

A smiling couple holding a dog by a lake. The woman is wearing a white beanie and a brown sweater, and the man is wearing a black cap and a green vest. They are both smiling and looking at a small brown and white dog. The background shows a calm lake with trees and a blue sky.

Principles for Responsible Banking (PRB)

2024 annual disclosure



Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Agreement and relevant national and regional frameworks.

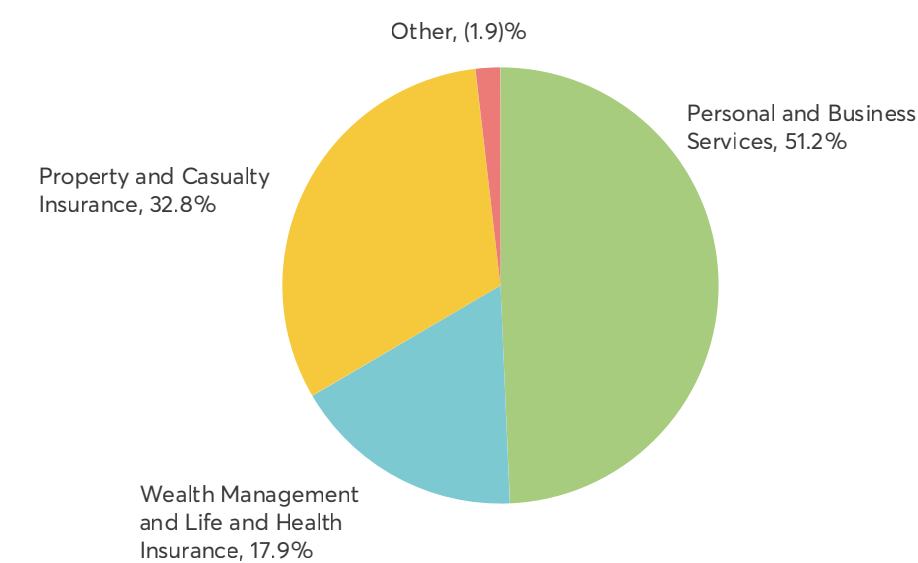
1.1 Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

Desjardins Group is the largest cooperative financial group in North America. Through our Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance business segments, we offer our 7.8 million members and clients across Canada a full range of financial services designed to meet their needs.

Segment contributions to surplus earnings (2024)



The Principles for Responsible Banking (PRB) report indicates our progress in terms of integrating environmental, social and governance (ESG) criteria into our banking activities (Personal and Business Services). We also track ESG integration in other reports. For investment activities, it's tracked in our Principles for Responsible Investment (PRI) reports, and for property and casualty insurance and life and health insurance activities, it's tracked in our Principles for Sustainable Insurance (PSI) report. For more information on the scope and distribution of our activities, see [Desjardins Group's 2024 Annual Report](#).

Links and references

- See the following sections of the [Management's Discussion and Analysis](#):
 - Profile and Structure (page 11)
 - Financial Highlights (page 13)
 - Analysis of 2024 Results (page 20)
- See the following sections of Desjardins Group's [Annual Report](#):
 - Our Mission (page VI)
 - Key Figures (page VIII)
- See the following PRI reports on [PRI's data portal](#): Desjardins Global Asset Management, Desjardins Investments Inc., Régime de rentes du Mouvement Desjardins (Desjardins Group Pension Fund) and Développement international Desjardins (Desjardins International Development)
- Desjardins Insurance's [PSI report](#)

1.2 Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☒ Yes

☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

☒ UN Guiding Principles on Business and Human Rights

☒ International Labour Organization fundamental conventions

☐ UN Global Compact

☐ UN Declaration on the Rights of Indigenous Peoples

☒ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk – please specify which ones: Climate Risk Management Guideline – Autorité des marchés financiers

☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery – please specify which ones: Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)

☐ None of the above

Response

As a cooperative financial group contributing to the development of communities, we give our members and clients the support they need to be financially empowered. That's our mission. To do this, we focus on always doing what's best for members and clients by offering a full range of quality products and services.

We also have a long and rich history of solidarity and commitment to communities, dating back nearly 125 years. Being there for the communities we serve is important to us, as are the environmental efforts we've been making over the past several decades, which are supported by sound governance practices. Sustainable development has been a stated part of our strategic framework since 2016 and it's one of our priorities in our 2024–2027 strategic plan.

In 2024, we rolled out our ESG Program, a cross-sector project that aims to make our ESG data more robust, to better monitor our risks, and to make sure we comply with new regulatory requirements about disclosing and accounting for climate risk in line with the Climate Risk Management Guideline from the Autorité des marchés financiers.

A committed cooperative financial group

We align our activities to be consistent with our cooperative values and the United Nations Sustainable Development Goals. We're guided by both external frameworks and our own frameworks, like our [Sustainable Development Policy](#), which we first adopted in 2005, expanded in 2020 and updated in 2024 to include the concept of greenwashing prevention. In addition to this policy, which helps us consistently apply environmental, social and governance (ESG) criteria to our activities, we also draw on a number of other national and international frameworks:

- Advance, a PRI-led stewardship initiative for human rights and social issues – 2022
- Finance for Biodiversity Pledge – 2022
- Commitment to Financial Health and Inclusion – 2021

- Business Ambition for 1.5°C – 2021
- Statement by the Quebec Financial Centre for a Sustainable Finance – 2021
- Canadian Investor Statement on Climate Change – 2021
- Net Zero Asset Managers initiative – 2021
- Climate Engagement Canada – 2021
- Global Investor Statement to Governments on the Climate Crisis – 2021
- Tobacco-Free Finance Pledge – 2020
- Women's Empowerment Principles – 2020

- Powering Past Coal Alliance – 2020
- BlackNorth Initiative – 2020

- Canadian Investor Statement on Diversity & Inclusion – 2020

- Partnership for Carbon Accounting Financials – 2020

- Principles for Responsible Banking (PRB or the Principles) – 2019

- Principles for Sustainable Insurance (PSI) – 2019

- Principles for Responsible Investment (PRI) – 2010

In 2017, we made a commitment to support the Paris Agreement's goals and subsequently created a [climate action plan](#). We will be mobilizing everyone in our organization to help us achieve net zero carbon emissions for our defined scope (extended operations, lending activities and our own investments) by 2040.

Links and references

- See the following sections of our [Social and Cooperative Responsibility Report](#):
 - 1.3 Our Mission (page 8)
 - 3. Environment and Climate (page 31)
 - 4. Social (page 40)
 - 5. Governance (page 65)
 - Appendix 1 – United Nations Sustainable Development Goals (page 79)
- See the Strategic Orientations section in the [Management's Discussion and Analysis](#) (page 16)





2

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and the environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

The impact analysis we did of our lending activities in 2023 remains relevant for 2024. We've provided a summary below. The full analysis can be found in the Impact and Target Setting section of our [2023 Principles for Responsible Banking report](#).

