

# Climate Action at Desjardins

2025 report on climate-related  
risks and opportunities



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# Message from the president and CEO

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In a global context where many companies and governments are hesitating or even pulling back from climate commitments, climate change shows no sign of slowing. Events like flooding, forest fires and severe storms are becoming more common and disruptive, directly affecting the lives of people and businesses in our communities.

At Desjardins, we're determined to stay the course we began mapping out over 35 years ago, when we first launched the Desjardins Environment Fund. We're doing this by grounding our actions and commitments in science and supporting our members and clients through the necessary economic transition.

This report reflects our efforts to support members' and clients' resilience and financial empowerment, at a time when climate-related risks are only expected to continue to grow.

The report draws from real initiatives that reflect our commitment. Here are a few:

- At year-end 2025, our renewable energy infrastructure investments stood at over \$2B, and 73% of our energy lending portfolio was allotted to the renewables industry.
- We helped finance major projects like the PPAW 1 wind farm in Quebec, in partnership with the Alliance de l'énergie de l'Est and the Wolastoqiyik Wamspekek First Nation, as well as the Sanjgon Battery Energy Storage facility (formerly known as Tilbury) in Ontario, developed with Boralex and the Walpole Island First Nation. These initiatives speak to our active role in transforming energy infrastructure and our resolve to build inclusive, sustainable partnerships.
- We continued developing our position on the real estate sector in Quebec and the rest of Canada. We plan to contribute to the decarbonization, energy efficiency and transformation of this sector, which will play a key role in allowing us to reach our climate targets.
- Also in the real estate sector, we created the Amplifier fund. The fund, which is managed by Desjardins Capital and financed by six foundations in partnership with the Société d'habitation du Québec, will be used to accelerate the development of affordable housing with a smaller environmental footprint across Quebec.
- As for engagement, 3,570 employees have attended Climate Fresk workshops since the fall of 2022, reinforcing our collective understanding of climate issues. The Climate Fresk tour has allowed this level of internal engagement to extend across the caisse network in Quebec, keeping us attuned to regional realities and our members' expectations.

These are just a few examples. They're part of a structured approach.

We know that Desjardins can't do this alone. To make real headway toward our target of enabling the transition to a fairer, more equitable and low-carbon economy, we need a coherent and motivating regulatory environment—one that unites public- and private-sector players and keeps them moving in the same direction.

As challenges arise, we remain committed to supporting our members' and clients' financial empowerment and building their resilience to climate risks, while offering solutions that help them adapt and make the most of the opportunities created by our economy's transition.

The need for resilience and climate transition requires strategic choices, not to mention an investment in skills development. Training our teams, rallying our networks and forging strong partnerships will be crucial to success. This report is therefore a call to take our cooperation and collective action to the next level so we can stand united in meeting the challenges of the climate transition.

We remain engaged and determined to play our part in building a more prosperous, resilient Canada that's ready for the future.



Denis Dubois

President and CEO  
Desjardins Group

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This report shows how Desjardins Group is progressing toward its climate ambition. It includes not only what we're doing to reduce greenhouse gas emissions from our operations and our financed emissions, but also how we're disclosing, evaluating and thoroughly monitoring the multiple risks and opportunities of climate change.

## Scope of this report



In this report, "Desjardins," "we," "us" and "our" refer to Desjardins Group. Desjardins Group comprises the Desjardins caisse network in Quebec and Caisse Desjardins Ontario Credit Union Inc. (the "caisses"), the Fédération des caisses Desjardins du Québec (the "Federation") and its subsidiaries, and the Desjardins Security Fund. Unless otherwise indicated, this report covers the activities of Desjardins Group.

## Limited assurance report



PricewaterhouseCoopers LLP (PwC) completed an independent limited assurance engagement for selected key performance metrics. These are marked with a  symbol in this report. The full report is available as an appendix on page 84 of this report.

## Regulations and frameworks



The structure and content of this report are based on the following regulations, recommendations and standards:

- Climate Risk Management Guideline – Autorité des marchés financiers (AMF) – for more information, refer to the appendix on page 72 of this report
- Guideline B-15 – Climate Risk Management – Office of the Superintendent of Financial Institutions (OSFI)

## Reference period



Unless otherwise indicated, the information and data appearing in this report is for the fiscal year that ended December 31, 2025, that is, the period from January 1, 2025, to December 31, 2025.

## Forward-looking statements



Refer to page 83 of this report for a caution concerning forward-looking statements.

## Currency and data



Unless otherwise indicated, all amounts shown are in Canadian dollars. \$M and \$B are used to designate millions and billions of dollars respectively.

The numbers in tables and figures in this report have been rounded, which may result in slight differences between the sums and the totals shown.

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Desjardins Group is the largest cooperative financial group in Canada and the eighth largest in the world, with assets of \$510.2B. As at December 31, 2025, the organization included 198 caisses 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 United States through Desjardins Bank, National Association, and Desjardins Florida Branch.

We take pride in our cooperative nature because it provides the necessary leverage to always do what's best for our members and clients. The resulting mission and values are the driving force for our employees, managers and directors. They are echoed in our orientations and help us achieve our vision of sustainable prosperity within the communities we serve. Since the first caisse was founded in 1900 in Lévis, we have always been a key player in financial literacy, and we believe that the cooperative model is more relevant now than ever in today's rapidly changing world.

Through our Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance business segments, we offer our members and clients a full range of financial services designed to meet their needs. As one of the largest employers in the country, we have over 57,500 skilled employees and more than 2,200 dedicated caisse directors.

We're continuing to make progress on implementing our commitments and concrete measures to integrate environmental, social and governance (ESG) factors into our business model and operations management, to take action against climate change and biodiversity loss, and to adapt to these new conditions. We do this through our financial literacy and solidarity-based finance efforts and through our lineup of products and services that cover the full range of our members' and clients' needs.



Assets of  
**\$510.2B**



**199**  
caisses

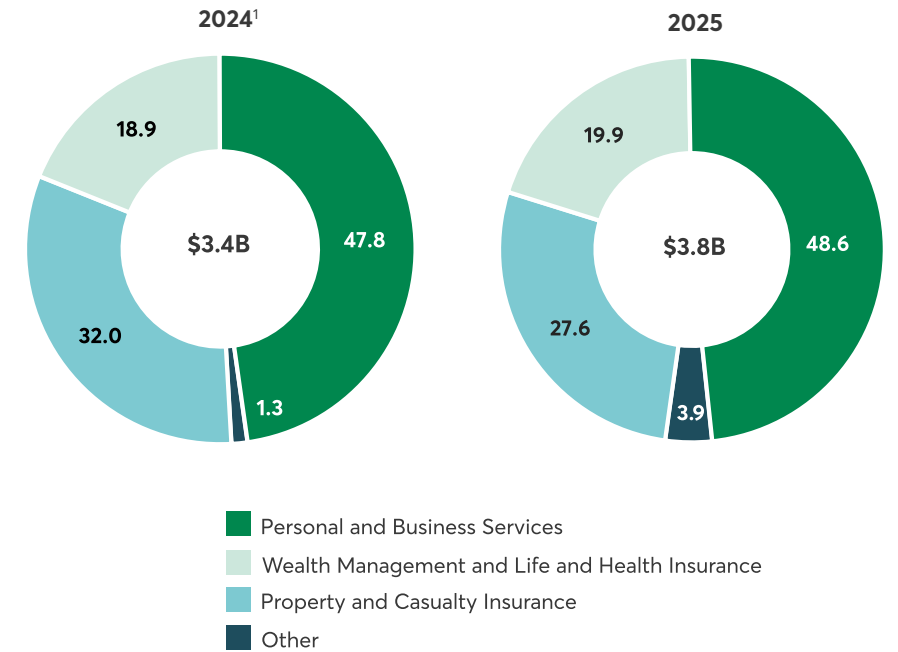


More than  
**57,500**  
employees



More than  
**2,200**  
directors

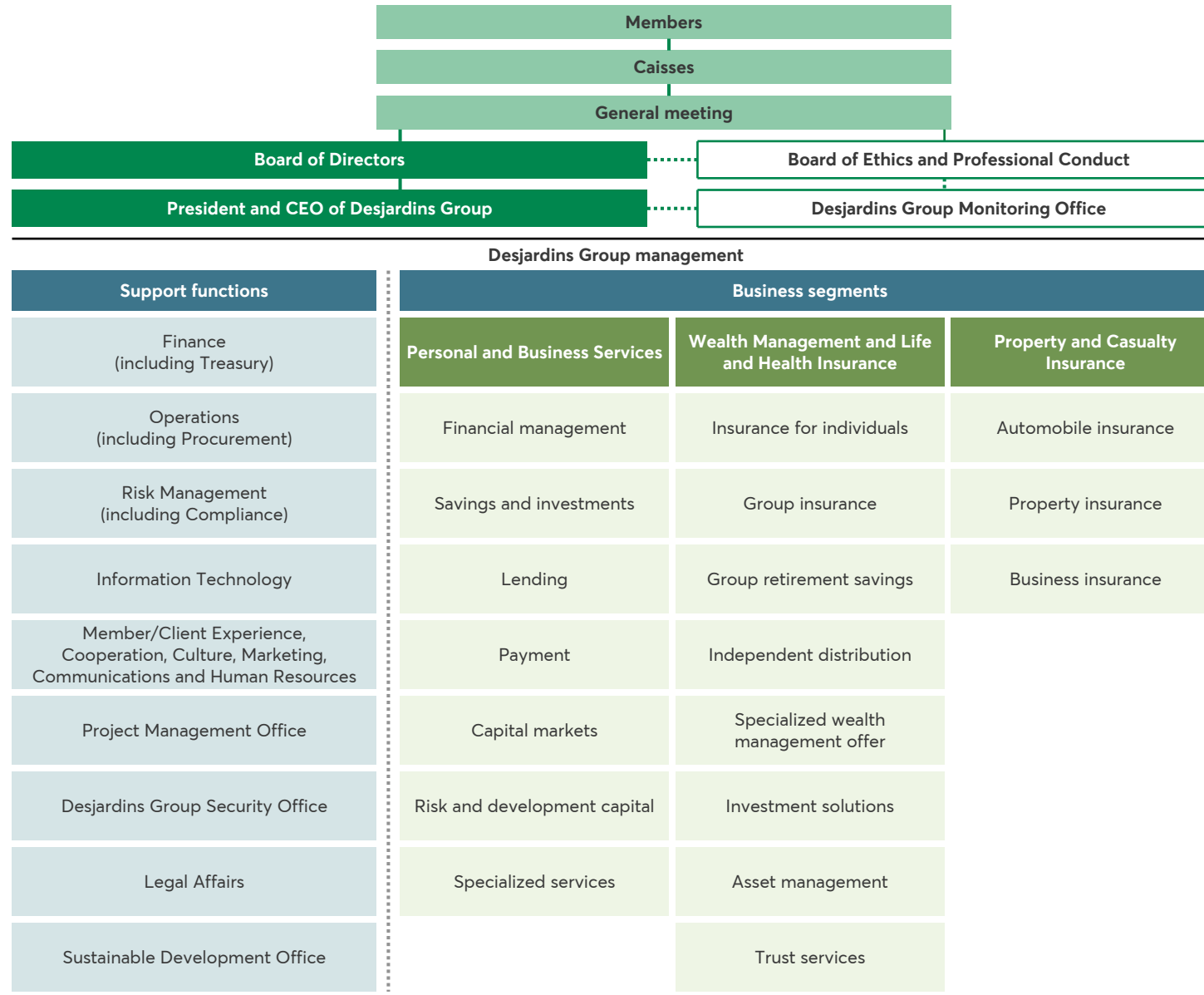
**Figure 1** Segment contributions to surplus earnings before member dividends (as at December 31) (as a percentage)



<sup>1</sup> The data has been restated to conform with the current year's presentation.

# Structure of Desjardins Group

**Figure 2** Structure of Desjardins Group



Our structure has been designed to take into account the needs of our members and clients, as well as the markets in which we operate. As a result, the Federation and its subsidiaries, the Caisse network in Quebec and Caisse Desjardins Ontario Credit Union Inc. have the support of three main business segments (Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance), which enhances their ability to build on their products and services.

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**Table 1** Ambition, operations, and lending and investment activities

Our ambition <sup>1</sup>	
	<p><b>2040</b> Target year for achieving our climate ambition of net-zero emissions for our operational activities<sup>2</sup> and financial activities in three high-emitting sectors<sup>3</sup></p> <p>We've signed the following initiatives:<sup>4</sup></p>

Our operations <sup>5</sup>	
	<p><b>96%</b> Share of electricity consumption from renewable energy sources<sup>6</sup></p>
	<p><b>88%</b> Share of renewable energy<sup>6</sup> in our total energy consumption</p>
	<p><b>-17%</b> Change in our Scope 1 direct and Scope 2 indirect GHG emissions<sup>7</sup></p>

Our lending and investment activities <sup>5</sup>	
	<p><b>92%</b> Share of renewable energy in our lending for the electricity production sector</p>
	<p><b>73%</b> Share of renewable energy in our lending for the energy sector</p>
	<p><b>+11%</b> Change in intensity of financed GHG emissions in our loan portfolios<sup>8</sup> from companies in the oil and gas sector<sup>7</sup></p>
	<p><b>-41%</b> Change in absolute financed GHG emissions in our loan portfolios<sup>9</sup> from the use of products sold by companies in the oil and gas sector<sup>7</sup></p>
	<p><b>-24%</b> Change in absolute financed GHG emissions from the oil and gas sector in our insurers' listed equity and corporate bond portfolio<sup>7</sup></p>
	<p><b>\$8.3B</b> Lending portfolio commitments made since 2020 to support renewable energy projects and energy transition projects</p>
	<p><b>\$2.2B</b> Investments in renewable energy infrastructure<sup>10</sup></p>
	<p><b>\$2.2B</b> Sustainable and green bonds issued in the Canadian and European markets since 2021, including an issue of \$500M in 2025</p>
	<p><b>12.8</b> Ratio of new renewable energy loan commitments to fossil fuel loan commitments between 2023 and 2025</p>

- For more information, refer to the Our Climate Ambition section of this report.
- Emissions associated with our buildings (Scope 1 and location-based Scope 2), business travel (Scope 1, 2 and 3, Category 6), paper consumption (Scope 3, Category 1 and 5) and supply chain (Scope 3, Category 1).
- Energy, real estate and transportation for lending activities and our insurers' investment activities.
- For a summary of our main commitments, refer to section 2.2 ESG Governance and Frameworks in the [2025 Social and Cooperative Responsibility Report](#).
- For more information, refer to the Metrics and Targets section of this report.
- Wind, solar and hydroelectric energy.
- Compared to 2020, our reference year.
- Financed direct GHG emissions (Scope 1) and indirect GHG emissions related to the use of electricity, steam and heating and cooling (Scope 2) from integrated companies (businesses operating throughout the value chain, from exploration to distribution of oil and gas to end users) and upstream companies (businesses in exploration and production), in physical intensity (tCO<sub>2</sub>e/TJ).
- From upstream companies, midstream companies (pipelines), refineries and integrated companies (tCO<sub>2</sub>e calculated on a commitment basis).
- As at September 30, 2025, for a portion of the investment portfolio, based on available data, and as at December 31, 2025, for the remaining portion, including \$1.2B invested by our organization's main pension plan, the Desjardins Group Pension Plan (DGPP).

