Finally, the Fast Track Prevention program helps caisse network employees respond to attacks, assaults, theft and other emergencies. Each caisse has a security and fraud officer who can support employees in these situations. We have teams dedicated to protecting our employees, keeping our workplaces safe and coordinating emergency response operations. Documentation on emergency measures is readily available to employees.</p>
<p>103-3 Evaluation</p>	<p>Since 2018, our approach to employee engagement has been based on ongoing dialogue with all employees. Everyone is encouraged to express their point of view using Officevibe, a confidential, interactive platform that lets employees give feedback on their experience working for Desjardins. Managers can interact with them at any time to gain more insight.</p>

TRAINING AND EDUCATION – MANAGEMENT APPROACH | GRI 404 | 103-1 | 103-2 | 103-3

<p>103-1 Materiality</p>	<p>Desjardins directors, managers and employees can improve their skills through ongoing training, which equips them to make the best decisions for members and clients. We fully comply with Quebec's <i>Act to Promote Workforce Skills Development and Recognition</i>, which requires large companies to invest at least 1% of their payroll in employee training every year.</p>
<p>103-2 Management</p>	<p>For years, we've invested on average more than 2.5% of our payroll in staff training and development. The sustained interest that our employees show is a clear indicator that these measures are worthwhile. These investments are allocated within the organization based on our challenges and priorities. New tools like Microsoft 365 and Workday Learning also make it easier to collaborate and share best practices.</p> <p>A mandatory learning path for caisse directors was launched May 1, 2019, and throughout 2019 we designed content for 8 new training courses for them. We also rolled out a new training platform to support caisse directors with the learning path.</p>
<p>103-3 Evaluation</p>	<p>In 2020, thousands of employees and directors improved their skills through the programs we offer.</p>

INFORMATION SECURITY AND PHYSICAL SECURITY – MANAGEMENT APPROACH

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

<p>103-1 Materiality</p>	<p>With cyber threats on the rise, cybersecurity is a major strategic concern for organizations around the globe. This includes data flow control and logical access to information systems, as well as physical security.</p>
<p>103-2 Management</p>	<p>INFORMATION SECURITY</p> <p>Our chief information security officer ensures that our actions are aligned with our IT risk appetite framework.</p> <p>We started upgrading our technology several years ago to prevent cyberattacks and improve our cybersecurity response and recovery processes. We also hire and train experts to help protect us against cyber threats.</p> <p>Main governance documents</p> <p>We have internal governance documents on:</p> <ul style="list-style-type: none"> • Risk management in the caisse network • Information security • Acceptable use of technology • Identity and access management • Information security classification • Security of information available to suppliers <p>In addition to the above documents, we have a number of tactical and operational governance documents to ensure our operations run smoothly and our information security strategies are applied effectively. As part of our cyber risk transfer strategy, we've updated our insurance policies.</p> <p>Key training and awareness-raising initiatives</p> <p>Desjardins-wide initiatives:</p> <ul style="list-style-type: none"> • Mandatory information security training: In 2020, 16,905 employees completed the Identifying Phishing Emails training and 14,308 took the Information Security training. All new hires must complete this training within 90 days of their start date. • Dashboard: Launch of the Security for everyone dashboard to help managers track employee information security training and results. • New modules added to our training offer: <ul style="list-style-type: none"> - Emails and Phishing - Determining Security and Confidentiality Levels - Security Mechanism Development <p>PHYSICAL SECURITY</p> <p>Our Information Security Division ensures measures are in place to protect individuals and assets, and handle incident and risk management.</p> <p>We have a list of potential threats by target category (people, tangible property and intangible property). The list includes threats that may impact our operations, service delivery and reputation. We've identified and assessed sources of vulnerability, so we can mitigate risk effectively and protect the integrity and accessibility of our assets.</p> <p>Main governance document</p> <p>We have an internal governance document on physical security.</p> <p>Key training and awareness-raising initiatives</p> <p>People Security Program:¹ In 2020, employees took 5,234 courses as part of this 7-module program.</p> <p>The Fast Track Prevention program also helps caisse network employees respond to attacks, assaults, theft and other emergencies. Each caisse has a security and fraud officer who can support employees in these situations. We have teams dedicated to protecting our employees, keeping our workplaces safe and coordinating emergency response operations. Documentation on emergency measures is readily available to employees.</p>

1. Program for learning more about dealing with building evacuation, an aggressive person or an active shooter, a bomb threat or a suspicious package, preventive security, hostage taking and armed robbery.