For our impact analysis, we used the tools developed by the United Nations Environment Programme Finance Initiative's (UNEP FI) Positive Impact Initiative. We've included our lending activities to members and clients in the scope of our analysis and excluded banking products that don't involve financing, such as everyday and savings accounts. Our analysis includes all loans to businesses, regardless of their size or industry. For loans to individuals, our analysis focused on real estate financing and vehicle loans, which made up 93% of our personal lending in 2024, compared to 91% in 2023. We excluded other personal financing products, such as lines of credit and credit cards, from our analysis. This decision makes the impact analysis easier because the use of these products is clear (housing, transportation), because they make up a large part of our loan portfolio and because we have a significant share of Quebec's residential mortgage market, [estimated](#) at approximately 38% in 2023 and 2024. The geographic area that our analysis covers is Canada. Just like in 2023, our impact analysis (business and personal lending) covered 94% of our total financing in 2024. We believe that this scope provides a sufficiently complete picture of our financing activities.

Loan portfolio allocation

Gross loans as at December 31, 2024



¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the Interactive Guidance on impact analysis and target setting.

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

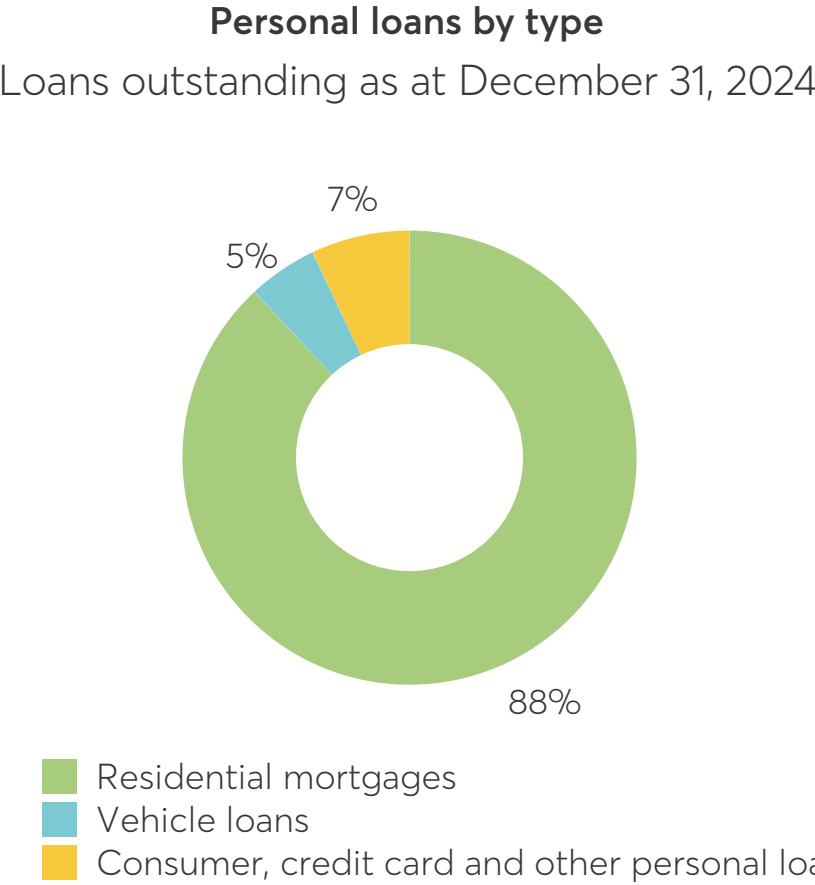
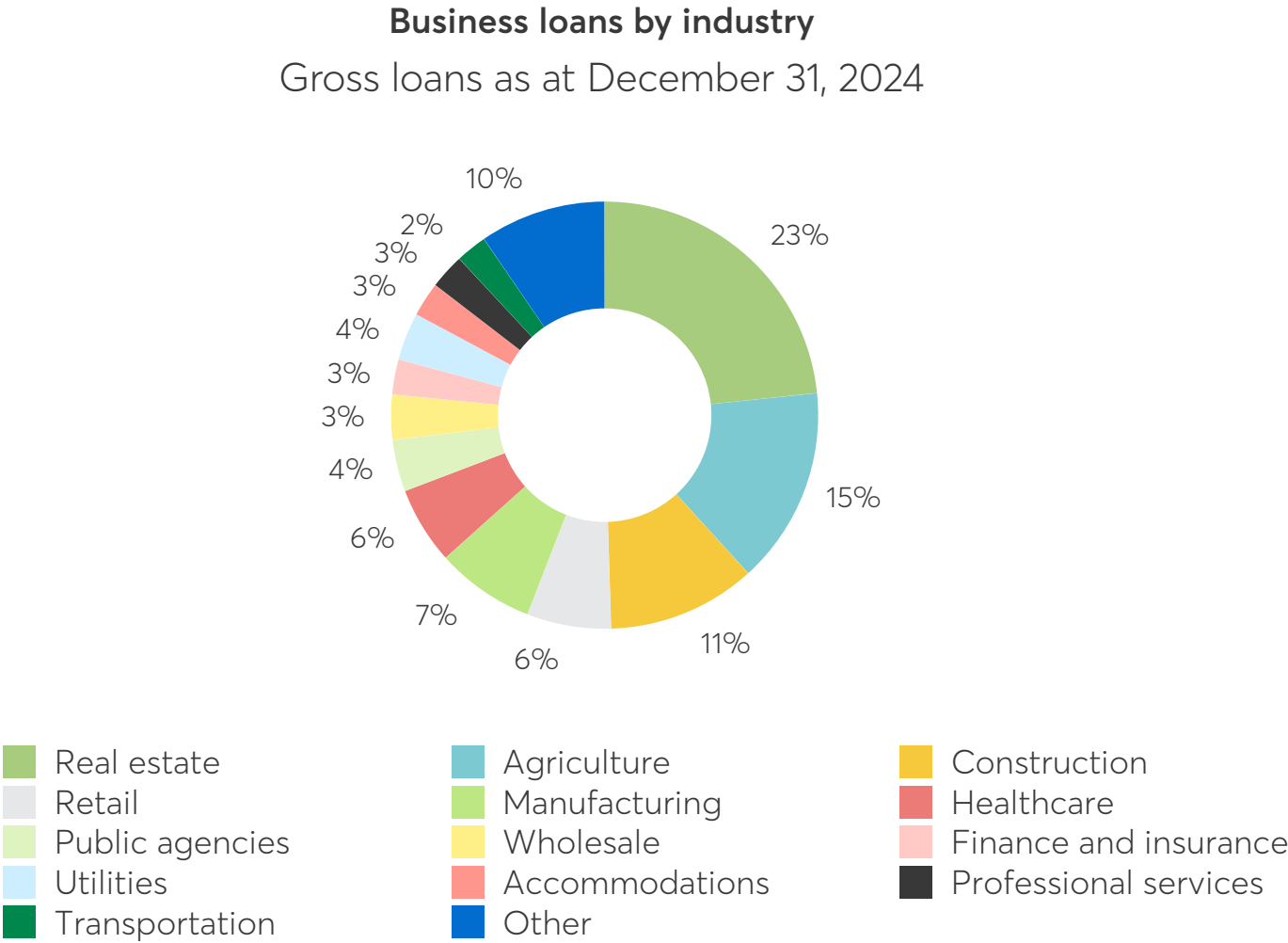
i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Response

A breakdown of the portfolio is presented below.



³ Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

c 1) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank’s portfolio impacts into the context of society’s needs.

Response

The potential impact areas identified in our analysis must be assessed according to Canada’s impact needs, and more specifically the needs of Quebec and Ontario, where most of our banking activities occur. We used the context analysis tool developed by UNEP FI (August 2023 version). Using a series of indicators, these national and regional needs are assessed on a four-level scale from low to extremely high. The main impact needs for our context are climate stability, waste and resource use, housing and healthy eating.

More details about last year’s analysis can be found in the Impact and Target Setting section of our [2023 Principles for Responsible Banking report](#).

c 2) Based on these first three elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2⁵)? Please disclose.

Response

For more details, see our [2023 Principles for Responsible Banking report \(page 8\)](#).

A combined summary of the impact of our business and personal lending is provided in the table below.

Positive impacts		Negative impacts	
Main positive impacts	Main contributing sectors	Main negative impacts	Main contributing sectors
Employment	Loans to businesses in general	Waste	Loans to businesses in the manufacturing, industrial, agricultural and construction sectors
Housing	Loans to businesses in the real estate and construction sectors; residential mortgages	Resource use	Loans to businesses in the real estate, agriculture and transportation sectors
Inclusive, healthy economies	Loans to businesses in general, but especially SMEs; loans to individuals in general	Climate stability	Loans to businesses in carbon-intensive sectors like real estate, construction, agriculture and transportation; loans to individuals to purchase vehicles

Through an additional summary assessment carried out in 2024, we were also able to identify a potential negative impact of our business and personal lending on biodiversity. We’ll take a closer look at this the next time we update our impact analysis.

We’ve identified the significant impact areas on the next page.

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.
⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

d) For these (min. two prioritized impact areas):
Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response

Prioritized impact areas

The table below is based on UNEP FI's Sector-Impact Map and Banking Identification Module (March 2020 version). It shows the overlap between Canada's biggest needs and the main sectors of our lending portfolio that contribute to those needs, as identified in the previous section. This association is based on the activities enabled by our loans, but it does not necessarily reflect their real performance. Yellow and green squares indicate a significant overlap between the sector and need, pointing to the impact areas we should prioritize.

Overlap between main needs for our context and contributing sectors in our portfolio

We use this grid to determine our priorities based on our most significant impact areas. The yellow (negative) and green (positive) squares indicate a more significant overlap between the sector and need.

Main impact needs in Canada	Major contributing sectors – Business lending					Personal lending		Significant impact area for Desjardins
	Real estate	Agriculture	Manufacturing	Construction	Transportation	Residential mortgages	Vehicle loans	
Climate stability	GHG emissions (mainly outside Quebec) ⁶	Land use GHG emissions (including methane)	GHG emissions	GHG emissions	GHG emissions	GHG emissions (mainly outside Quebec) ⁶	GHG emissions	✓
Waste and resource use		Major source of waste (livestock and crops)	Major source of waste (especially food and plastic production)	Major use of natural resources Major source of waste production (construction and demolition)	Use of natural resources (oil, metals and critical minerals)			✓
Housing	Quality and availability of housing			Increase in available housing		Access to housing		✓
Healthy eating		Quality and availability of local food facilities						No – This issue has a limited impact on our financing activities.

According to the analysis done in 2023, climate stability, waste, resource use and housing are our most significant impact areas. Although this isn't one of the priority impact areas identified during the analysis, we decided to add financial health and inclusion, in 2024, as an attention area to reflect the progress of our efforts related to the Commitment to Financial Health and Inclusion, which complements the Principles for Responsible Banking.

⁶ Real estate is a greater contributor to GHG emissions in other Canadian provinces (outside Quebec) due to heating sources and the carbon intensity of electricity.



First impact area: Climate stability

We measured our performance through an evaluation of our financed emissions for certain asset classes according to the Partnership for Carbon Accounting Financials methodology. The results of this exercise are disclosed annually in our [Climate Action at Desjardins report](#).

Second impact area: Waste and resource use

Our efforts to better understand our current performance—which depends on that of our members and clients and therefore that of the Canadian economy as a whole—are presented in section 2.2 of this report.

Third impact area: Housing

We plan to develop a better cross-functional understanding of this issue through the implementation of the actions presented later in this report.

Other attention area: Financial health and inclusion

Even though financial health and inclusion hasn’t been analyzed, we feel it’s important to include it because we signed the Commitment to Financial Health and Inclusion in 2021.

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁷

- | | | | |
|--------------------------|---|---|-----------------------------|
| Scope: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> In progress | <input type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

- Climate stability
- Waste and resource use
- Housing

How recent is the data used for and disclosed in the impact analysis?

- ☐ Up to 6 months prior to publication
- ☐ Up to 12 months prior to publication
- ☒ Up to 18 months prior to publication
- ☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: No additional comment.

⁷ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁸ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank’s portfolio⁹ with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response

First impact area: Climate stability

In April 2021, we announced that we’d be implementing an [ambitious action plan](#) to achieve net zero emissions by 2040 in our extended operations and in our lending activities and own investments in three carbon-intensive sectors: energy, transportation and real estate. We chose these sectors because they represent nearly three-quarters of all greenhouse gas (GHG) emissions in Canada. By reducing emissions in these sectors, we can help decarbonize the economy by 2050, in line with Canada’s commitment. Our approach is consistent with the Government of Canada’s [2030 Emissions Reduction Plan](#) and [Canada’s Energy Future 2020](#) report.

This action plan builds on what we’ve already started—but it goes farther, fast-tracking our climate action and adaptation efforts.

To show how seriously we’re taking this target, in October 2021, we became the first financial institution in Canada to join the [Business Ambition for 1.5°C](#) international campaign organized by the Science Based Targets initiative (SBTi), in partnership with the United Nations Global Compact and the We Mean Business Coalition. In doing so, we’ve committed to setting short- and medium-term science-based GHG emission reduction targets. The [targets](#) were published in January 2024. They were determined using SBTi’s methodology and the Partnership for Carbon Accounting Financials’ approach to assessing financed emissions.