# Governance

## Supervision by the board of directors

Climate-related issues are supervised by Desjardins Group's board of directors, with support from the Corporate Governance and Responsible Finance Commission, the Risk Management Commission, the Human Resources Commission and the Audit and Inspection Commission. In 2025, climate change was a regular topic of discussion at meetings of these governing bodies, whose roles and responsibilities and frequency of meetings are detailed in Table 2. Further information about these bodies is available in the Corporate Governance section of the 2025 Desjardins Group Annual Report.

The board of directors decides on Desjardins Group's major strategic and competitive positions for all of its activities, including for climate change, and ensures follow-up action as appropriate. The Corporate Governance and Responsible Finance Commission receives regular reports on our commitments and targets. A quarterly review of Desjardins Group's performance is also submitted to senior management and the board of directors. This quarterly review includes an update on our progress toward our climate commitments, as well as the Desjardins risk measurement report. This report covers climate change risks, among others.

The board of directors has a consultation process to analyze and assess its members' skills. Through this consultation, 53% of our board members (10 of 19 as at December 31, 2025) attest to having advanced or expert-level skills or knowledge in sustainable development and responsible finance. These board members have knowledge and experience in high-priority ESG issues, including climate change and its implications for us at Desjardins, ESG factors in corporate strategy and decision-making, and the impacts and opportunities that climate change presents for our business model. Additionally, our board members take part in multiple learning activities every year that deepen their understanding of their role and responsibilities, including with regard to ESG. For more information on the process to evaluate the skills of board members, see the Governance Structure section on pages 242, 244 and 266 of the 2025 Desjardins Group Annual Report.

The boards of our insurance subsidiaries, supported by their own committees, take responsibility for climate risk and other ESG factors that pertain to their own specific environments and missions as Desjardins Group components. In particular, they ensure that Desjardins Group's ESG-related directions and goals are met, that ESG risks are included in overall risk management frameworks, and that major ESG risks are monitored and considered in strategies and decisions. For more details about our property and casualty insurance subsidiaries as well as Desjardins Trust, refer to the appendixes Additional Disclosure Details on the Governance of Desjardins General Insurance Group Inc. and Additional Disclosure Details on the Governance of Desjardins Trust Inc. on pages 67 and 71 of this report, respectively.



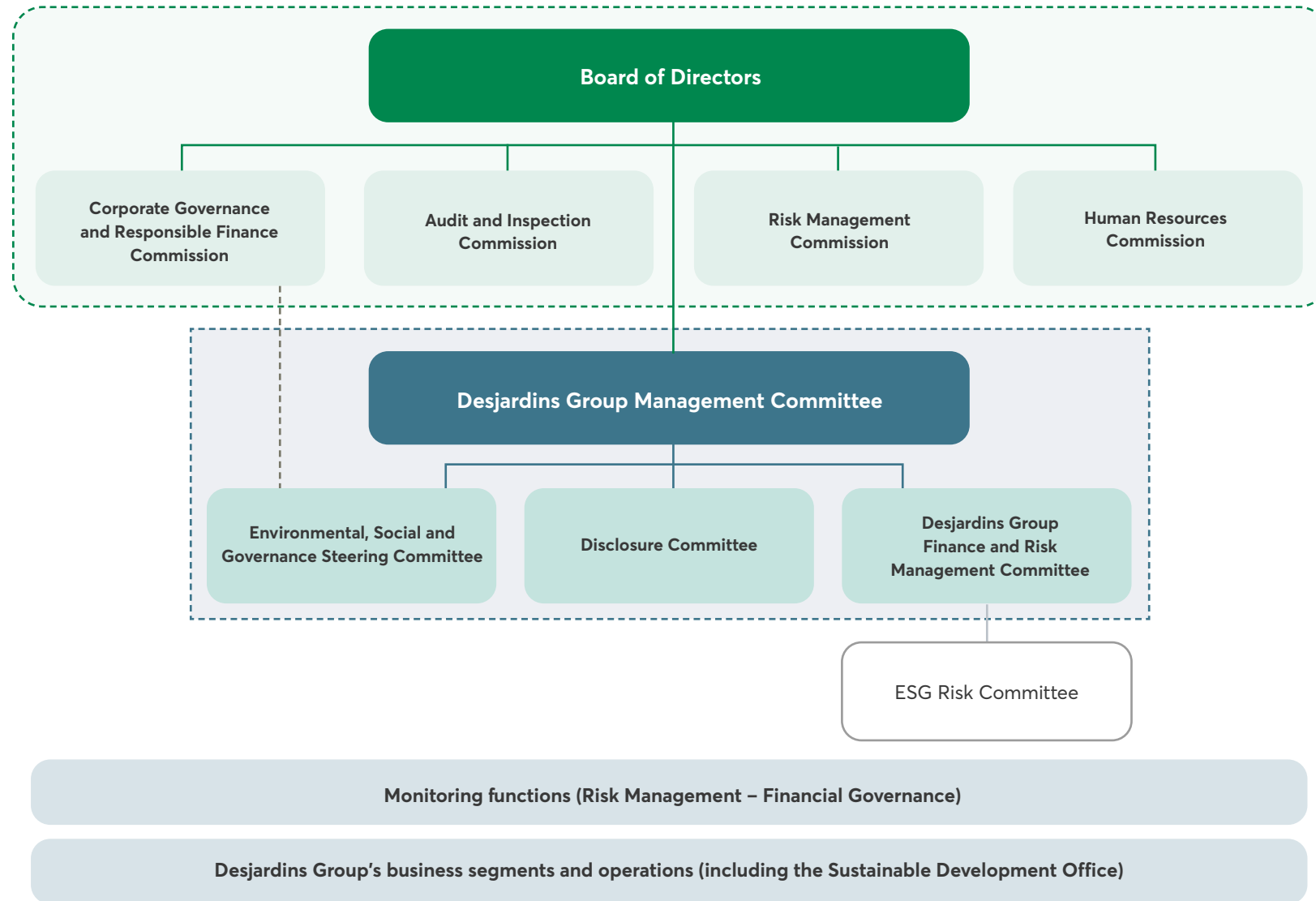
**Table 2** Desjardins Group ESG and climate governing bodies<sup>1</sup>

Governing body	Frequency <sup>2</sup>	ESG responsibilities	Examples of activities or topics covered
<b>Board of directors</b>	Annually	<ul style="list-style-type: none"> <li>Ensure that ESG factors, including climate change, are incorporated into Desjardins activities and track the factors</li> <li>Decide on Desjardins Group's major strategic and competitive positions for all of its activities, including for climate change, and ensure follow-up action as appropriate</li> <li>Adopt priorities that support member/client satisfaction as well as the competitiveness and the sound and prudent management of Desjardins, including the organization's climate strategy, in keeping with our cooperative nature</li> <li>Adopt regulatory and voluntary disclosures of ESG factors based on the recommendations of commissions responsible for reviewing these disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Performance reviews, sustainable development policy, international commitments, ESG positions, monitoring</li> </ul>
<b>Corporate Governance and Responsible Finance Commission</b>	Quarterly	<ul style="list-style-type: none"> <li>Track progress on the integration of ESG factors (including climate action and climate change adaptation) into our business model, and monitor both our performance and training for employees and board members</li> <li>Recommend ESG positions to the board and receive regular reports</li> <li>Monitor industry trends and practices in terms of governance and sustainable development (responsible finance)</li> <li>Review the Social and Cooperative Responsibility Report and disclosures stemming from international frameworks that Desjardins is committed to upholding, ensure the integrity of these disclosures, and recommend their adoption by the board of directors</li> </ul>	<ul style="list-style-type: none"> <li>Climate ambitions, ESG training, ESG indicators, monitoring of governance and sustainable development trends</li> </ul>
<b>Audit and Inspection Commission</b>	Annually	<ul style="list-style-type: none"> <li>Oversee internal processes and controls to ensure the integrity, accuracy and reliability of climate-related data and indicators in financial information disclosures and in the Climate Action at Desjardins report</li> <li>Review the climate-related disclosure (Climate Action at Desjardins report), and recommend its adoption to the board of directors</li> </ul>	<ul style="list-style-type: none"> <li>Climate Action at Desjardins report, including the disclosure process and related controls, monitoring and training</li> </ul>
<b>Risk Management Commission</b>	Quarterly	<ul style="list-style-type: none"> <li>Oversee the integration and monitoring of ESG-related risks (including climate-related risks), in accordance with Desjardins's risk appetite and integrated risk management frameworks</li> <li>Study risks associated with ESG strategies, initiatives and positions</li> <li>Monitor trends related to control measures and integration of ESG-related risks (including climate-related risks)</li> </ul>	<ul style="list-style-type: none"> <li>Risk register, risk analysis, monitoring, training and tracking of the decarbonization indicator</li> </ul>
<b>Human Resources Commission</b>	Semi-annually	<ul style="list-style-type: none"> <li>Oversee equity, diversity and inclusion strategies and employee health and wellness strategies and monitor their integration into HR management practices</li> <li>Oversee the integration of ESG factors into compensation programs, including employee benefits, in accordance with Desjardins Group's strategic directions, objectives and priorities</li> <li>Receive all relevant reports from the Equity, Diversity and Inclusion Office and the Respect in the Workplace Office</li> </ul>	<ul style="list-style-type: none"> <li>General incentive plan, which includes an ESG indicator (for more information, see the Compensation section of this report)</li> </ul>

1. For more details about our property and casualty insurance subsidiaries, refer to the appendix Additional Disclosure Details on the Governance of Desjardins General Insurance Group Inc.  
 2. Minimum frequency of updates on climate action or climate-related issues by governing bodies.

The integrated risk management framework related to ESG factors and climate change is based on an established risk management governance structure that reflects the organizational reality of Desjardins Group, as illustrated in the following figure.

**Figure 3** Desjardins Group ESG and climate change governance<sup>2</sup>



<sup>2</sup> For more details about our property and casualty insurance subsidiaries, refer to the appendix Additional Disclosure Details on the Governance of Desjardins General Insurance Group Inc.

# Management's role

The Desjardins Group Management Committee is supported in its duties by the Finance and Risk Management Committee, the Disclosure Committee, the ESG Steering Committee and the ESG Risk Committee. Table 3 details the Desjardins Group ESG and climate governance committees and their ESG-related responsibilities.

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**Table 3** Desjardins Group ESG and climate governance committees<sup>1</sup>

Committee	Members <sup>2</sup>	Frequency <sup>3</sup>	ESG responsibilities
<b>Desjardins Group Management Committee</b>	<ul style="list-style-type: none"> <li>• President and Chief Executive Officer</li> <li>• All executive VPs from Desjardins Group's business segments and support functions</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>• Approve Desjardins Group's sustainable development positions, including the integration of ESG factors into Desjardins's business model and climate action, as well as the resulting operational targets, in keeping with strategic directions</li> <li>• Adopt Desjardins Group's ESG strategies, including managing climate-related risks and opportunities, with support from the ESG Steering Committee</li> <li>• Adopt ESG targets, including Desjardins's climate ambition targets, and track progress toward those targets</li> </ul>
<b>ESG Steering Committee</b>	<ul style="list-style-type: none"> <li>• Chief Sustainability Officer</li> <li>• Some VPs from Desjardins Group's business segments and support functions who have ESG-related responsibilities</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>• Recommend to the Desjardins Group Management Committee an ESG plan and strategies that are in line with Desjardins's strategic plan, vision and ESG ambition</li> <li>• Establish ESG performance indicators and related targets for Desjardins and work with the business segments and support functions to ensure they're met</li> <li>• Support appropriate ESG risk management for their activities while respecting the organization's risk appetite and staying consistent with the ESG Risk Committee</li> <li>• Coordinate with the business segments and support functions to monitor the responsible finance offer, the sustainable bond program and related business opportunities</li> </ul>
<b>Desjardins Group Finance and Risk Management Committee</b>	<ul style="list-style-type: none"> <li>• EVP, Finance and Chief Financial Officer</li> <li>• EVP, Risk Management</li> <li>• EVP, Business Services</li> <li>• VP, Investments</li> <li>• Chief Compliance and Privacy Officer</li> <li>• Chief Security Officer</li> <li>• Chief Legal Officer</li> </ul>	Twice a year	<ul style="list-style-type: none"> <li>• Regularly review the risks, including climate-related risks, to which Desjardins Group is exposed</li> <li>• Follow up on regulatory compliance reports</li> </ul>
<b>ESG Risk Committee</b>	<ul style="list-style-type: none"> <li>• VP, Desjardins Group Risk Governance, Monitoring and Disclosure</li> <li>• Some directors and managers from Desjardins Group's business segments and support functions who have ESG-related responsibilities</li> <li>• Chief Sustainability Officer</li> </ul>	Every six weeks	<ul style="list-style-type: none"> <li>• Monitor ESG risks, including climate-related risks, to which Desjardins Group is exposed</li> <li>• Prioritize actions to promote forward-looking, coordinated management of the most significant ESG risks</li> <li>• Ensure a harmonized ESG risk management approach is implemented within Desjardins Group's various lines of defence, components and legal entities</li> </ul>
<b>Disclosure Committee</b>	<ul style="list-style-type: none"> <li>• President and Chief Executive Officer</li> <li>• EVP, Finance and Chief Financial Officer</li> <li>• EVP, Risk Management</li> <li>• Chief Compliance and Privacy Officer</li> <li>• Chief Monitoring Officer</li> <li>• Chief Treasury Officer</li> <li>• Chief Legal Officer</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>• Ensure that all systems, processes and controls required for financial disclosures and for this report have been implemented and are effective</li> <li>• Examine all climate-related and financial information disclosures, including this report, prior to publication</li> </ul>

1. For more details about our property and casualty insurance subsidiaries, refer to the appendix Additional Disclosure Details on the Governance of Desjardins General Insurance Group Inc.