103-3 Evaluation	<p>To ensure effective protection mechanisms and security, the Desjardins Group Security Office has set up a forward-looking organizational structure that fosters collaboration, transparency and security data sharing.</p> <p>The risk management function ensures that our risk profile corresponds to our risk appetite. Each quarter, this team oversees compliance with the statements and indicators set by senior management and the board of directors, and provides them with an update. When the threshold or limit of a risk appetite indicator is exceeded, we look into it immediately. We then inform the appropriate bodies why this occurred and notify them of the action plan, if applicable.</p> <p>The Desjardins Group Monitoring Office supports the president and CEO and oversees and advises management with respect to its duty to manage in a sound and prudent manner. In doing so, the Monitoring Office contributes to our overall performance and to maintaining the trust of our members and clients, the public and regulatory bodies.</p> <p>The Security Office prepares integrated security reports that are in line with our risk management practices. These reports give our governance bodies and regulators the information they need to assess our security position.</p> <p>We've enhanced the group profile of our board of directors by adding external directors, 2 of whom have strong backgrounds in information technology and security.</p> <p>INFORMATION SECURITY AND PHYSICAL SECURITY</p> <p>Our Information Security Division's governance framework is based on 2 global information security frameworks: ISO 27000 and the National Institute of Standards and Technology Cybersecurity Framework.</p> <p>The Monitoring Office regularly audits the division's work. The division manages information security risk through vertical accountability to the Security Office and the board of directors and through horizontal accountability to IT and operational risk management teams. It also enhances security through ongoing reporting and communications tailored to the needs of each business sector.</p>
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MEMBER AND CLIENT PRIVACY AND DATA PROTECTION-MANAGEMENT APPROACH
GRI 418 | 103-1 | 103-2 | 103-3

103-1 Materiality	<p>The financial services industry is one of the most strictly regulated and monitored sectors. In recent years, the regulations governing the industry have expanded significantly in response to numerous socioeconomic phenomena, such as the development of new, increasingly complex financial products, the continuing volatility in the securities industry and growing concerns about the protection of personal information.</p> <p>Information and privacy protection is a key concern in today's digital age. The loss or unauthorized disclosure of personal information is a menace to all businesses.</p> <p>At Desjardins, we take data very seriously. Our strategy to shift to a member/client culture is contingent on our ability to control and protect data. With better analytical capabilities, we'll be able to leverage data for our members and clients.</p>
103-2 Management	<p>COMPLIANCE</p> <p>Our chief compliance officer fosters a proactive approach to compliance by fully integrating compliance into our current operations. Responsibilities include developing, updating and maintaining the compliance management framework, which is based on the identification and monitoring of regulatory obligations and the functional units subject to them. Regulatory developments and their impact on operations are therefore regularly monitored and evaluated by the compliance function. The compliance function provides support to managers in charge of business sectors and support functions so that they can effectively manage their risks, by developing an appropriate framework and documentation, acting in an advisory capacity, setting up training programs and conducting periodic inspections of operations.</p>

103-2 Management (continued)

Main governance documents

We have internal governance documents on:

- Compliance
- Sound commercial practices
- Privileged information management
- The *Bank Holding Company Act*
- Conflict of interest management
- Commercial electronic messages, program installation and telephone solicitation
- Accessibility
- Unclaimed property

Key training and awareness-raising initiatives

- Sound Commercial Practices at Desjardins: 3,636 employees completed the training over the last year.
- Conflicts of Interest: Don't Look the Other Way: 11,527 employees completed the training over the last year.
- Are You in Possession of Privileged Information?: 6,069 employees (excluding the caisse network) completed the training over the last year.
- Accessibility for People with Disabilities: 1,228 employees (Ontario only) completed the training over the last year.