We’ve adopted positions to help us gradually align our financial activities with our action plan goals. Since 2020, we’ve had a position on thermal coal. With some exceptions, companies in the thermal coal sector are now excluded from our financing, investments and insurance activities, as explained in our [position on coal](#) and formalized by our membership in the Powering Past Coal Alliance.

We also adopted a [position on the energy sector](#) in 2023, which outlines our lending targets for our portfolio in the oil and gas sector and the renewable energy sector, as well as our investment targets for our insurers in these sectors.

This approach, combined with our efforts to consider climate-related risk and opportunities, clearly demonstrates our support for meeting the Paris Agreement’s climate targets and our regulators’ expectations, notably the ones set out in the Climate Risk Management Guideline from the Autorité des marchés financiers.

Second impact area: Waste and resource use

Since the start of the industrial age, the global economy has been based on a “linear” model that uses a “take–make–waste” approach. This linear model requires constant economic growth and disregards the limited availability of resources.

The circular economy is one way we can move beyond this unsustainable economic model. It focuses on improving how we use resources and extending the life of products and the materials they’re made of.

In Canada, the circular economy movement is gaining momentum. In September 2020, the École de technologie supérieure opened the Center for Intersectoral Studies and Research on the Circular Economy (CERIEC). Desjardins provided \$2.1M in funding to CERIEC to help launch an ecosystem of roughly 10 virtual circular economy acceleration labs over five years. These efforts reflect Canada’s ambitious targets, which include decreasing waste by 30% by 2030, and by 50% by 2040. According to a report on the [circularity rate in Quebec](#) published in 2021, only 3.5% of the province’s economy is circular. There’s a lot of work to be done.

We’re intensifying our efforts to support business owners as they make this necessary transition. From 2022 to 2024, we were part of Circular Economy Leadership Canada, a network working to connect Canada’s circular economy community and serving as a bridge to similar networks around the world. Our goal as a member of this network and its Circular Finance in Canada Work Stream was to collaborate with other leading Canadian financial institutions and UNEP FI to better define our role in supporting the transition to a circular economy, particularly for key sectors and supply chains of critical importance to Canada’s economy. A [guide](#) for financial institutions was published in February 2024.

⁸ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank’s management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.
⁹ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.



Some business owners are already taking action. For example, one of the projects we provide funding for is Coop Agri-Énergie Warwick, a cooperative that reuses agricultural waste. The co-op extracts methane from its members' agricultural waste, purifies it to make renewable natural gas and injects it into the gas grid, replacing natural gas from fossil fuels. Digestate, a by-product of biomethanization, is then sent back to farms to fertilize crops, which completes the circular economy loop. Producing biomethane enables farmers to diversify and increase their sources of income, participate in the energy transition and reduce odours from manure spreading. Biomethanization is one of the high-potential solutions identified by the Canadian government in its [methane management strategy](#).

Desjardins Group also provided Cité de l'innovation circulaire et durable with \$1.25M in support from its GoodSpark Fund. The funding will help Cité de l'innovation circulaire et durable in its goal to become a key player in circular innovation and sustainable development by piloting large-scale projects that will put the Victoriaville region and its businesses at the forefront of the new economy. The initiative is a natural fit with our sustainable development vision and our goal to help businesses speed up the transition to a more responsible economy.

Third impact area: Housing

Desjardins's commitment supports the objectives of Canada's [National Housing Strategy](#), which include:

- Create new housing supply (build new affordable housing)
- Modernize existing housing (renew or renovate existing affordable housing stock)

Other attention area: Financial health and inclusion

In 2021, we signed the Commitment to Financial Health and Inclusion. While financial health and inclusion wasn't identified in our analysis, we believe it's relevant to present our efforts related to this area in this report.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Response

First impact area: Climate stability

The reference year for our science-based targets is 2020. See the Metrics and Targets section of the [Climate Action at Desjardins report](#).

We monitor the indicators below, which are recommended by the PRB, to assess our performance in this area.

Code	Indicator	Response
A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes – See our 2040 climate ambition.
A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris alignment target? To become net zero by when?	In progress – Our 2040 climate ambition is broken down into sector-specific targets: energy , real estate (under development) and transportation (coming soon). Our first science-based targets have been validated by the SBTi.
A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	In progress – The emissions generated by a large part of our lending portfolio have been evaluated. See the GHG Emissions From our Financial Activities section of the Climate Action at Desjardins report .
A.2.3	Sector-specific emission intensity (per clients’ physical outputs or per financial performance): What is the emission intensity within the relevant sectors?	In progress – Financed emission intensity was evaluated for residential mortgages, individual vehicle loans and commercial real estate. See the Metrics and Targets section of the Climate Action at Desjardins report .
A.3.1	Reduction of GHG emissions: How much have the GHG emissions financed been reduced?	In progress – The emissions generated by a large part of our lending portfolio are monitored on an annual basis. See the GHG Emissions From our Financial Activities section of the Climate Action at Desjardins report .

Second impact area: Waste and resource use

The reference year for monitoring our target is 2019, when we signed the PRB. That’s also the year we provided financial support to the Coop Agri-Énergie Warwick project, which helps [reduce GHG emissions](#) by 6,500 tCO₂e per year.

Third impact area: Housing

The reference year for our target is 2022.

We’re the only Canadian financial institution that offers a full range of financing solutions for affordable housing under one roof. Our centralized model enables us to quickly set up the necessary financing package for this type of project, including loans, patient capital and contributions from government and community groups. This “one-stop shop” makes it easier for housing cooperatives and organizations to get their affordable housing projects off the ground.

Other attention area: Financial health and inclusion

In 2024, we made progress on setting 2030 targets. We chose to focus on targets that will:

- Improve resilience
- Build confidence
- Promote daily financial management

c) SMART targets (incl. key performance indicators (KPIs)¹⁰): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response

Note: With some exceptions, the indicators identified have not been verified by a third party.

First impact area: Climate stability

Goal: Net zero emissions by 2040 in our financing and investments in three key carbon-intensive sectors (energy, real estate, transportation)

Key performance indicator: Proportion of financing for the renewable energy sector in our energy sector banking portfolio (%)

Target: Achieve at least 60% on this indicator by 2030 (2024 result: 69%)

We've committed to boosting the share allocated to renewables in our lending to energy corporations from 24% in 2020 to 60% in 2030. Our [position on the energy sector](#) includes additional targets specific to this sector. We continue to use and develop our current tools and practices to manage any negative impacts that our support of renewable energy (including biomethanization projects) may have on other ESG issues, such as social acceptability of projects and employee health and safety. These tools and practices include shareholder engagement with companies in which our insurers invest, ESG assessment grids used during business financing granting and critical reviews of projects and positions.