2. EVP: executive vice-president; VP: vice-president.

3. Minimum frequency of updates on climate action or climate-related issues by governing bodies.

In addition to the governance structure at the Desjardins Group level, our main business segments have developed their own management structures for integrating ESG factors and responsible finance into their operations and for taking climate change into consideration. That includes the Sustainable Development Steering Committee within the Property and Casualty Insurance segment, the Responsible Investment and Sustainable Insurance Committee supported by a community of practice in the Wealth Management and Life and Health Insurance segment, and working groups dedicated to integrating ESG factors and sustainable development in the Personal and Business Services segment.

The teams within our organization that focus on considering ESG issues and climate change are staffed by professionals in this field. These teams continued to develop and strengthen in 2025.

In addition to these committees and governing bodies, our senior management team also shares responsibility for managing certain aspects of ESG and climate risks and opportunities. Table 4 presents their roles and responsibilities.

**Table 4** Desjardins Group senior management ESG and climate-related roles and responsibilities<sup>1</sup>

Position	ESG and climate change roles and responsibilities
<b>President and CEO of Desjardins Group</b>	<ul style="list-style-type: none"> <li>Integrate ESG factors and climate change-related issues into their duties, which are defined in the Federation's Governance Policy, and:               <ul style="list-style-type: none"> <li>Define Desjardins Group's vision, directions and strategic objectives and have them approved by the board of directors</li> <li>Ensure that any Federation standards and policies and regulatory guidelines that apply across Desjardins Group are correctly interpreted and enforced</li> </ul> </li> </ul>
<b>Chief Sustainability Officer</b>	<ul style="list-style-type: none"> <li>Develop our ESG strategy and positions, support their implementation, follow up in collaboration with our business segments and support functions, set up monitoring mechanisms for measuring progress and adjust strategies accordingly</li> <li>Supervise the implementation of the sustainable development policy and ESG initiatives</li> <li>Supervise the development and implementation of the climate transition plan and ensure that it's aligned with our sustainable development goals</li> <li>Ensure that climate action plans are cohesive across Desjardins Group</li> <li>Serve as an internal advisor on climate change and climate risk management</li> </ul>
<b>Chief Monitoring Officer</b>	<ul style="list-style-type: none"> <li>Play an essential role in evaluating and continually improving our ESG disclosure processes with internal audits covering topics such as the reliability of ESG data, the integration of ESG factors in our activities, and the effectiveness of internal controls</li> <li>Be an observer on ESG risk and project committees to ensure independent oversight and contribute to sound governance of sustainable development initiatives</li> </ul>
<b>Executive Vice-President, Member/Client Experience, Cooperation and Human Transformation</b>	<ul style="list-style-type: none"> <li>Integrate ESG factors into compensation models for all Desjardins Group employees, including senior management</li> <li>Take action to position Desjardins as a leader in equity, diversity and inclusion</li> <li>Communicate Desjardins's ESG initiatives</li> </ul>
<b>Executive Vice-President, Risk Management and Chief Risk Officer</b>	<ul style="list-style-type: none"> <li>Oversee the management of climate-related risks through policies, directives and Desjardins Group's risk appetite framework</li> <li>Monitor risk management by business segments, including the integration of ESG factors in business activities, strategies and practices</li> <li>Submit regular reports on environmental risks to governing bodies</li> </ul>
<b>Executive Vice-President, Finance and CFO</b>	<ul style="list-style-type: none"> <li>Take responsibility for internal processes and the application of controls to ensure the integrity, accuracy and reliability of climate-related data and indicators in financial information disclosures and in this report</li> <li>Examine all climate-related information in financial information disclosures, including this report</li> </ul>
<b>Executive vice-presidents of business segments</b>	<ul style="list-style-type: none"> <li>Monitor environmental risks within their scope of responsibility</li> <li>As the first line of defence, work with business segments and support functions to take responsibility for identifying, assessing, understanding and mitigating their risks using appropriate processes and controls, which are evaluated on performance and efficiency, and report the risks, upon request, to the second line of defence</li> <li>Identify, assess and develop climate-related opportunities in their business segment</li> <li>Ensure that ESG factors continue to be incorporated into business strategies and practices</li> </ul>

1. For more details about our property and casualty insurance subsidiaries, refer to the appendix Additional Disclosure Details on the Governance of Desjardins General Insurance Group Inc.

# Compensation

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The compensation model for our managers, employees and executives and those of our subsidiaries<sup>3</sup> includes a variable pay component connected to climate considerations.

The variable compensation amount is determined by the general incentive plan, which is an annual bonus that's conditional on achieving set objectives. One of the 12 indicators monitored under the plan is the ESG Rating Agencies indicator. This indicator tracks our ESG performance as assessed by three external extra-financial rating agencies and organizations ([MSCI](#), [Sustainalytics](#) and [S&P Global CSA](#)), and evaluates our ESG performance as compared to our peers. This indicator covers environmental, social and governance factors, including climate-related factors. In particular, it assesses our governance of climate-related considerations, our management of climate-related risks and opportunities, and our greenhouse gas emissions reduction targets. This indicator, which reflects Desjardins's ESG performance, accounts for 5% of the general incentive plan.

<sup>3</sup> This includes Desjardins General Insurance Group Inc. and Desjardins Trust Inc.



# Strategy

## Our climate ambition

In a political, geopolitical and economic landscape that is resistant to climate action, we're continuing to pursue our energy transition efforts through concrete initiatives. Despite this context, by 2040, we aim to reach net-zero emissions from operational activities (business travel, buildings, paper and supply chain) and financial activities (insurers' investments and lending activities) in three high-emitting sectors: energy, real estate and transportation. The assets included in the scope of our climate ambition make up 49.2% of our total assets, which stood at \$510.2B as at December 31, 2025. Our climate ambition is part of our commitment to the Business Ambition for 1.5°C campaign. It includes interim targets—with deadlines between 2025 and 2030—that are detailed in the Metrics and Targets section of this report.

Integrating emissions that are not under our direct control into the scope of our climate strategy requires an in-depth transformation of our practices and the economy in which we operate. That means setting up short- and medium-term targets and initiatives for our financial activities, as laid out in Table 17 of the Metrics and Targets section. The targets include supporting renewable energy, guiding carbon-intensive sectors and implementing a position on the energy sector. These targets and initiatives also involve reducing the carbon footprint of our operations (science-based targets and quantification of our supply chain's GHG emissions). At the same time, we continue to train our employees and engage our internal community of ESG experts on topics related to sustainable development and the energy transition.

Our climate ambition is backed by projects and strategies implemented in recent years. This includes setting decarbonization targets for our insurers' investments and investments held by the Desjardins Group Pension

Plan, and making major investments in and offering financing to the renewable energy sector. It also involves gradually integrating ESG factors into our activities, with the support of senior management, and incorporating climate targets into our strategic plan. Implementing this ambition is part of our overall strategy, reflecting our long-term commitment to sustainable, responsible growth. For more information about social and governance aspects, see the [2025 Social and Cooperative Responsibility Report](#).

**Figure 4** Climate ambition

## Goal: Achieve net-zero emissions by 2040

We're firmly committed to climate action and adaptation. By 2040, we aim to achieve net-zero emissions in our operational activities and financial activities (insurers' investments and lending activities) in three high-emitting sectors: energy, real estate and transportation.



**Net-zero emissions**  
Balancing the emission and elimination of greenhouse gases (GHG) in the atmosphere



# Our pillars

## Pillar 1 – Operational activities

In line with our climate ambition, we're implementing initiatives to reduce the environmental impact of our operational activities. To achieve this goal, we're focusing our efforts on six main areas: paper consumption, business travel, energy consumption of buildings, supply chain, education and engagement.

### Targets

We've set a goal to reach net-zero emissions by 2040 for our operational activities, including our supply chain. To help us achieve this goal, we've set two targets for our operational activities:

1. Reduce Scope 1 GHG emissions and location-based Scope 2 GHG emissions by 50% for our base operations by 2030 (science-based target) (Target 14)
2. Reduce Scope 1 GHG emissions, location-based Scope 2 GHG emissions and Scope 3 (Category 1 and 5 for paper consumption and Category 6 for fossil fuel consumption from business travel) by 50% for our base operations by 2030 (Target 15)

For more information about these two targets, refer to the Metrics and Targets section of this report.

This section outlines the measures we've put in place to meet these targets.

### Operational initiatives

Our operational activities are exposed to physical and transition risks related to climate change, which could have an impact on other risks, such as operational, reputational or regulatory risks. For more information about our exposure to climate-related risks, refer to the Risk Management section of this report.

To help us reach our climate targets, we launched the Cooperating for the Climate Challenge in April 2022 for all our business segments and support functions. The goal of this internal initiative is to get everyone involved in achieving our operational targets for reducing GHG emissions by focusing on six main areas. Table 5 below shows our initiatives to mitigate and adapt to climate-related risks, grouped by main area.



**Table 5** Our operational initiatives

Area	Initiatives
<b>Paper consumption</b>	<ul style="list-style-type: none"> <li>As part of a project to develop sales tools, we stopped printing client letters that were sent to advisors. This allowed us to reduce the number of printed documents by about 400,000 per year and the number of mailings by about 800 per week. Related digitization needs also dropped accordingly.</li> <li>We're continuing our efforts to send documents electronically to the parties we deal with. In 2025, new initiatives, like digitization of caisse board members' paystubs and annual mailings to student members, have allowed us to reduce 100,000 or so additional mailings.</li> </ul>
<b>Business travel</b>	<ul style="list-style-type: none"> <li>Desjardins General Insurance's vehicle fleet has been electrified. As at December 31, 2025, the fleet consisted of 100% electric, plug-in hybrid or hybrid vehicles (associated emissions are included in our carbon footprint, under Scope 1 for gasoline consumption and Scope 2 for electricity consumption).</li> <li>The Desjardins shuttle between Montreal and Lévis (included in our Scope 1 carbon footprint) is available to employees to reduce individual vehicle usage.</li> <li>Additional initiatives not included in the climate ambition scope: Reimbursement Program for Sustainable Commuting Expenses (provides an annual allowance of \$200 that employees can use for public transit fares and annual carsharing subscriptions) and soft mobility resources, like ridesharing platforms.</li> </ul>
<b>Energy consumption of buildings</b>	<ul style="list-style-type: none"> <li>The Desjardins Energy Transition program is an internal initiative to optimize and monitor the energy consumption of buildings. It includes energy audits (110 conducted in 2025) and targeted initiatives.</li> <li>We developed a demand response program to reduce energy use, particularly during peak demand events in the winter.</li> <li>36 Desjardins-occupied buildings have a least one environmental performance certification (LEED, BOMA BEST, BOMA 360).</li> </ul>
<b>Supply chain</b>	<ul style="list-style-type: none"> <li>Through the CDP Supply Chain program, we've committed to improving how the emissions of the 100 largest suppliers in our supply chain are calculated.</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>One key way to help us reach our target is to raise awareness and educate our employees on the issues and impacts of climate change. Mandatory and optional training is available. Some of this training is general in nature and some is specific to certain roles or topics. For more information, refer to the Engaging and Training Our Employees on Climate Change section of this report.</li> </ul>
<b>Engagement</b>	<ul style="list-style-type: none"> <li>We're committed to leveraging and aligning expertise to fast-track the transition to a lower-carbon economy and a more inclusive society. For more information about our commitments and the external parties we work with, refer to the summary included in Table 8 Engagement with the Community and Community Actors of this report.</li> </ul>

Although these six areas are the focus, our commitments also apply to other operational activities. This year, we measured the carbon footprint of our digital activities for the first time. This will help us see where we stand compared to the industry and identify areas for improvement. We're looking into the possibility of automating this measurement process and making it permanent.

For more information about expenditures, refer to the Capital Deployment section of this report.

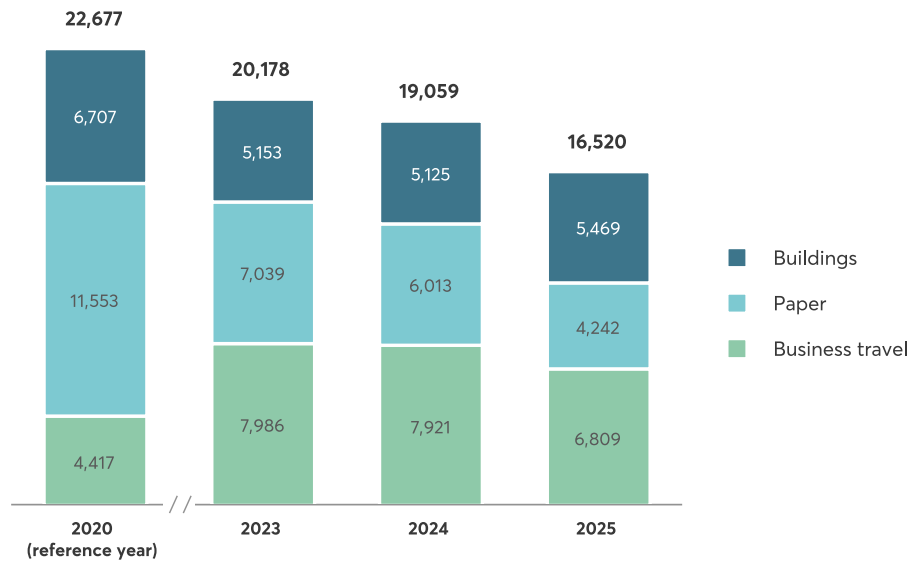
## Operational emissions targeted by our climate ambition

As shown in Figure 5, at the end of 2025, GHG emissions from base operations that fall within the scope of our climate ambition totalled 16,520 tCO<sub>2</sub>e. Since 2020, these emissions have gone down gradually by 27.1% because of reduced building and transportation use. This result is satisfactory given that the benchmarks were set during the pandemic. These emissions include emissions from energy consumption in the buildings we use (as an owner or as a tenant), business travel (not counting daily commutes) and paper consumption.

In 2025, we continued our work to calculate the GHG emissions associated with our supply chain by fine-tuning our methodology and integrating a higher proportion of real data. This progress was made possible, in part, through the CDP Supply Chain program’s engagement campaign. However, some work is still required before this data can be disclosed, especially to avoid double counting with other emission categories, like paper and real estate.

For more information about operational emissions, refer to the Metrics and Targets section of this report.

**Figure 5** GHG emissions from base operations targeted by our climate ambition (tCO<sub>2</sub>e)



## Pillar 2 – Lending and investment activities

Our lending and investment activities are exposed to physical and transition risks, particularly in three high-emitting sectors: energy, real estate and transportation. Through our climate ambition, we aim to reach net-zero emissions from our financial activities (insurers' investments and lending activities) in these three sectors by 2040. In 2020, the sectors included in our climate ambition accounted for more than two-thirds of Canada's GHG emissions.<sup>4</sup> We have chosen to target these sectors to align our goals for the transition to a low-carbon economy. For more information about our exposure to climate-related risks, refer to the Risk Management section of this report.