Complaint and dissatisfaction management

In addition to our streamlined approach to managing complaints and dissatisfactions, we have a process for forwarding regulatory complaints to our chief compliance officer.

PROTECTION OF PERSONAL INFORMATION

Our chief privacy officer is responsible for implementing and overseeing our privacy compliance program to guarantee optimal and secure use of data for members and clients, in accordance with professional conduct and compliance rules, and privacy rules and policies.

Initiatives related to the protection of personal information and information security help us ensure that our actions are aligned with our IT risk appetite framework.

Main governance document

We have an internal governance document on privacy.

Key training and awareness-raising initiatives

We rolled out Protecting Personal and Confidential Information Is Everyone's Business!¹ in November 2020. To date, 8,543 employees and directors have completed this online training.

Complaint and dissatisfaction management

In addition to our streamlined approach to managing complaints and dissatisfactions, we have a process for forwarding privacy-related complaints to our chief privacy officer.

DATA GOVERNANCE

In April 2020, we mandated the Office of the Chief Data Officer to provide leadership, structure, expertise and direction to encourage stakeholders across the organization to recognize data as a strategic asset and to manage data in the best interests of our members and clients.

Data governance helps key stakeholders use and leverage data to its full potential, while ensuring optimal compliance with applicable frameworks (regulatory compliance, privacy protection, ethical use of data and data security).

Having a solid and mature data governance function will help us become a personal information and privacy protection leader.

Through cross-sector data governance structures, we're able to work with all our entities, business sectors and support functions to implement applicable frameworks.

1. This training program replaces 2 other programs that have been phased out: The Protection of Personal Information Within Desjardins Group and Information Security.



<p>103-2 Management (continued)</p>	<p>Even though our data governance function hasn't been up and running for very long, a target operating model has been identified and is being implemented. The model sets out the roles and responsibilities of key stakeholders in operational practices for using and leveraging data to ensure data quality and protection. We'll be setting up data operational units in our business sectors and support functions and a central data governance unit will oversee their operations and ensure consistent operational practices across the organization. This structure will help to ensure compliance with applicable frameworks, align our resources and our collective intelligence based on shared values and improve corporate agility.</p> <p>In 2021 and 2022, we'll be developing a training and awareness-raising plan for our employees and directors.</p>
<p>103-3 Evaluation</p>	<p>Our privacy and other compliance programs encompass regulatory risk monitoring so that the compliance sector can report on the adequacy, effectiveness and application of the control mechanisms in place.</p> <p>The chief compliance officer of each entity also reviews changes to the compliance programs and compares them against the target to ensure we're making continuous, consistent improvements.</p> <p>The Desjardins Group Monitoring Office provides an independent assessment of the relevance and effectiveness of the compliance management framework. We've also set up a formal reporting process for senior management and various decision-making bodies to verify compliance issues.</p> <p>This overall management of compliance provides reasonable assurance that our operations are carried out in compliance with applicable regulations.</p> <p>DATA GOVERNANCE</p> <p>Our data governance model includes the oversight of data risk by those in charge of monitoring this type of risk.</p> <p>The Desjardins Group Security Office and the risk management function oversee data governance. The Desjardins Group Monitoring Office also provides an independent assessment of the relevance and effectiveness of our data governance model.</p> <p>Two types of accountability are required to ensure sound governance, and efficient and effective data governance:</p> <ul style="list-style-type: none"> • Vertical accountability to senior management, to guide and oversee governance performance, monitor risk and align data governance objectives and priorities with our other objectives and priorities (strategic plan, regulatory compliance) • Horizontal accountability for operational needs, to coordinate and carry out the data governance mandate across the organization, to address the needs of each business sector and support function, and to gather reporting information