In 2023, we developed additional targets that cover our operational GHG emissions and emissions related to our lending and investment activities. These science-based targets have been validated by the Science Based Targets initiative and published. More specifically, here are the targets that were approved:

- Operational GHG emissions (Scopes 1 and 2): 50% reduction in absolute terms from 2020 to 2030
- GHG emissions from our lending and investment activities (Scope 3, category 15): [Targets](#) covering our portfolios of direct real estate investments, equities and bonds, our lending to large businesses and project financing in the electricity generation sector. These targets use the approaches for temperature alignment and sectoral decarbonization set out by the SBTi. They cover all asset classes required by the SBTi (4% of our total assets in 2020) and don't include the optional asset classes according to the SBTi methodology (representing 52% in 2020) or those that fall outside the scope it covers.

A third party carried out a [limited assurance engagement](#) relating to operational GHG emissions and financed emissions for certain asset classes.

Second impact area: Waste and resource use

Goal: Support the development of the circular economy

Key performance indicator: Number of projects to convert organic waste (largely from agriculture) into renewable energy (biomethanization) since reference year (2019)

Target: Six biomethanization development projects supported by 2025 (result since 2020: three projects)

Following the success of the Coop Agri-Énergie Warwick project, the first of its kind in Quebec, we've pledged to provide financial support to five more projects of this kind by 2025, for a total of six. This target will increase the amount of funds directed toward circular economy projects and encourage dialogue with our agricultural business members about their business models.

In 2024, we looked at a dozen or so potential renewable natural gas generation projects via biomethanization in Quebec. These projects were discussed and analyzed by the Capital Markets, National Accounts and Sustainable Financing teams, often in collaboration with Desjardins Business centres. We play a key active role with different stakeholders in the renewable natural gas industry at a municipal level and in the public and private sectors. Despite positive developments in 2024, the renewable natural gas market in Quebec isn't growing as quickly as expected, mainly due to complexities in project design, construction and operation.

As a result, the target is ambitious, but some projects that are currently underway could reach the required maturity level and represent progress in the short and medium term. The teams involved continue to proactively develop several renewable natural gas generation opportunities.

¹⁰ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.



Third impact area: Housing

Goal: Combat the housing crisis

Key performance indicator: Number of affordable housing units made available in 14 regions of Quebec since reference year (2022)

Target: 1,750 affordable housing units by 2025 As at December 31, 2024, 7 housing projects with a total of 1,182 units were complete and 12 housing projects with a total of 780 units were under construction.

We’ve committed to making over 1,750 affordable housing units available by the end of 2025. Of this number, 75% will be new builds and the other 25% will be existing units that are renovated and acquired by non-profit organizations to ensure the rent stays affordable.

The 1,750 affordable housing units will be spread across 14 regions of Quebec. The units are under construction or completed in Montreal, Laval, Mauricie, Montérégie, Gaspésie, Outaouais, Estrie, Saguenay–Lac-Saint-Jean, Bas-Saint-Laurent, Centre-du-Québec and Capitale-Nationale.

In 2024, concrete plans were announced for a number of projects **(sites in French only)**:

- [Han-Logement – 32 affordable housing units in the Gaspé region](#)
- [Le Sentier – 84 affordable housing units in Drummondville](#)
- [Les Habitations Coderr – 60 affordable housing units in Alma](#)
- [Habitations de l’Outaouais métropolitain – 60 affordable housing units in the Outaouais region](#)
- [Office régional d’habitation de Marguerite-d’Youville – 34 affordable housing units in Varennes](#)

To complement this commitment, the GoodSpark Fund pledged [support to five organizations \(in French only\)](#) that help people experiencing homelessness.

Other attention area: Financial health and inclusion

We’re working to determine the exact targets that need to be met by the end of the commitment period. Here’s where we’re currently at:

- Improve resilience: We’ve chosen to create a financial vulnerability indicator based on business data analysis. We’re working on analyzing the different components that make up this indicator.
- Build confidence: We’re using a question from the Financial Empowerment Support Index, a survey we’ve conducted with Desjardins members every year since 2022. In 2025, we’ll set a target for 2030.
- Promote daily financial management: We’ve chosen to create a financial vulnerability indicator based on business data analysis. We’re working on choosing the different components that make up this indicator.



d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response

First impact area: Climate stability

To learn more about our climate action plan, see section 3.1 Our climate ambition of our [Social and Cooperative Responsibility Report](#).

Through our partnerships, we're committed to helping communities make the energy transition, take climate action and adapt to the effects of climate change. Our partnerships support university research and training, foster the development of real solutions, and promote climate education and engagement (see the Partnerships committed to climate action chart in section 3.1 Our climate ambition in our [Social and Cooperative Responsibility Report](#)). Many of these partnerships are focused on helping business members incorporate sustainable development practices into their operations and reduce their greenhouse gas emissions.

Second impact area: Waste and resource use

In our efforts to get closer to the target of six projects by the end of 2025, our team implemented the following over the past year:

- Increased collaboration between the agricultural business development team and the energy transition financing team to identify and assess projects
- Allocation of an additional internal resource to renewable natural gas projects, including those related to biomethanization, to increase our capacity
- Strengthening of business relationships with key community partners to better understand the development issues in this new sector, which has helped increase their knowledge and project analysis capabilities.

Synergy with community partners and a solid understanding of the sector remain a priority for the coming year.

In addition to actively supporting various players in the ecosystem, we're affirming our commitment to the circular economy through different platforms, including:

- Sponsored article for the general public: [Desjardins – L'économie circulaire : une solution d'avenir – La Presse \(in French only\)](#)
- Inspiring video: [Une histoire d'économie circulaire qui donne faim! – Desjardins \(English subtitles\)](#)
- Economic Studies publication: [Circular Economy: A More Sensible Use of Resources – Desjardins](#)

Third impact area: Housing

Our plan to reach this target involves leveraging our extensive network of Desjardins Business centres to solicit developers, housing cooperatives, community organizations and municipal partners to accelerate the development of projects to create or renovate affordable housing. The aim is to promote the development and implementation of adapted financing tools for the construction, acquisition and renovation of affordable housing units, in conjunction with the government of Quebec and other partners. Work is underway to provide us with access to funding and tools to improve the energy efficiency of a number of projects. Mitigation measures for potential indirect impacts of the target have not yet been formally identified.