To reduce our exposure to these risks and support our climate ambition, we've made some changes to our business model and initiated direct and indirect efforts to mitigate and adapt to climate change. These changes are based on strategic positions that govern and guide lending and investment activities in targeted sectors. We've set short- and medium-term targets to reinforce the changes. These positions are defined based on a cross-sector approach that integrates the business segments with the greatest impact in the targeted sectors. This approach helps us set realistic and attainable targets. For more information about the targets, refer to the Metrics and Targets section of this report.

At Desjardins Group, we believe that climate change also provides opportunities for certain sectors of the economy and the institutions that work with them. Climate-related opportunities are identified and managed by our business segments using a decentralized process. Our business segments are responsible for the following activities to capitalize on these opportunities: monitoring, benchmarking and analyzing markets to identify opportunities; developing products and services together with marketing and integration teams; and tracking the performance of responsible products and services. As an organization, we also work to raise awareness and establish partnerships to develop a market for our new products and services.

We want to be part of a just energy transition for our society, and we're doing that in several ways: developing responsible finance products, ensuring shareholder engagement, 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 electric vehicle charging stations in the communities we serve in Quebec and Ontario.

## Energy

A reduction in GHG emissions will require a significant decrease in the production and use of fossil fuels, and an increase in investments in the renewable energy sector. Canada has committed to reducing its GHG emissions by 40% to 45% by 2030, compared to 2005 levels.<sup>5</sup> This goal serves to motivate high-emitting sectors, like the energy sector. We want to contribute to this national effort, so we integrated the energy sector into our climate ambition to help transition to a low-carbon economy.

## Positions and targets

In 2020 and 2023, we adopted two positions to support the transition to a low-carbon energy sector, aligned with the objectives of the Paris Agreement. Based on these positions, which reflect extensive analysis, our lending and investment activities exclude companies active in critical sectors (for more details, see the Exclusion sections below). The positions also set decarbonization targets.

For more information about these positions, see [Desjardins's Position on the Energy Sector](#) and [Desjardins's Position on Coal](#).

## Personal and Business Services

We've committed to transitioning our lending to businesses in the energy sector by increasing support for renewable energy compared with the fossil fuel sector. We've also committed to reducing the carbon footprint of our energy portfolio in absolute terms and in intensity. A total of five targets have been set for this portfolio. In addition, we've set a target for financing biomethanization projects and three decarbonization targets specific to our electricity production portfolio. For more information about these targets, refer to the Metrics and Targets section of this report.

<sup>4</sup> Government of Canada, [Greenhouse gas emissions](#), 2025.

<sup>5</sup> Government of Canada, [2030 Emissions Reduction Plan: Clean Air, Strong Economy](#), 2024.

## Exclusion

To reduce our exposure to climate-related risks, we exclude the highest-risk assets from our lending portfolio. As a result, we've excluded the following from our business loan portfolio and energy sector projects:

- Companies operating or developing thermal coal mines and companies whose installed coal-powered electricity production capacity exceeds 5 GW or 10% of their total installed electricity production capacity. In 2025, the lending portfolio had no exposure to the coal sector, as defined above.
- Fossil energy projects in the Arctic or in ultra-deep waters, or new infrastructure development projects, like extraction sites, pipelines or refineries.
- Large companies in the global oil and gas sector, unless they're committed to the energy transition or unless the financing is for a transition project.

## Renewable energy and the energy transition

We continue to finance the renewables and energy transition sector. Lending is channelled toward renewable energy production projects (like wind, solar, hydro and biomethanization), renewable energy storage and distribution projects (like battery energy storage systems and low-carbon transmission lines) and energy efficiency projects (like district heating). This supports the energy transition and helps reduce the carbon footprint of the economy and of our lending portfolio. This mitigates risk and also creates business opportunities.

Since 2020, we've pledged \$8.3B to support renewable energy projects and energy transition projects. These efforts translate into a ratio of 12.8 for new renewable energy loan commitments to fossil fuel loan commitments between 2023 and 2025. This puts us in a good position to reach our target ratio of 3 between 2023 and 2030.

For example, we're a lead arranger and joint bookrunner for \$172M in financing for the Sanjgon Battery Energy Storage project (initially called the Tilbury Battery Storage Project, 80 MW / 320 MWh) located in Lakeshore, Ontario. This project is developed by Boralex in equal partnership with the Walpole Island First Nation. The project will deliver reliable power by storing energy from the grid during off-peak periods and releasing it back to the Ontario grid during peak periods.

We're also committed to financing biomethanization projects. For more information, refer to the Transitioning to a Circular Economy section.

## Wealth Management and Life and Health Insurance

Desjardins Global Asset Management Inc. (DGAM) is the asset manager for our insurers. DGAM continues to work on decarbonizing the listed equity and corporate bond portfolio (insurers' investments) and aligning it with the requirements of the Science Based Targets initiative. In 2025, as part of a process to monitor and project the trajectory of the targets, DGAM made recommendations on changes to Target 2 regarding Scope 1 and 2 financed emissions from companies in the oil and gas sector included in the listed equity and corporate bond portfolio.

For more information about these targets, refer to the Metrics and Targets section of this report.

## Exclusion

As is the case for business loans, our insurers' investments and our life and health insurance products exclude companies operating or developing coal mines and companies whose installed coal-powered electricity production capacity exceeds 5 GW or 10% of their total installed electricity production capacity. In 2025, the investment portfolio had no exposure to the coal sector, as defined above.

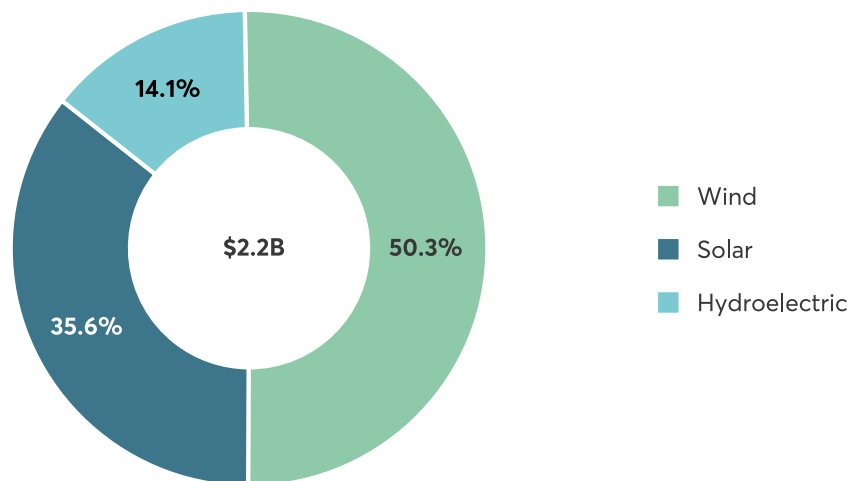
## Investments in the renewable energy sector

DGAM manages an infrastructure portfolio for Desjardins Group, the Desjardins Group Pension Plan and our institutional clients, mainly through DGAM Global Private Infrastructure Fund L.P., with 37% of private infrastructure investments concentrated in the renewable energy sector, totalling \$2.2B in 2025.<sup>6</sup> For more information about the distribution of these investments, see Figure 6.

<sup>6</sup> As at September 30, 2025, for a portion of the investment portfolio, based on available data, and as at December 31, 2025, for the remaining portion, including \$1.2B invested by our organization's main pension plan, the Desjardins Group Pension Plan (DGPP).

Figure 6

### Breakdown of renewable energy investments by energy source (wind, solar and hydroelectric)



### Property and Casualty Insurance

As is the case for our business loans and our investments, our insurance activities exclude companies operating or developing coal mines and companies whose installed coal-powered electricity production capacity exceeds 5 GW or 10% of their total installed electricity production capacity. In 2025, the lending portfolio had no exposure to the coal sector, as defined above.

### Real estate

#### Personal and Business Services

We encourage our members and clients to invest in environmentally friendly homes. When a new home that's certified under the Novoclimat, ENERGY STAR® for New Homes or LEED® Canada program is purchased or built and when renovations are done in accordance with the Rénoclimat program, Desjardins's Sustainable Home Program is available. This program offers up to \$2,000 in financing and cash back. We also support the implementation of energy efficiency measures through LogisVert, a Hydro-Québec subsidy program.

### Wealth Management and Life and Health Insurance

We continue to work on decarbonizing the direct real estate investment portfolio (insurers' investments) and aligning it with the requirements of the Science Based Targets initiative. For more information about these targets, refer to the Metrics and Targets section of this report.

We've implemented mitigation and adaptation measures for climate-related risks in the direct real estate investment portfolio. These measures include ongoing engagement with property managers to integrate ESG criteria and best practices, some of which are related to climate change. They also include efforts to improve energy efficiency and overall building sustainability and to integrate due diligence procedures into the pre-investment phases. These efforts are reflected in environmental certifications, like LEED and BOMA BEST. In 2025, 91% of the buildings in the real estate portfolio of our subsidiary Desjardins Financial Security were certified. These efforts are also reflected in GRESB's assessment of the same portfolio, for which an 84% rating was obtained.

For more information, see [Desjardins Global Asset Management's Responsible Investment Report](#).

### Property and Casualty Insurance

In 2025, Desjardins Insurance ramped up its efforts to support climate resilience action to ensure the availability and accessibility of property and casualty insurance in Canada.

- Awareness campaigns were conducted on different platforms (web, social media, newsletters). The goal was to provide prevention tips to help members and clients better equip their homes for extreme weather events, such as flash floods, torrential rain, wildfires, high winds and hail, and to minimize their impacts.
- Desjardins Insurance participated in a series of panel discussions during P&C Insurance Day organized by Les Éditions du Journal de l'assurance, at the Canadian Home Builders' Association's national meeting, and at the ICMIF Resilience and Sustainability Summit organized by the International Cooperative and Mutual Insurance Federation.
- We joined a strategic working group, in partnership with the property and casualty insurance industry and the Ville de Montréal, to build urban resilience in the face of the growing impacts of extreme weather events, with a particular focus on torrential rain.

- Our insurance contracts include three resilient reconstruction measures following a loss:
  - **Sewer backup:** \$1,000 for devices to mitigate water damage following a loss caused by sewer backup
  - **Siding in Alberta:** \$1,000 per side to replace vinyl siding with hail-resistant siding
  - **Roofing in Alberta:** \$2,500 to replace damaged standard shingles with Class 4 impact resistant shingles following an insured hail-related loss, for high-risk zones in Alberta

In 2025, Desjardins Insurance also enhanced its analytical capabilities to identify concentrated areas of climate-related risk, improving understanding of the insurance portfolio's exposure to climate-related risks.

## Transportation

The transportation sector, which is heavily reliant on fossil fuels, accounts for a significant portion of Canada's GHG emissions.<sup>7</sup> Its decarbonization, particularly through electrification, the use of alternative fuels and the development of sustainable mobility solutions, is essential to achieving climate goals.

To pursue our efforts and maintain the transition to a resilient, low-carbon economy, we're going to start looking at the transportation sector in 2026. Our analysis will focus on ways to reduce negative impacts and optimize opportunities related to the transportation sector. Some initiatives are already underway.

## Personal and Business Services

Canada has committed to decarbonizing road transportation by establishing a regulatory framework that aims to reduce key barriers and make it easier to purchase zero-emission vehicles.<sup>8</sup> Despite the recently revised federal and provincial targets (2026 federal interim target of at least 20% of vehicle sales in this category suspended and 2035 Quebec target for new vehicle sales reduced from 100% to 90%<sup>9</sup>), we continue to actively support the transition to decarbonized road transportation through various initiatives. Here are some examples:

- In partnership with AddEnergie and Hydro-Québec, we're continuing to install electric vehicle charging stations in Quebec and Ontario. A total of 477 Desjardins-funded charging stations have been installed, including 462 that are available to the general public, mainly at our buildings.



- The Desjardins Auto Loan – Electric and hybrid option gives our individual members attractive financing solutions for buying a hybrid or electric vehicle. This offer, based on the lowest rate in the rate schedule, aims to support the transition to sustainable mobility by offering conditions adapted to this type of purchase. It also encourages dealerships to promote these vehicles by paying a slightly higher commission than the standard offer, creating an incentive to sell eco-friendly models.

Based on Transport Canada's analysis using data from S&P Global Mobility, the share of zero-emission vehicles in light-duty vehicle sales was 9.8% in 2025, up significantly from 3.1% in 2019. Although there was a drop at the national level, the projected share of sales is still 17.7% in Quebec.<sup>10</sup> Despite this fluctuation, the sector continues to provide opportunities.

<sup>7</sup> Government of Canada, [Greenhouse gas emissions](#), 2025.

<sup>8</sup> Government of Canada, [Zero-emission vehicles: Policies and regulations](#), 2025.

<sup>9</sup> Osler, [Federal and Québec governments to adjust EV sales mandates: key developments and considerations](#), October 14, 2025.

<sup>10</sup> Government of Canada, [ZEV Council Dashboard](#), 2026.

## Other initiatives supporting our climate ambition

We're also rolling out initiatives that cover all sectors of the economy and take into account other sustainability factors that go beyond just climate change issues.

### Engaging internal and external actors

We've taken steps to improve internal capacity across the organization by developing training for employees to support human capital. Partnerships with external actors also foster innovation and help develop climate change adaptation solutions. Here are some examples:

- Desjardins Investments Inc. continues to work on its ambition of net-zero emissions for Desjardins Funds and Portfolios by 2050, mainly through its involvement in the [Net Zero Asset Managers \(NZAM\) initiative](#).
- A training video on climate change and a webinar on the path to net-zero for Desjardins Funds and Portfolios were made available to caisse network advisors.
- In addition to being an [NZAM](#) signatory, DGAM is involved in several climate-related initiatives, such as [Climate Engagement Canada](#) and [Climate Action 100+](#).
- We've set up partnerships to raise awareness among business service delivery teams, members and clients. We also provide resources to help companies adopt more sustainable business practices.

For more information about expenditures, refer to the Capital Deployment section of this report.

### Assessing climate-related risks

An assessment of climate-related risks was carried out to help us identify the risks we're exposed to. This analysis helps us target our mitigation and adaptation efforts more effectively. For more information about these risks, refer to the Risk Management section of this report.

### Wealth Management and Life and Health Insurance

#### Shareholder engagement

As part of our activities related to dialogue and the exercise of voting rights, we assess the strategies used by businesses from various angles:

- The governance structure for overseeing climate action
- The disclosure of Scope 1, 2 and 3 GHG emissions and compliance with recognized standards
- The adoption of a goal of net-zero emissions by 2050, with credible short- and medium-term reduction targets
- Incentive compensation for executives linked to measurable climate objectives
- The implementation of a plan to transition to a low-carbon economy and the development of new green technologies

Desjardins rolled out an engagement strategy with 25 carbon-intensive Canadian companies to encourage them to start or speed up their transition.

For more information, see [Desjardins Global Asset Management's Responsible Investment Report](#).

#### Concrete actions to address physical risks

In life and health insurance, a great deal of work has been done in recent years to better understand and mitigate the impacts of physical risks, including heat waves, poor air quality and vector-borne diseases. These efforts are translating into concrete actions. For example, in collaboration with TELUS Health, we've implemented measures to support insureds who are affected by natural disasters. Some of these measures include providing psychological assistance and replacing lost medication.

## Other opportunities linked to sustainability and climate change

We're also rolling out initiatives that cover all sectors of the economy and take into account other sustainability factors that go beyond just climate change issues.

### Responsible investment product offer<sup>11</sup>

We're a leader in Canada for our responsible investment (RI) product lineup with 75 RI solutions representing nearly \$15.7B in assets under management as at December 31, 2025. Desjardins Sustainable Funds and Portfolios are some of our main products. They aim to offer attractive return potential while using specific RI approaches, such as excluding certain fossil fuel activities. Since June 2020, our 27 Desjardins Sustainable Funds and Portfolios have excluded producers and specialized transporters of fossil fuels.

### Sustainable and green bond issues

#### \$2.2B in sustainable and green bonds

In 2025, we took another step forward in our commitment to responsible lending by completing our fourth sustainable bond issue. Our first sustainable bonds were issued in 2021. This program aims to fund projects with social or environmental benefits, in support of a low-carbon and inclusive economy. This milestone brings our total funding to \$2.2B, which is a testament to our ongoing commitment in this area. The market's very favourable reception attests not only to the relevance of the strategy, but also to the concrete value these emissions create for members and clients. In 2025, the sustainable bond framework was updated. Moody's Ratings, an independent firm, has rated the framework as "Advanced,"<sup>12</sup> underlining the rigour and credibility of the approach. For more information, see the [2025 Sustainable Bond Report](#) and the [Desjardins Sustainable Bond Framework](#).

### Desjardins Securities

We used our partnerships to raise awareness among our members, clients and service delivery teams, while providing them with resources to help speed up the green transition of their business. In 2025, Desjardins Securities offered advisory services for implementing and distributing 15 green, social and sustainable financial products. During the year, Desjardins Securities also helped distribute over \$15.0B of green, social and sustainable bonds.



<sup>11</sup> An investment solution is considered "responsible" when it applies responsible investment approaches adapted to the product type, such as ESG integration, positive or negative screening and stewardship; when it is governed by a policy or regulatory document describing these approaches; and when it explicitly refers to responsible investing in its name.

<sup>12</sup> Refer to the [independent assessment of the Desjardins Sustainable Bond Framework](#).

**Table 6 Summary of climate change initiatives by Desjardins business segment**

Table 6 shows initiatives related to risks and opportunities associated with climate change. They are categorized by both the sectors targeted by the climate ambition and the business segments that implement them. Some initiatives apply to our entire organization.

Desjardins Group business segments	Climate ambition sectors		
	Energy	Real estate	Transportation
Personal and Business Services	<ul style="list-style-type: none"> <li>• Targets</li> <li>• Exclusions</li> <li>• Lending in the renewable energy and energy transition sector</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable Home Program</li> </ul>	<ul style="list-style-type: none"> <li>• Auto Loan – Electric and hybrid option</li> </ul>
	<ul style="list-style-type: none"> <li>– Training</li> <li>– Engagement with members and clients (collecting ESG information)</li> <li>– Engagement with the community and community actors (CERIEC’s Lab construction, Écotech Québec’s GPSclimat, the 2 Degrés incubator, etc.)</li> <li>– Advisory services for implementing frameworks and distributing green, social and sustainable financial products</li> </ul>		
Wealth Management and Life and Health Insurance	<ul style="list-style-type: none"> <li>• Targets for insurers’ investments and for Desjardins Sustainable Funds and Portfolios</li> <li>• Exclusions</li> <li>• Investments in the renewable energy sector</li> </ul>	<ul style="list-style-type: none"> <li>• Targets for insurers’ investments</li> <li>• Engagement with property managers in the portfolio</li> </ul>	
	<ul style="list-style-type: none"> <li>– Training</li> <li>– Shareholder engagement</li> <li>– Engagement with the community and community actors (NZAM, Climate Engagement Canada and Climate Action 100+)</li> <li>– Responsible investments</li> </ul>		
Property and Casualty Insurance	<ul style="list-style-type: none"> <li>• Targets for insurers’ investments</li> <li>• Exclusions</li> <li>• Investments in the renewable energy sector</li> </ul>	<ul style="list-style-type: none"> <li>• Targets for insurers’ investments</li> <li>• Engagement with property managers in the portfolio</li> </ul>	
	<ul style="list-style-type: none"> <li>– Training</li> <li>– Reinforcing capabilities for identifying climate-related risks</li> <li>– Engagement with clients (awareness campaigns)</li> <li>– Engagement with the community and community actors (Canadian Home Builders’ Association, ICMIF Resilience and Sustainability Summit, property and casualty insurance industry and Ville de Montréal)</li> </ul>		
Other	<ul style="list-style-type: none"> <li>• Sustainable bond framework and issuing sustainable bonds</li> </ul>		

**Table 7** Desjardins's assets and activities that are compatible with climate change opportunities

Table 7 shows Desjardins's assets and activities that are compatible with climate change opportunities. They are categorized by business segment and by climate ambition sector.

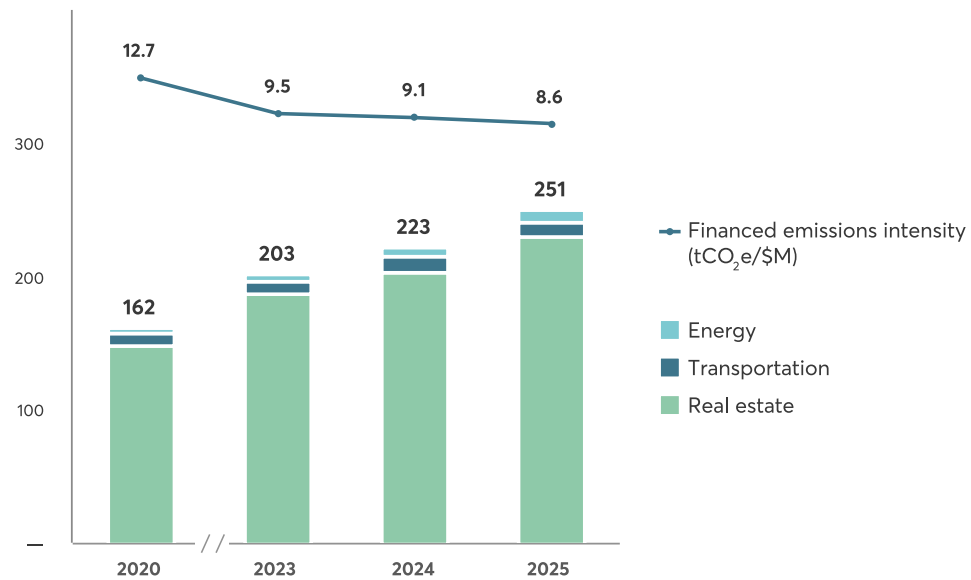
Activities	Climate ambition sectors	Opportunities	Metrics	2025	2024	2023	2020 (reference year)
Investments	Cross-sector	• Responsible investments	• Volume of responsible investment assets under management (in \$B)	15.7	14.6	13.8	7.4
	Energy	• Investments in the renewable energy sector	• Infrastructure investment portfolio of Desjardins Group, the Desjardins Group Pension Plan and our institutional clients, mainly DGAM Global Private Infrastructure Fund L.P., in renewable energy (in \$B)	2.2 <sup>13</sup>	2.1	1.9	1.2
Lending	Energy	• Lending activities in the renewable energy sector	• New loan commitments made since 2020 to support renewable energy projects and energy transition projects (in \$B)	8.3	6.1	3.8	0.3
			• Share of renewable energy in lending for the electricity production sector	92%	89%	94%	Not avail.
			• Ratio of renewable energy loan commitments to fossil fuel loan commitments	12.8	24.2	24.7	Not avail.
	Real estate	• Sustainable Home Program	Information not available				
	Transportation	• Auto Loan – Electric and hybrid option	Information not available				
Other	Cross-sector	• Sustainable and green bonds	• Total sustainable bonds issued since 2021 (in \$B)	2.2	1.7	1.0	—

<sup>13</sup> As at September 30, 2025, for a portion of the investment portfolio, based on available data, and as at December 31, 2025, for the remaining portion, including \$1.2B invested by our organization's main pension plan, the Desjardins Group Pension Plan (DGPP).

## Financed GHG emissions targeted by our climate ambition

The graph below shows the evolution of activities included in the scope of our climate ambition in billions of dollars financed or invested in the energy, transportation and real estate sectors. It also shows the intensity of financed emissions included in our climate ambition (tCO<sub>2</sub>e/\$M). For more information about financed emissions, refer to the Metrics and Targets section of this report.

**Figure 7** Value of lending and investments included in our climate ambition (\$B)



Monitoring our climate ambition is currently very complex due to challenges related to the availability of real, specific, granular data, particularly in the real estate and transportation sectors. We're constantly working to improve the data used for these calculations. We've created a multi-year program to define and implement a cross-sector approach to ESG data collection and valorization so that we can monitor our ESG performance, manage risk and meet the expectations of parties involved and regulators, including in terms of reporting.



# Engaging internal and external actors

## Enhancing internal capacity

### ESG Program

We launched a program to address the impacts climate change is already having, meet new regulatory requirements and play a key role in the transition to a low-carbon society. This program aims to strengthen climate risk management; honour commitments, including our 2040 climate ambition; develop sustainable products and services for members and clients; and ensure the reporting of the ESG information expected by authorities and other actors.

The ESG Program focuses on three main areas:

- Data: Defining and promoting a cross-sector approach for collecting and valorizing ESG data to support the required risk analyses, monitor our performance and meet regulatory requirements for data reporting
- Risk management: Rolling out the climate risk management framework and risk quantification
- Disclosure and controls: Strengthening the climate disclosure process, accompanied by controls and a governance structure to ensure the reliability of the data reported

### Engaging and training our employees on climate change

One way to help reach our target is to raise awareness and educate our employees on the issues and impacts of climate change. We provide training in a number of ways:

- We developed a 30-minute training video on the key concepts of sustainable development for all employees across all components. As of December 31, 2025, a total of 91% of our more than 57,500 employees had completed this mandatory training. This means we've surpassed our goal of training at least 85% of our employees on the principles of sustainable development.
- We developed topic-specific and job-specific training:
  - We rolled out a mandatory responsible finance training program for all business services employees. The program aims to improve how we incorporate ESG factors into our business strategies and to provide more tailored, effective support for our members and clients.
  - In 2025, we rolled out mandatory training for all Desjardins employees, consultants and managers, including the caisse network, on climate-related risks and their impacts, including greenwashing. This training explains the risk categories, with three examples illustrating their impacts and the mitigation measures we've implemented.

- We created a responsible investment learning path, based on employees' roles and responsibilities. It includes an introduction to the Principles of Responsible Investment and specific training for employees providing investment advice or overseeing asset management. Some of the training was developed in-house and the rest comes from well-known organizations (Canadian Securities Institute, Responsible Investment Association, Sustainability Accounting Standards Board, CFA Institute, etc.).
- We developed training on the Principles for Sustainable Insurance and how to incorporate them into our operating and decision-making procedures. The training includes a module on climate change issues and how they affect the health of Canadians to help us anticipate the changing needs of our members, clients and partners.
- Training on the impact of natural disasters on insurance in Canada is offered to property and casualty insurance agents so they're able to provide members and clients with climate risk advice.
- A training video on climate change and a webinar on the path to net-zero for Desjardins Funds and Portfolios were made available to caisse network advisors.
- We also offer voluntary programs and activities that provide education on climate issues:
  - Climate School is a comprehensive training program that includes both general content on climate change and specialized content for people working in real estate management or risk management.
  - Climate Fresk offers collaborative three-hour workshops hosted by our 141 specially trained employees. Some of the workshops are voluntary, while others are held as part of mandatory team activities. In 2025, two climate specialists visited about a dozen caisses in Quebec to raise employee awareness of climate issues and better understand each region's specific needs in terms of transition and adaptation. Since 2022, a total of 3,570 Desjardins employees have participated in at least one Climate Fresk workshop.

### Capital deployment

In 2025, expenditures associated with enhancing internal capacity were estimated at nearly \$20M. This capital deployment mainly consists of expenses related to the ESG Program, the Cooperating for the Climate Challenge and employee training.

## Engagement with the community and community actors

We want to help support and leverage expertise to fast-track the transition to a lower carbon economy and a more inclusive society. Table 8 shows a summary of the external actors that we work with and our areas of commitment.