To reach the target of 1,750 units, our team is taking the following actions:

- Providing specialized support to private and community developers.
- Fostering relationships with stakeholders, including early alignment with municipalities to encourage their financial participation in projects and help them with their housing planning.
- Helping developers prepare innovative financing packages.
- Optimizing government contributions to build and renovate more housing.
- Diversifying funding sources thanks to an agreement with CMHC regarding the Affordable Housing Innovation Fund.

We're also affirming our commitment to this issue on several platforms:

- L'immobilier assombrit l'avenir financier des jeunes, craint le patron de Desjardins – [Le Devoir \(in French only\)](#) and [La Presse \(in French only\)](#)

Other attention area: Financial health and inclusion

Once we've set our targets, we'll create an action plan.



Self-assessment summary				
Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your ...				
	... first area of most significant impact: Climate stability	... second area of most significant impact: Waste and resource use	... third area of most significant impact: Housing	... other attention area: Financial health and inclusion
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 3)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

First impact area: Climate stability

We’ve set a number of targets to track our performance toward our 2040 climate ambition and other climate-related commitments. We also have targets on accounting for climate-related risks. These targets cover the investments of our insurers, the financing we grant and our operations. We developed them using prescribed or accepted methodologies for our commitments, such as the Science Based Targets initiative (SBTi), the Net Zero Asset Managers initiative, and baseline climate transition scenarios aligned with the goal of limiting global temperature increases to 1.5°C or less than 2°C by the end of the century.

As at December 31, 2024, eight targets were under control and seven were needing attention or at risk. For more details about all of these targets and their progression, see the Summary of our climate-related metrics and targets table in the [Climate Action at Desjardins report](#).

Second impact area: Waste and resource use

Since we set this target, we’ve had more and more discussions with entrepreneurs and businesses looking for support in implementing biomethanization projects. Since it’s a new market, there will be longer wait times between project design and financing. There were some positive developments in 2024¹¹, and over a dozen projects were analyzed, but the market isn’t growing as fast as expected. We believe it’s unlikely we’ll achieve this target by 2025. We’ll reassess in the coming years.

Third impact area: Housing

Thanks to faster-than-anticipated progress toward this indicator, we believe we’ll exceed this target in 2025. As at December 31, 2024, 7 housing projects with a total of 1,182 units were complete and 12 housing projects with a total of 780 units were under construction.

Number of affordable housing units, completed and in progress	2024	2023
Number of completed units	1,182	1,020
Number of in-progress units	780	194

Our results show that we’ve decreased wait times for project financing once we have all the information we need. That means construction costs less, which increases the number of units available and maximizes the benefits for our members and clients. Our streamlined service and single-channel support mean we can help solve problems efficiently.

Other attention area: Financial health and inclusion

This attention area was added in 2024. This is the first time we’re reporting on it.

Links and references

- See the [Climate Action at Desjardins report](#):
 - Metrics and Targets (page 36)
 - GHG Emissions from our Financial Activities (page 42)
- See the [2023 Principles for Responsible Banking report](#)
- See the following section in our [Social and Cooperative Responsibility Report](#):
 - 3.1 Our climate ambition (page 32)



¹¹ In 2024, the Quebec government announced that it would ban fossil fuel natural gas heating in new buildings. <https://www.cbc.ca/news/canada/montreal/natural-renewable-gas-quebec-1.7386759#>



3

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹² in place to encourage sustainable practices?

- ☐ Yes
- ☒ In progress
- ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

- ☐ Yes
- ☒ In progress
- ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities.¹³ It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

The primary goal of any cooperative is to meet the needs of its members and clients. With that in mind, we've developed a lineup of responsible products for individuals: [Desjardins Solutions for a Sustainable Future](#). These solutions help our members and clients reach their goals, save on insurance, buy a hybrid or electric vehicle, renovate in an eco-friendly way, and more. With 76 responsible investment (RI) product options in total for clients, including group retirement savings and institutional clients, we're one of Canada's leaders in the field. As at December 31, 2024, we had almost \$14.6B in RI assets under management. At year-end, 44% of Desjardins Funds unitholders held a Desjardins Sustainable Fund or Portfolio (RI), the same proportion as at the end of 2023 (44%). Assets under management in Desjardins Sustainable Funds and Portfolios went up by 10% over the same period. To support our members in a just energy transition, our Desjardins Sustainable Funds and Portfolios are 100% oil production- and pipeline-free. We track the proportion of our members and clients who have chosen responsible products on a quarterly basis.

In 2022, we created a dedicated team to support businesses with sustainable development. In 2024, the team had over 1,000 ESG interactions regarding member/client files and our product lineup for businesses. We also expanded that lineup in 2023 by adding an ESG swap that encourages companies to invest based on ESG criteria. We also developed a specific strategy for the energy sector to help define our business relationships with energy companies and support them as they transition to a low-carbon economy.

At the end of 2024, we created a dedicated team to support personal members with ESG considerations. The team's mandate is to implement ESG priorities in the personal services sector, identify and manage its specific ESG risks, and ensure that equity, diversity and inclusion (EDI) issues are incorporated into business practices. The team's contribution will help integrate ESG factors into our products and services for personal members.

¹² A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹³ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.



For individuals and business owners who don't qualify for traditional financing, we offer solidarity-based finance and crowdfunding products so they can contribute to the vitality and economy of their community. We pay special attention to making our advisory services accessible to everyone, and we promote financial literacy to boost our members' financial empowerment.

In 2024, we began cross-sector work to clarify our position on real estate with respect to our climate targets. We're looking at different decarbonization pathways and how our product and service lineup can help us reach our targets.

We use sustainable bonds to direct capital to projects that focus on climate stability, waste and resource use, and housing.

Lastly, we prioritize our members' and clients' peace of mind by offering [Desjardins Identity Protection](#), one of the best programs of its kind in Canada.

Links and references

- See the following sections of our Social and Cooperative Responsibility Report:
 - [2.3 Member/client experience \(page 23\)](#)
 - [2.4 Responsible products and services \(page 27\)](#)
- [Position on the energy sector](#)
- [Position on coal](#)

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (green mortgages – climate, social bonds – financial inclusion, etc.).

Response

We want to contribute to the energy transition for our society, and we're doing that in several ways: developing responsible finance products, being active shareholders, investing in and financing renewable energy projects, financing university programs that train skilled workers (especially in responsible finance and the circular economy) and bolstering electric transportation infrastructure by adding charging stations in the communities we serve in Quebec and Ontario.

See the Climate-Related Opportunities section of our [Climate Action at Desjardins](#) report for an overview of our approach and the ESG products we offer our members and clients. This report also highlights business opportunities related to climate.

Links and references

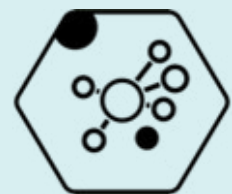
- See the [Climate-related opportunities](#) section in the Climate Action at Desjardins report (page 17)





4

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹⁴) you have identified as relevant in relation to the impact analysis and target setting process?