**Table 8** Engagement with the community and community actors

Tools	Actors involved and/or engagement tools	Examples of actors and initiatives supported	
Support for businesses	<ul style="list-style-type: none"> <li>SME training</li> <li>Transportation and sustainable mobility</li> <li>Energy sector</li> <li>Recognition</li> </ul>	Propulsion Québec	<ul style="list-style-type: none"> <li>Promote and support Quebec’s electric and smart transportation ecosystem.</li> </ul>
		BiogasWorld	<ul style="list-style-type: none"> <li>Bring together local and international actors committed to developing renewable natural gas.</li> </ul>
		Association québécoise de la production d’énergie renouvelable	<ul style="list-style-type: none"> <li>Promote the production of renewable energy.</li> </ul>
		Canadian Renewable Energy Association	<ul style="list-style-type: none"> <li>Promote renewable energy and energy storage to support Canada’s economy and energy future.</li> </ul>
Responsible finance	<ul style="list-style-type: none"> <li>Training</li> <li>Education and research</li> <li>Raising awareness and sharing knowledge</li> </ul>	Finance Montréal	<ul style="list-style-type: none"> <li>Offer responsible finance training for frontline employees to improve their awareness so they can better guide and support our business members and clients.</li> <li>Develop Quebec’s sustainable finance roadmap.</li> </ul>
		Université de Sherbrooke	<ul style="list-style-type: none"> <li>Educate and conduct research on responsible finance. Fund the Chaire Desjardins en finance responsable.</li> </ul>
Solution integration	<ul style="list-style-type: none"> <li>Business owners</li> <li>Investors</li> <li>Groups</li> <li>Governments</li> </ul>	SWITCH	<ul style="list-style-type: none"> <li>Advocate for Quebec’s transition to a green economy.</li> </ul>
		Écotech Québec	<ul style="list-style-type: none"> <li>Promote the development, marketing and use of cleantech.</li> </ul>
		Coop Carbone	<ul style="list-style-type: none"> <li>Take action to address the climate crisis.</li> </ul>
		Montréal Climate Partnership	<ul style="list-style-type: none"> <li>Engage economic and community forces for the climate.</li> </ul>
		Décarbhone+	<ul style="list-style-type: none"> <li>Promote the decarbonization of target economic sectors, particularly real estate.</li> </ul>
Education and engagement	<ul style="list-style-type: none"> <li>Youth</li> <li>General public</li> <li>Citizen groups</li> </ul>	Center for Sustainable Development	<ul style="list-style-type: none"> <li>Set up a forum to facilitate discussions and demonstrate synergies to contribute to changes supporting sustainable development in Quebec.</li> </ul>
		Équiterre	<ul style="list-style-type: none"> <li>Make the transition to a green and fair society tangible, accessible and inspiring.</li> </ul>
		Lab22	<ul style="list-style-type: none"> <li>Challenge the population, and especially youth, to find innovative solutions to environmental and social issues.</li> </ul>
Climate change adaptation	<ul style="list-style-type: none"> <li>Research</li> <li>International cooperation</li> </ul>	Institute for Catastrophic Loss Reduction	<ul style="list-style-type: none"> <li>Conduct multidisciplinary research on the prevention of catastrophic losses.</li> </ul>
Innovation and research	<ul style="list-style-type: none"> <li>Innovation labs</li> <li>Communities of practice</li> <li>Business incubators</li> </ul>	2 Degrés	<ul style="list-style-type: none"> <li>Promote innovation and entrepreneurship through a Quebec-based cleantech incubator.</li> </ul>
		Cité de l’innovation	<ul style="list-style-type: none"> <li>Pool the strengths of Victoriaville and surrounding areas to be a leader in sustainable development and circular economy innovation.</li> </ul>
		ÉTS	<ul style="list-style-type: none"> <li>Advance research on the circular economy.</li> </ul>
		Cycle Momentum	<ul style="list-style-type: none"> <li>Support the growing importance of climate tech innovation in Quebec.</li> </ul>

## Other environmental topics

### How we're protecting biodiversity

Biodiversity refers to all living beings and the ecosystems they inhabit. It plays a key role in the Earth's ecosystems. Climate change and the increasing loss of biodiversity endanger our quality of life and the economic development of our societies. The World Economic Forum ranks biodiversity loss and ecosystem collapse as the second most critical global risk for the next decade. According to this organization, nearly 50% of the world's total GDP is moderately or highly dependent on nature.

In the financial sector, considering nature and biodiversity is an important, albeit emerging, issue. In 2025, we continued to develop organizational knowledge and capacity on this topic by consolidating our strategy to better address biodiversity and nature issues, mainly by adding a role specializing in this field to our organizational structure.

### Making commitments and sharing knowledge



In 2022, Desjardins Global Asset Management Inc. (DGAM) and Desjardins Investments Inc. signed the [Finance for Biodiversity Pledge](#). The goal of this commitment is for the signatory organizations to consider biodiversity restoration and protection.

Representatives from our organization continue to speak about this topic at conferences such as those arranged by the [Principles for Responsible Investment](#), the [Responsible Investment Association](#) and the [Water in Mining Global Summit](#). Our teams are also part of many working groups—like the [Ceres Food and Nature Working Group](#)—to develop our knowledge on incorporating biodiversity into our activities. This investor forum focuses on the challenges and opportunities of developing a more resilient food sector and an economy that respects nature. The meetings provide an opportunity to attend presentations, share research, solutions and best practices, and discuss relevant reporting tools and frameworks.

In addition, DGAM has been a member of [FAIRR \(the Farm Animal Investment Risk & Return Initiative\)](#) since 2021 and, in 2023, joined [Nature Action 100](#). These two initiatives facilitate collaboration between investors on biodiversity-related issues, including plastic pollution, waste management and water use.

### Incorporating nature and biodiversity considerations into our activities

In 2025, along with our subsidiaries, we continued our efforts to integrate biodiversity in various forms.

Consideration for risks related to the degradation of the natural world is specifically covered in the Environmental Risk Management Directive, which applies to our entire organization. We've begun work to structure our approach to biodiversity. The Desjardins Group Management Committee and the board of directors' Corporate Governance and Responsible Finance Commission have received training on this topic.

Since 2021, DGAM has been incorporating biodiversity and natural capital issues into its responsible investment practices. These considerations are reflected in its [Responsible Investment Policy](#) and its [Policy on the Exercise of Proxy Voting Rights](#). Ongoing work is being done to adopt best practices and apply knowledge to strategies. This includes attending conferences, round tables, initiatives and working groups. In 2023, a study was carried out on impacts and dependencies by sector using the [ENCORE \(Exploring Natural Capital Opportunities, Risks and Exposure\)](#) tool. In addition to collaboration initiatives, DGAM continues to dialogue with the companies its clients have invested in, particularly regarding understanding and managing biodiversity-related risks and opportunities. In 2025, DGAM published a [paper](#) outlining its efforts to incorporate biodiversity and natural capital into its practices. This document presents concrete engagement efforts, risk assessment tools and a target for guiding companies toward more sustainable economic models. More information is provided in the Protection of Biodiversity and Natural Capital section of DGAM'S [Responsible Investment Report](#).

Since 2023, Desjardins Investments has been using a stewardship approach based on three priority themes: climate, nature and human rights. As the Desjardins Funds manager, Desjardins Investments shares in the responsibility of considering these three issues that could have negative effects on the long-term value of security holdings and a systemic impact on communities and the planet. To factor nature-related challenges into its investment decisions, Desjardins Investments has set dialogue targets for two priority issues (water management and deforestation). These targets aim to ensure that the Desjardins Sustainable Funds portfolio managers proactively engage with companies to encourage practices that can improve their performance for the benefit of shareholders, the environment and society. In addition, Desjardins Investments conducted an analysis of the potential impacts and dependencies of its portfolios on nature using the ENCORE tool. This analysis, which was conducted for the first time in 2024 for Desjardins Sustainable Funds, was updated for all Desjardins Funds in 2025. More information is provided in the Our Approach to Protecting Nature and Biodiversity section on pages 39 to 46 of [Desjardins Funds' 2025 Annual Report on Responsible Investment](#), and in [Desjardins Funds' Stewardship Policy](#).

Lastly, our carbon offsets support the conservation of forests and their ecosystems. Our offset portfolio consists exclusively of projects with beneficial effects on biodiversity, in line with priority selection criteria that include preserving endangered animal species and restoring ecosystems. One of these projects is the Great Bear Forest Carbon Project in British Columbia. The project is devoted to conserving and managing the world's largest temperate rainforest (14 million acres). The abundant resources in this forest are invaluable to First Nations, environmental groups, logging companies and governments, who have adopted a collaborative ecosystem-based management approach that values the forest as a balanced system that supports biodiversity and communities.

# Transitioning to a circular economy

## Waste management

In keeping with our climate objectives and the priorities set by the various levels of government,<sup>14</sup> we endeavour to incorporate circular economy and waste management principles into our operations. This approach aims to promote, to the extent possible, more efficient use of resources and encourage the actors to participate, while seeking to generate positive environmental, social and economic impacts. The Programme Récüp is part of this approach. Its scope covers everything from real estate operations to office operations, promotional materials, supplies and events.

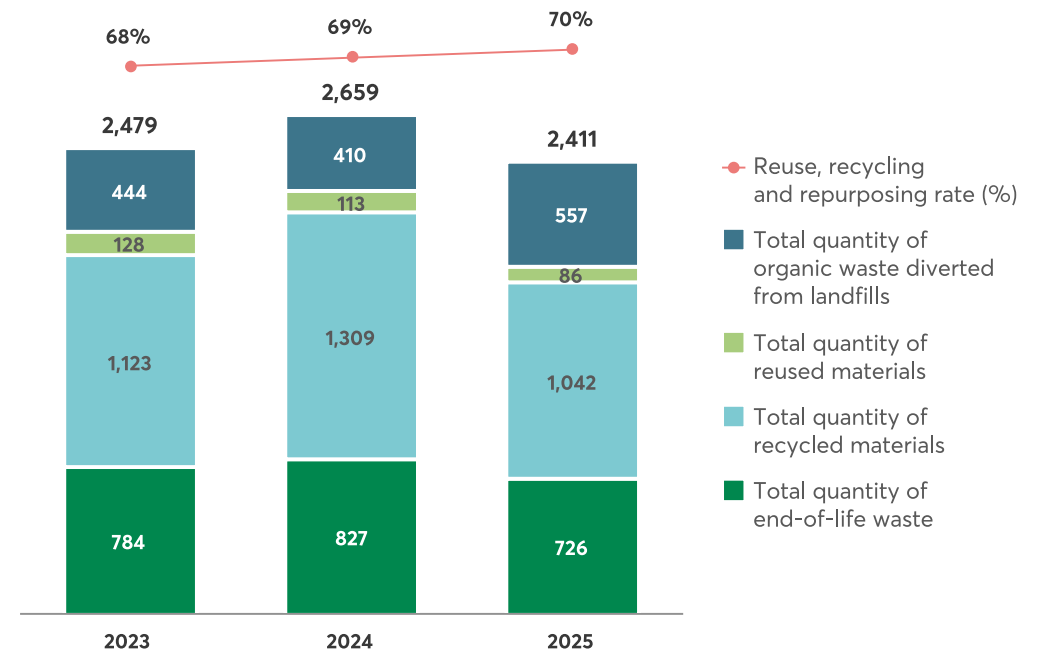
The strategy is based on the following principles: at-source reduction, reuse, repair, recycling and repurposing. It relies on partnerships, adapted implementation tools and monitoring mechanisms. This approach continues to evolve and become clearer as practices take root, its scope broadens over time and more data becomes available to support continuous improvement. There were a number of noteworthy achievements in 2025. Here are a few examples:

- We implemented a new desktop asset management standard that increased the life of laptops by 33%, generating an at-source reduction of more than 11,000 devices over two years.
- Most of our caisses have implemented a transition process that involves assessing buildings, implementing infrastructure and managing change with parties involved.
- On Earth Day and during Quebec Waste Reduction Week, some of our partners, including a number of partners who foster a circular economy, participated in a repair-a-thon. The event was an opportunity for these partners to repair and recycle electronics and small household appliances, and raise awareness among employees and the general public.

With a view to continuous improvement, we assessed our performance using key indicators. These indicators include the rate at which initiatives are adopted, the efficiency of communications and the amount of materials that are reused, recycled, recovered or sent to landfills. These measures make it possible to assess the impact of the program, adjust actions and report on progress.

To determine the impact of our initiatives and take concrete action, we measure our performance based on several key indicators. For more details, refer to Figure 8.

**Figure 8** Desjardins's waste generation and management (in tonnes)<sup>15</sup>



From 2024 to 2025, the total amount of waste generated dropped by 10%, due mainly to at-source reduction measures taken by our desktop services and real estate teams. Despite this decline, the reuse, recycling and repurposing rate stayed relatively stable, going from 69% to 70%. In total, 43% of the waste targeted by these metrics is recycled.

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<sup>14</sup> Government of Canada, [Canada's actions to reduce plastic waste and pollution](#), 2025; RECYC-QUÉBEC, [Plan stratégique 2025-2028 \(in French only\)](#), 2025.

<sup>15</sup> Includes Complexe Desjardins in Montreal, the Cité Desjardins de la coopération in Lévis, computer hardware, office equipment and confidential document recycling. In 2025, the scope was expanded to include returnable containers, with deposits being extended to all containers up to two litres that same year. Data for 2024 and 2023 was not restated because the scope was too narrow at that time.

## Initiatives supporting the circular economy

By maximizing the life of resources and reducing waste, we're actively supporting the transition to a circular economy. This approach aims to break with the traditional take-make-use-dispose linear model.

In Canada, the shift is accelerating, particularly since the Center for Intersectoral Studies and Research on the Circular Economy was created in 2020. We've contributed more than \$2M to this organization. The organization's goal is to build an ecosystem of circular economy acceleration laboratories in support of Canada's waste reduction targets of 30% by 2030 and 50% by 2040.

We're committed to helping the circular economy develop, including through the GPK Bioénergie project, an agricultural biomethanization initiative in Ange-Gardien, in Montérégie. In July 2025, we pledged more than \$20M to support the construction of this facility, which will cost over \$35M. Each year, the facility will repurpose 100,000 tonnes of organic waste, mainly manure and agri-food waste, to produce renewable natural gas that will be injected into Énergir's grid. Local agricultural communities will help implement this project aimed at achieving an annual reduction of about 10,000 tonnes of CO<sub>2</sub> equivalent. The shared-governance project is part of a circular economy approach that contributes to Quebec's energy transition efforts.

We've set a goal of financially supporting six biomethanization projects (transformation of organic waste, particularly agricultural waste, into renewable energy) between 2019 and 2025. For more information, refer to the Metrics and Targets section of this report.

In 2025, we looked at a dozen or so potential renewable natural gas production projects via biomethanization in Quebec. We play a key active role with different parties involved in the renewable natural gas (RNG) industry at a municipal level and in the public and private agricultural sectors. We're proactively working on a number of RNG production opportunities.

Over the past several years, the following have been implemented:

- Increased collaboration between the agricultural business development team and the energy transition lending team to identify and assess projects
- Allocation of an additional internal resource to RNG 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 the team's knowledge and project analysis capabilities

In addition to supporting various actors in the ecosystem, we participate in initiatives that foster the circular economy through different platforms. For example, in 2025, we were a partner of the Sustainable Finance Summit. We also hosted "Circular Economy: Building a Waste-Free World," a panel discussion where business members were invited to talk about their initiatives and business models. In addition, we moderated the "Boosting Your Business Through the Circular Economy" session at the Canadian Circular Economy Summit.



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# Risk management

We understand how important it is to properly identify, assess and manage the risks and opportunities related to the physical impacts of climate change and the transition to a low-carbon economy. For more information, refer to the Strategy section of this report.

## Physical risks<sup>16</sup>

- “Physical risks” refer to the financial risks from the increasing severity and frequency of climate-related extremes and events (i.e., acute physical risks); longer-term gradual shifts of the climate (i.e., chronic physical risks); and indirect effects of climate change such as public health implications (e.g., morbidity and mortality impacts).

## Transition risks<sup>16</sup>

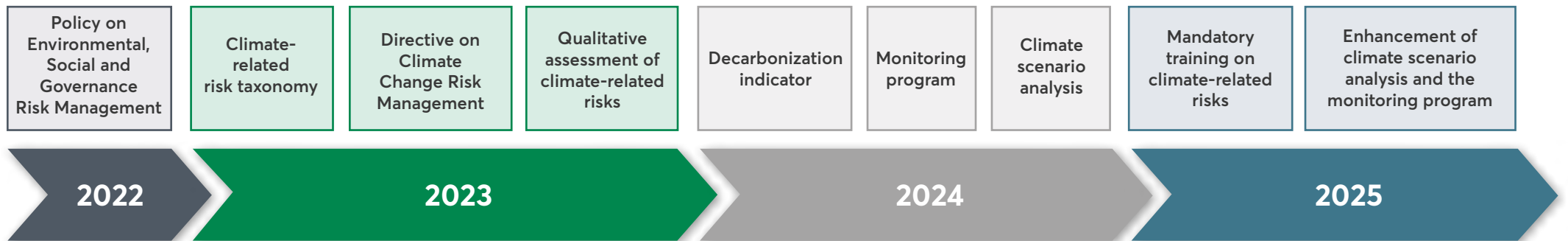
- “Transition risks” refer to the financial risks related to the process of adjustment towards a low-greenhouse gas (GHG) economy. These risks can emerge from current or future government policies, legislation, and regulation to limit GHG emissions, as well as technological advancements, and changes in market and customer sentiment towards a low-GHG economy.

The long-term repercussions of climate change are complex and unpredictable. As a result, our forecasts vary depending on the climate scenario being considered and our business segments. We continue to invest in growing our understanding and developing our analysis of climate-related risks.

As Figure 9 shows, in 2023, we incorporated ESG risks into our integrated risk management framework. We also updated the Desjardins Group risk register to better reflect climate-related risks using a taxonomy that includes physical and transition risks. In 2024, we created a risk indicator to track our GHG reduction, and we quantified these risks for the first time by analyzing our internal climate scenarios.

In 2025, we enhanced this process to better reflect our specific organizational realities, and we strengthened our monitoring program for climate-related risks. What's more, we produced a training video on climate-related risks. For more information, refer to the Engaging and Training Our Employees on Climate Change section of this report.

**Figure 9 Climate-related risk management initiatives**



<sup>16</sup> Definition from OSFI's Guideline B-15 – Climate Risk Management.

# Incorporating climate-related risks into our integrated risk management framework

## Risk management framework

As Figure 10 shows, ESG risks are fully integrated into our integrated risk management framework and are governed by the Desjardins Group Policy on Environmental, Social and Governance Risk Management. Our Environmental Risk Management Directive, which stems from this policy, defines environmental risks (including climate-related risks), details their risk control cycle, and identifies the roles and responsibilities of each segment involved in managing these risks. Implementing these policies and procedures enables our business segments and support functions to integrate ESG risk-related factors into their decision-making, strategic and business processes.

The policies and procedures are accompanied by a risk appetite framework designed to support decision-making and ensure compliance with regulatory requirements. This model defines the type and level of risks that we're prepared to take on to achieve our strategic and business objectives. By defining our appetite for climate-related risks, we're being more consistent in our commitments and actions: We're fulfilling our role as a socioeconomic player in the development of a low-carbon economy, while contributing to the resilience of our members, clients and other parties by providing support for the energy transition. As Figure 9 shows, a decarbonization indicator built into the risk appetite framework measures progress toward our goal of reaching net-zero emissions by 2040. For more information about this target, refer to the Our Climate Ambition section of this report.

## Three lines of defence model

In keeping with the three lines of defence model, the integrated risk management framework (for more details, refer to Figure 10), and our policies and procedures, our business segments act as the first line of defence and own the risks that originate from their activities. That means that they're responsible for identifying and assessing climate-related risks in their operations, ensuring the related controls are effective, mitigating risks that surpass our risk appetite, and taking advantage of the opportunities they may present. Sound climate-related risk management requires every business segment to implement policies and procedures, and integrate climate-related risk factors directly into their processes to be able to make decisions that align with our organization's risk appetite.

Our business segments work continuously to reach this objective, with support from the risk management function. For more information, refer to Table 15 Examples of Integrated Climate-Related Risk Management Principles. We also teach business segments about the principles, methods and tools the organization uses to manage climate-related risks. A specialized team from the Sustainable Development Office supports them in managing these risks, along with compiling and coordinating cross-sector initiatives for all of Desjardins.



**Incorporating climate-related risks into our integrated risk management framework**

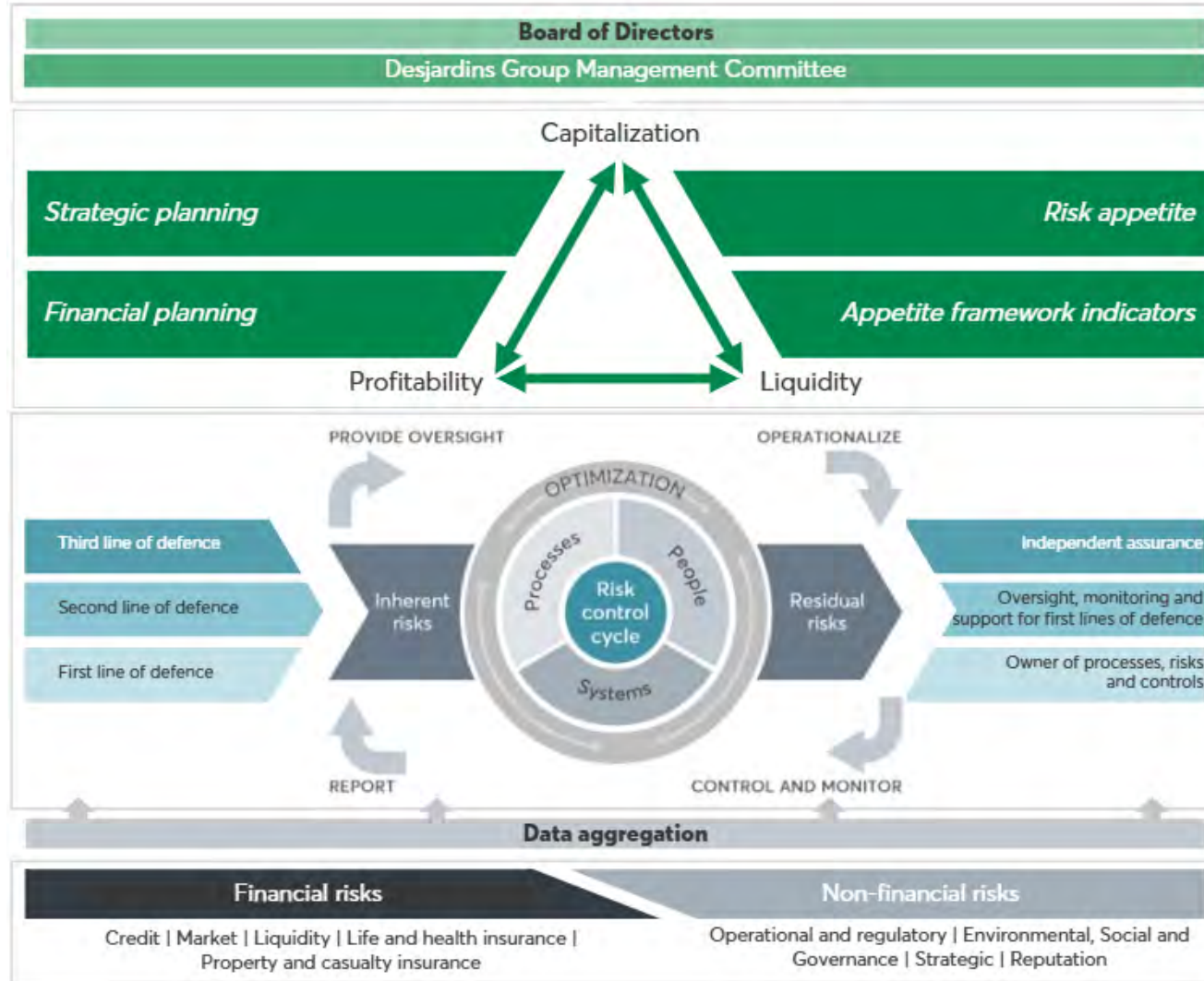
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**Figure 10** Integrated risk management framework



The risk management function, as the second line of defence, oversees and monitors climate-related risks through its specific monitoring program. Developing these climate scenarios, which our regulators require, supports these activities and allows us to strengthen our operational resilience (for more details, refer to the Analysis of Climate Scenarios section of this report). The risk management function is also involved in rolling out new products and services identified as climate-related opportunities.

In addition, considering the cross-sector nature of climate-related risks, the ESG risk management approach ensures that the impacts of climate-related risks are taken into consideration in risk management activities for other specialized risks, such as credit, market and insurance risk. The risk management function contributes to quarterly reporting on our climate risk profile, including by producing the Desjardins risk measurement report for senior management and the board. The ESG Risk Committee, a subcommittee of the Desjardins Group Finance and Risk Management Committee, helps senior management and the Risk Management Commission carry out their mandates by providing a cross-sector view of Desjardins's exposure to ESG risks and monitoring those risks. More specifically, the ESG Risk Committee oversees the implementation of ESG initiatives and reports situations that could compromise related objectives to the appropriate bodies. It ensures that we meet all regulatory requirements for disclosure and risk management, including regularly monitoring our risk profile.

Lastly, the Desjardins Group Monitoring Office acts as the third line of defence by providing assurance and independent, objective advice to the management committee and the board of directors about the overall effectiveness of governance, risk management (including for climate-related risks) and controls, and their alignment with our activities.

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Policies and procedures, monitoring mechanisms and periodic reporting allow us to verify that climate-related risks are identified, assessed and escalated consistently across the organization, and that they're integrated into our operational, decision-making, strategic and business processes.

## Provide oversight

Climate-related risks are built into our internal management processes as well as our internal control framework and the related policies and procedures, as explained in the previous section on the risk management framework. The oversight of climate-related risks is formalized through specific mechanisms, and through their integration into other risk management policies and procedures when needed.

## Operationalize

### Risk identification

Risk identification starts with regular monitoring of developments in climate-related risks and detection of emerging risks. This monitoring is conducted continuously so that we can spot risks that the organization is or may be exposed to and make sure our risk management practices are always up to date. The main findings of this risk monitoring are communicated to the relevant board commissions and to the Desjardins Group Management Committee as necessary.

The work of identifying climate-related risks also happens within business segments when major projects kick off, as part of large transactions, when developing new products, and as part of developing positions. The business segments use the Desjardins Group risk register as the starting point for identifying risks.

### Risk assessment

The risks identified are assessed using a scale that rates probability and the impact on Desjardins. This scale is the authoritative standard for evaluating all of our risk categories.

There are several targeted quantitative and qualitative analyses that inform and support our assessment of climate-related risks. These risk are detailed in the Assessing Climate-Related Risks section of this report.

### Risk mitigation

Once risks have been identified and assessed, we use various approaches to prioritize them, measure them against Desjardins's risk appetite and, if need be, mitigate them. Specific or joint initiatives are carried out by business segments and support functions.

These initiatives can also take the form of organization-wide activities that involve Desjardins's components, such as the transition and mitigation plans. In this case, each business segment or support function involved must adapt the initiative to its reality.

The main initiatives used to mitigate climate-related risks are outlined in the Climate-Related Risk Mitigation section of this report.

## Control and monitor

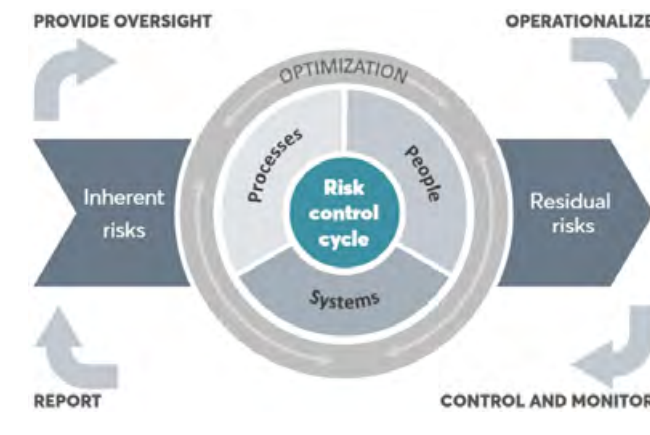
If, even after control and mitigation measures, the risk still exceeds our appetite, or if required by the decision-making process, an escalation mechanism is triggered so that the appropriate governing bodies are informed and can make a decision on behalf of the organization. After these bodies receive analyses from the business segments and recommendations from risk experts, they can approve measures to mitigate or transfer the risk, or they can choose to accept the risk.

Finally, through its oversight as the second line of defence, the risk management function also helps ensure alignment with our organization's risk appetite. This function's work includes cross-sector monitoring of climate-related risk management practices. Every year, we develop a plan that includes critical reviews of risk assessments, control effectiveness assessments, specific monitoring mandates, and monitoring of our risk appetite indicator.

## Report

The business segments are responsible for reporting their full set of climate-related risks to their own governing bodies, and to the ESG Risk Committee as needed. The risk management function is responsible for reporting to the ESG Risk Committee and, as needed, to any relevant committees and commissions of the management committee and board. Finally, the internal audit team reports directly to the management committee and the board on its comfort level with the effectiveness of risk management within the organization.

**Figure 11** Stages of the cycle



Incorporating climate-related risks into our integrated risk management framework

Climate-related risk control cycle

► **Identifying climate-related risks**

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Mitigating climate-related risks

## Identifying climate-related risks

Identifying climate-related risks helps us take stock of physical and transition events that could affect Desjardins and lay the groundwork for proactive, structured climate action.

## Monitoring

Desjardins continuously monitors risks. For more information on our monitoring activities, refer to section 4.1.1 Main Risks and Emerging Risks of the Management's Discussion and Analysis in Desjardins Group's 2025 annual report.

Our ongoing monitoring has enabled us to identify emerging risks and enter them in the Desjardins Group risk register.

## Risk register

The Desjardins Group risk register serves as the starting point for identifying risks generated by our business processes. Using this register, each process belonging to a business segment or support function is analyzed (qualitative/quantitative and empirical/prospective analysis) to detect the existence of any environmental risks.

To advance our understanding of these risks, we identified three time horizons, each with specific implications for our activities and strategy. The horizons are short term (0 to 4 years), medium term (4 to 10 years) and long term (10 years and up).