- ☒ Yes
- ☐ In progress
- ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/ results achieved and how they fed into the action planning process.

¹⁴ Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of Indigenous population and non-profit organizations.

Response

Further to the materiality analysis we conducted in 2017 on our sustainable development priorities, we polled our members in 2024, most of whom (73%) said that sustainable development is important to them. Over the past few years, we've conducted additional polls of our personal and business members and clients to better understand their priorities and concerns regarding sustainability and responsible finance. These surveys have given us more information on how well Canadians understand sustainable development and responsible finance.

Surveying our stakeholders helped us establish what's most important to our members and clients. We've addressed these priorities in the [Listening to our stakeholders](#) section of the Social and Cooperative Responsibility Report. We work with all levels of government, regulators and other standard-setting organizations on a variety of issues, which are covered in the same section of our Social and Cooperative Responsibility Report.

Through our many partnerships, we're committed to helping communities make the energy transition and take action against climate change and the loss of biodiversity. Our partnerships support university research and training, foster the development of real solutions for economic players, and promote climate education and engagement. To learn more, see the [diagram](#) of our environmental and climate action partners.

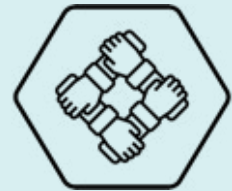
We also participated in a number of working groups set up by UNEP FI to support the implementation of the PRB, the PSI and the Commitment to Financial Health and Inclusion. These working groups provide an opportunity to discuss and work on initiatives addressing ESG issues with other financial institutions from around the world.

We're also a member of the [Climate Montreal Partnership \(in French only\)](#), a group of nearly 100 Montreal-based economic, philanthropic, institutional and environmental stakeholders working together to speed up Montreal's decarbonization and build climate resilience within the timeframes required by climate science. We're also a member of the [Quebec Climate Partnership's \(in French only\)](#) engagement committee, which is tasked with mobilizing the people and driving forces of Quebec City's economy. As an ambassador contributing to the movement to speed up climate action in Quebec City, we help set priorities for action and in the future, we'll participate in climate action summits in the province's capital.



5

Principle 5 – Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Governance structure for implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

- ☒ Yes
- ☐ In progress
- ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/ is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about:

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to)
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

Since 2018, our ESG Steering Committee, made up of senior managers from our business segments and support functions (BSSF), has guided and advised our management committee, and ultimately our board of directors, on sustainable development and responsible finance issues. As the guiding force behind the application of ESG criteria at our organization, the ESG Steering Committee oversees many tasks. The committee's mandate and composition were revised in 2023 to better reflect Desjardins's evolving ESG maturity and the growing importance of ESG issues within the organization. Here's its updated mandate:

- Adopt an ESG plan and strategies that are in line with Desjardins's strategic plan, ESG vision and ambition.
- Use ESG integration best practices to properly position Desjardins's strategies and spur innovation in the BSSF in these areas.
- Ensure consistency between the organization's ESG commitments and policies and those of the BSSF.
- Ensure that Desjardins meets ESG-related disclosure and strategy expectations in response to current regulations and in line with Desjardins's commitments, including the PRI, PSI and PRB.
- Ensure coordination and consistency across Desjardins Group when implementing ESG strategies by clarifying the roles and responsibilities of each BSSF.
- Establish ESG performance indicators and related targets for Desjardins and work with the BSSF to ensure they are met.
- Support appropriate ESG risk management for BSSF activities while respecting the organization's risk appetite and staying consistent with the ESG Risk Committee.
- Coordinate with the BSSF to monitor the responsible finance offer, the sustainable bond program and related business opportunities.



The ESG Steering Committee, chaired by our chief sustainability officer, is a subcommittee of the Desjardins Group Management Committee. Its members meet monthly to discuss current ESG issues and monitor the organization's ongoing ESG initiatives, action plans and strategy. The ESG Steering Committee's mandate is also supported by a working group made up of professionals from various sectors dedicated to addressing ESG criteria and climate change.

In addition to the governance structure at the Desjardins Group level, our main business segments have developed their own management structures for integrating ESG criteria and responsible finance into their operations and for taking climate change into consideration. That includes a sustainable development steering committee within the Property and Casualty Insurance sector, a responsible investment and responsible insurance steering committee supported by a community of practice in the Wealth Management and Life and Health Insurance sector, and a working group dedicated to integrating ESG factors and sustainable development in the Personal and Business Services sector.

To assess our progress, we've established performance indicators that are presented quarterly to the Desjardins Group Management Committee and board of directors, which can implement corrective measures if required. This performance review covers the following topics: financed emissions, operational emissions, ESG rating agency assessments and ESG positions. Where relevant, the indicators and associated targets are included in the compensation structure of senior managers and employees. We've built an ESG component into the structure of our general incentive plan (bonus) for employees and managers. It's based on an independent third-party evaluation of our performance compared to our peers.

Once the PRB report has been validated by the ESG Steering Committee, the Corporate Governance and Responsible Finance Commission then recommends it for adoption by the board of directors.

5.2 Promoting a culture of responsible banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g. capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

At Desjardins, responsible finance is part of who we are as a cooperative. We've dedicated an entire section to it in our Social and Cooperative Responsibility Report. We share our commitment to responsible finance with all our employees through the Desjardins Fundamentals learning path, which is a series of independent and group activities designed to bring employees together over what it means to be a cooperative. In 2022, we introduced mandatory training on sustainability and responsible finance, along with complementary training on climate change and other more specific topics like responsible investment and sustainable insurance. These complementary modules are part of training plans designed for several key jobs in the organization. For example, we launched training on ESG integration in 2023 to train and raise awareness among all our business advisors. In 2024, more than 2,028 employees from different sectors of the organization took part in Climate Fresk workshops to learn the basics of climate change.

Our commitment is also reflected in our processes. For example, we have a process for assessing ESG factors for large business financing, which helps us identify and manage the environmental and social risks associated with our loan portfolio. For more details about our approach to responsible finance, see section [2.4 Responsible products and services](#) of our Social and Cooperative Responsibility Report.

In addition, our president and CEO, Guy Cormier, is a champion of responsible finance. We were a partner of the 2023 Sustainable Finance Summit in Montreal. Guy Cormier took part in a discussion with Mark Carney, former Governor of the Bank of Canada and the Bank of England, and UN Special Envoy on Climate Action and Finance. During the talk, they discussed the key role that financial institutions play in promoting sustainable finance and the transition to a sustainable economy. They also talked about the challenges and opportunities presented by sustainable finance, financial innovation and mobilization, and the importance of transparency and reporting.

As noted in section 5.1 of this report, we've built an ESG component into the structure of our general incentive plan (bonus) for employees and managers. It's based on an indicator that compares our ESG performance against our peers in North America, as evaluated by four ESG rating agencies.



5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹⁵

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

Our business practices are guided by modern, dynamic democratic governance, which is reflected in our internal policies and code of conduct. We have internal policies on:

- Information security
 - Personal information protection
 - Privileged information
 - Privacy and types of consent
 - Information security
 - Information security classification
 - Identity and access management
 - Security of information available to suppliers
- Cooperative values
 - Sustainable development
 - Financial education
 - Regional decentralization
- Business practices
 - Communications
 - Compliance
 - Complaint handling and dispute resolution
 - Sound commercial practices
 - Risk management in the caisse network
 - Acceptable use of technology
 - Professional conduct

For more information on the risk management processes used in our business practices, see the Environmental, social and governance (ESG) risk section of [Desjardins Group's Annual Report](#).

Links and references

- See the Environmental, social and governance (ESG) risk section of [Desjardins Group's Annual Report](#) (page 90)

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?

☒ Yes

☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes

☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes

☐ In progress

☐ No

¹⁵ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.



6

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- ☒ Yes
- ☐ Partially
- ☐ No

If applicable, please include the link or description of the assurance statement.

Response

PricewaterhouseCoopers LLP has completed a limited assurance engagement on the following items included in this disclosure:

- 2.1 Impact analysis
- 2.2 Target setting
- 2.3 Target implementation and monitoring
- 5.1 Governance structure for implementation of the Principles

See the report in the appendix.

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- ☒ GRI
- ☒ SASB
- ☒ CDP
- ☐ IFRS Sustainability Disclosure Standards
- ☒ TCFD
- ☒ Other: PSI, PRI

Response

See our [GRI index](#)

See our [SASB index](#)

See our [response to the CDP](#) questionnaire

See our [TCFD report](#) (Climate Action at Desjardins)

See our [PSI report](#)

See our [PRI reports](#): Desjardins Global Asset Management, Desjardins Investments Inc., Régime de rentes du Mouvement Desjardins (Desjardins Group Pension Fund) and Développement international Desjardins (Desjardins International Development)

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁶, target setting¹⁷ and governance structure for implementing the PRB)? Please describe briefly.

Response

In 2024, we saw the economy start to slow and trends from before the pandemic pick up significantly. The geopolitical climate and the economy are still unstable, artificial intelligence is poised to become the next big revolution and extreme weather events are causing damage around the world. These factors don't just impact Desjardins Group's operations—they also impact how we support our members and clients and contribute to society.

We're aware of the importance of transparency in disclosure reporting. This report summarizes the measures we're taking to apply the Principles and manage our impacts. The PRB build on our cooperative values and are helping us fast-track the inclusion of ESG factors in our business decisions. Over the next year, we'll continue to focus on identifying what relevant ESG data we have and optimizing how we use it, especially when it comes to enhancing our lineup of responsible finance products and services to better support our members' and clients' sustainability efforts and the actions required to achieve the science-based targets we published in 2023. This will involve further reflection on 2 key aspects of our 2040 climate ambition: first, financing for real estate (residential and commercial mortgages) and transportation (motor vehicles), and second, support for the agriculture and agri-food industry. We'll also be doing a more in-depth analysis of the impact of our personal financing to support our Commitment to Financial Health and Inclusion pledge.

For more information on our goals and the measures we're taking to achieve them, see our [Social and Cooperative Responsibility Report](#) and our [Climate Action at Desjardins](#) report.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- ☐ Embedding PRB oversight into governance
- ☐ Gaining or maintaining momentum in the bank
- ☐ Getting started: where to start and what to focus on in the beginning
- ☐ Conducting an impact analysis
- ☐ Assessing negative environmental and social impacts
- ☒ Choosing the right performance measurement methodology/ies
- ☐ Setting targets
- ☐ Customer engagement
- ☐ Stakeholder engagement
- ☒ Data availability
- ☒ Data quality
- ☐ Access to resources
- ☐ Reporting
- ☐ Assurance
- ☐ Prioritizing actions internally
- ☐ Other:



¹⁶ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.
¹⁷ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.



Independent practitioner's limited assurance report on Desjardins Group's 2024 annual disclosure on Principles for Responsible Banking (PRB)

To the Board of Directors of Desjardins Group

We have conducted a limited assurance engagement on the following subject matter presented in the 2024 annual disclosure on PRB of Desjardins Group (Desjardins) detailed hereafter (the subject matter) as at December 31, 2024 and for the for the year then ended.

Subject matter

Desjardins's responses to the following PRB developed by the United Nations Environment Programme Finance Initiative (UNEP FI):

2.1 Impact analysis

2.2 Target setting

2.3 Target implementation and monitoring

5.1 Governance structure for implementation of the principles

The other information included in the 2024 annual disclosure on PRB of Desjardins was not subject to an assurance engagement.

Responsibilities for the subject matter

Management of Desjardins is responsible for:

- the preparation of the subject matter in accordance with the criteria described in the Reporting and Self-Assessment Template for PRB Report published by UNEP FI in September 2022 (the applicable criteria);
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the subject matter, in accordance with the applicable criteria, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the subject matter

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

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants (IESBA Code) and of the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagement, issues by various professional accounting bodies, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the subject matter is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the subject matter.

We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information* (CSAE 3000), and International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board.

As part of a limited assurance engagement in accordance with CSAE 3000 and ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of Desjardins's use of the applicable criteria as the basis for the preparation of the subject matter.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of Desjardins's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the subject matter. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the subject matter. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgment, including the identification of where material misstatements are likely to arise in the subject matter, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- obtained an understanding of the Desjardins' reporting processes relevant to the preparation of its subject matter by:
 - conducting interviews with personnel involved in the preparation of the subject matter; and
 - including definitions and methodologies applied to the subject matter in order to ensure the consistency and reliability of the data reported
- evaluated whether all information identified by the process to identify the information reported in the subject matter is included in the subject matter;
- performed inquiries of relevant personnel on selected information in the subject matter;
- performed substantive assurance procedures on selected information in the subject matter; and
- compared selected information in the subject matter with the corresponding disclosures in the financial statements.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the subject matter as at December 31, 2024 and for the year then ended is not prepared, in all material respects, in accordance with the applicable criteria.

Restriction on use

Our report has been prepared solely for the board of directors of Desjardins for the purpose of assisting management in reporting the subject matter. The subject matter therefore may not be suitable, and is not to be used, for any other purpose. Our report is intended solely for Desjardins.



We make no representations or warranties of any kind to any third party in respect of this report.

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec
May 14, 2025

¹ CPA auditor, public accountancy permit No. A113424