Incorporating climate-related risks into our integrated risk management framework

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► **Identifying climate-related risks**

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Table 9 below presents the climate-related risk taxonomy from the Desjardins Group risk register:

Risks		Definition	Potential events	Time horizon			Potential financial consequences <sup>1</sup>
				Short term	Medium term	Long term	
Physical risks	Acute	<ul style="list-style-type: none"> <li>Risks arising from climate change that can be linked to events, including increased severity of extreme events</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the number and severity of:                             <ul style="list-style-type: none"> <li>Heat waves</li> <li>Floods</li> <li>Storms</li> <li>Wildfires</li> </ul> </li> </ul>				<ul style="list-style-type: none"> <li>Drop in the value of business and household assets contributing to an increase in expected credit losses</li> <li>Drop in the market value of businesses as a result of supply chain disruptions</li> <li>Increase in property and casualty insurance loss ratios due to the increased frequency of extreme events</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>Risks arising from climate change that can be linked to longer-term changes in climate models</li> </ul>	<ul style="list-style-type: none"> <li>Increase in average temperature</li> <li>Increase in the number and severity of droughts</li> <li>Change/variability in the precipitation regime</li> </ul>				
Transition risks	Policies and regulations	<ul style="list-style-type: none"> <li>Risks related to new regulations designed to reduce the negative effects of climate change or promote adaptation</li> </ul>	<ul style="list-style-type: none"> <li>Change in energy policy</li> <li>Change in economic and other incentives</li> <li>Change in disclosure requirements and greenwashing risks</li> </ul>				<ul style="list-style-type: none"> <li>Higher operating costs (for example, higher compliance costs)</li> <li>Increase in the frequency of litigations and associated costs</li> </ul>
	Technological change	<ul style="list-style-type: none"> <li>Risks arising from the development and use of emerging technologies designed to ease the transition to a low-carbon economy</li> </ul>	<ul style="list-style-type: none"> <li>Change in energy production, storage and distribution</li> <li>Improved energy performance and energy savings</li> <li>Accessibility and efficiency of low GHG-emitting modes of transportation</li> </ul>				<ul style="list-style-type: none"> <li>Reduced profitability of businesses due to the increased costs of adopting new technologies</li> <li>Reduced competitiveness and financial soundness due to the late adoption of emerging technology</li> <li>Technological advances likely to affect individuals, processes and systems</li> </ul>
	Member, client and investor behaviour	<ul style="list-style-type: none"> <li>Risks related to changes in offer and/or demand for certain products and services as climate-related risks and opportunities are taken into account</li> </ul>	<ul style="list-style-type: none"> <li>Shift to climate finance</li> <li>Stigmatization of GHG-emitting industries and polluting companies</li> </ul>				<ul style="list-style-type: none"> <li>Reduced demand for products and services due to changes in consumer preferences</li> <li>Change in the composition and sources of revenues, resulting in slower growth</li> </ul>

1. We've provided qualitative data on current and expected financial consequences given the high level of uncertainty surrounding the quantitative data.

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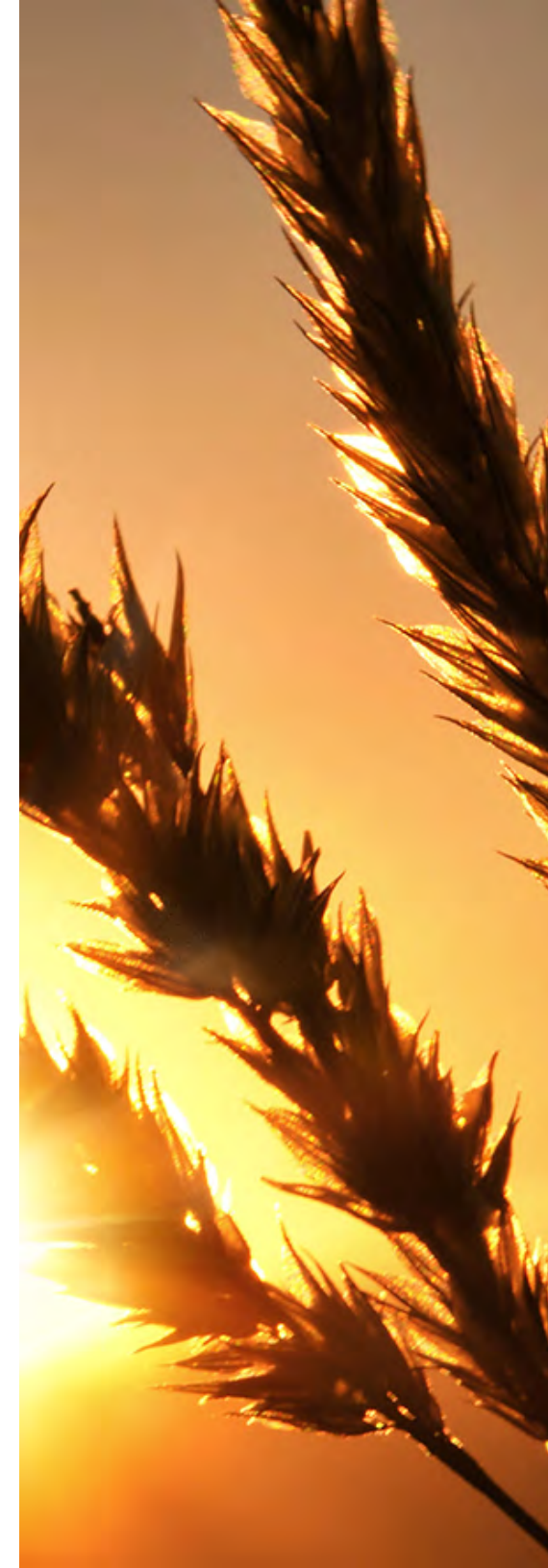
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## Cross-sector impact of climate risks on our main risk categories

We recognize the potential and cross-sector impact of climate-related risks on our traditional risks, as shown in Table 10 below. We factor climate-related risks into our overall risk management to protect the organization's financial stability, which in turn protects the security of members and clients. This approach is founded on our management frameworks, systems and processes.

**Table 10** Impact of climate risks on our main risk categories

Main risk category	Climate-related impacts
<b>Credit risk</b>	<ul style="list-style-type: none"> <li>Climate events and transition risks, including decarbonization-related regulatory changes and changes to consumer preferences, could impact borrowers, the value of their assets, and their operations, which could in turn impact their repayment capacity or cause their collateral to lose value. These factors could ultimately affect the probability of default and loss given default.</li> </ul>
<b>Liquidity and market risk</b>	<ul style="list-style-type: none"> <li>Climate events and decarbonization-related regulatory changes could affect the value of our financial assets and generate uncertainty in our investment portfolios, and potentially impact our liquidity ratios.</li> </ul>
<b>Legal and regulatory risk</b>	<ul style="list-style-type: none"> <li>The rapidity with which climate regulations are developing and the growing data requirements to meet disclosure and regulatory obligations could result in significant repercussions in case of non-compliance, such as:               <ul style="list-style-type: none"> <li>Financial penalties and fines that could undercut profitability</li> <li>Reputational impacts</li> <li>Limited access to funding and investment sources</li> <li>Legal impacts</li> </ul> </li> </ul>
<b>Reputation risk</b>	<ul style="list-style-type: none"> <li>Examples of reputational impacts that could hurt our credibility, appeal and competitiveness because of strategic misalignment with our climate ambitions include the loss of trust of members and clients; deterioration of our image with investors and partners; negative portrayal in the media; and diminished reputation with regulators.</li> </ul>
<b>Operational risk</b>	<ul style="list-style-type: none"> <li>Our operational risks could be exacerbated by climate change-related events and generate losses due to property damage or service interruptions.</li> </ul>
<b>Insurance risk</b>	<ul style="list-style-type: none"> <li>The impacts of physical and transition risks could influence insurance claims, exceeding the insurance company's forecasts and potentially resulting in an increase in insurance losses.</li> </ul>



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# Assessing climate-related risks

Climate-related risks are assessed to measure the severity and likelihood of risks identified so the organization can prioritize the most critical issues. This helps guide strategic decisions and strengthen resilience to the impacts of climate-related physical and transition risks.

What follows are the various assessment activities conducted by Desjardins.

## Qualitative assessment

A qualitative assessment of climate-related risks helps the organization to better understand our vulnerabilities, whether they're related to physical or transition risks. This analysis was completed in 2023 with the help of representatives of our main business segments. Based on this analysis, we were able to rank risks according to likelihood and the direct or indirect impact on our organization.

### Methodological considerations for the qualitative assessment of climate-related risks

- The analysis was completed with the help of more than 20 representatives from our main business segments. Their input helped us assess the likelihood of climate-related risks occurring and their impacts on affected business segments. The assessment was conducted on an inherent risk basis, using the knowledge of the specialists we met with. The materialization of a physical or transition risk can vary widely from one event to the next, for example as a result of variations in the severity of the event, the affected region or the industry in question. The impacts we assessed in the analysis relate to our procurement and direct operations with members and clients.

Following the qualitative assessment of physical and transition risks, we concluded that we had low to medium exposure to climate-related risks. We also made the following observations:<sup>17</sup>

### Physical risks

- The physical risks related to flooding, storms, drought, and variability of precipitation regimes are considered higher for the agriculture sector and, to a lesser extent, the utilities, oil and gas, construction, retail trade, manufacturing and accommodation sectors. In property and casualty insurance, the business and property insurance sectors are exposed to moderate to high risks related to storms and flooding.

### Transition risks

- The oil and gas sector and the energy sector came out as the most likely to be affected by transition risks, particularly as a result of changes in energy policy, the shift to climate finance, and the stigmatization of GHG-emitting industries.
- Lesser impacts are likely to be felt by the utilities, transportation, agriculture, construction and manufacturing sectors. Those impacts are related to costs caused by carbon prices and, in some cases, the stigmatization of activities with higher GHG emissions. The residential and commercial real estate sector and the infrastructure sector will also need to be monitored in the near future.



<sup>17</sup> For more information about the qualitative assessment of risks, refer to the Impact of Climate-Related Risks on the Business Model and Value Chain section of the 2024 Climate Action at Desjardins report.

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## Climate scenario analysis

In 2025, we continued our efforts to better understand climate-related risks and incorporate them into our decision-making processes. Building on what we'd started in 2024, we expanded our internal climate scenario analysis to more accurately reflect our organizational realities.

This year, we expanded the scope of the exposures considered, added new climate scenarios, and tightened our methodological framework. These climate scenarios are presented in Table 11 Internal Climate Scenario Analysis. For transition risk, we added two scenarios, namely, a baseline scenario and net-zero emissions by 2050 scenario, in addition to the delayed scenario used last year. The quantification of climate scenarios was enhanced by the use of two trajectories that reflect the economic risks of different energy transition policies, along with a baseline scenario to isolate their effects. For physical risk, we introduced a baseline scenario to assess the impacts of the two most significant hazards for our exposures and compare them with historical climate conditions. These two hazards are flooding and—new this year—wildfires. These additional scenarios, aligned with the trajectories proposed by the Intergovernmental Panel on Climate Change and the Network for Greening the Financial System, improve our understanding of climate dynamics and their implications for our portfolios.

We also refined the methodologies used by continuing the work started in 2024. We've made our internal climate scenario analyses more precise by modelling more risk parameters. These parameters are adjusted to account for the effects of climate-related risks while reflecting our portfolio's specific characteristics. These improvements have helped us widen the scope of our analyses and measure the potential impacts in a more targeted manner, for both physical and transition risks. We use this approach to identify and better support members and clients who are more vulnerable to climate-related risks, while increasing our ability to assess the resilience of our activities and continuously improve our risk management framework.

For 2025, we submitted these activities to our internal review process. This is an important step since it opens the door to broader use of the results in future analyses. Then, we consolidated the findings from across Desjardins for a more complete picture of the issues related to climate change. We also examined how these issues could have an isolated impact on net surplus earnings and affect the growth of Desjardins's regulatory capital. This is a big step forward, since it helps us better understand how climate change can affect us financially and serves as an essential basis for us to eventually factor these issues into our financial planning and strategic thinking.

As part of our commitment to thorough climate risk management, we intend to expand the scope of our analyses, model potential intersections between transition risks and physical risks, improve data quality, and explore access to complementary information sources. We also plan to continue improving our methodological approaches and define additional approaches to be implemented. This will help us gradually integrate these results into our capital and solvency processes. Ultimately, we want these analyses to inform our business strategies and make our organizational model more resilient to climate change.



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**Table 11 Internal climate scenario analysis**

		Scenario name	Scenario description	Time horizon	Temperature in 2050 / 2100	Scope <sup>1</sup>
Internal climate scenarios	Transition	Current policy	<ul style="list-style-type: none"> <li>The current policy scenario assumes existing policies will remain in place. In this scenario, demand for fossil fuels will peak at the end of the decade, and renewable energy will be the lead source of electricity. The shift to clean energy in the baseline scenario won't be enough to meaningfully reduce emissions, and global warming will reach 1.9°C by 2050. Net emissions will remain relatively stable. The baseline scenario will involve relatively low transition risk, and the transition itself will be incomplete.</li> </ul>	2050	1.9°C / 2.9°C	<u>Credit risk</u> <ul style="list-style-type: none"> <li>Business loans</li> <li>Corporate bonds</li> <li>Preferred shares</li> </ul>
		Net-zero emissions	<ul style="list-style-type: none"> <li>In this scenario, governments will apply strict policies to limit global warming to 1.6°C and achieve net-zero GHG emissions by 2050. Ambitious carbon pricing, combined with tech investments, will support the shift to low-carbon energy. Pressure created by carbon taxes will be offset by incentives for investment. Higher taxes will generate significant inflationary pressure, but the investment momentum and productivity gains that come with limiting physical risks will help reduce the impact on the economy. The tax cost will be absorbed by carbon tax revenues, and unused economic capacity won't be affected by green investments. The scenario presents a moderate transition risk, and the transition will be smooth.</li> </ul>		1.6°C / 1.5°C	<u>Market risk</u> <ul style="list-style-type: none"> <li>Corporate bonds</li> <li>Preferred shares</li> <li>Common shares</li> <li>Exchange-traded funds</li> </ul> <u>Desjardins Group Pension Plan</u> <ul style="list-style-type: none"> <li>Corporate bonds</li> <li>Preferred shares</li> <li>Common shares</li> </ul>
		Delayed	<ul style="list-style-type: none"> <li>In this scenario, governments will delay efforts to limit global warming until 2030. Tougher climate policies will then be imposed, creating major inflationary pressure and leading to asset depreciation. Energy efficiency and increased renewable energy capacity will be necessary to reach climate objectives. Because action is delayed, considerable gains in energy efficiency will be required. Green investments will be sufficient to replace existing capital stock, but they won't improve productivity, leaving untapped capacity unaffected. Given the delay, the transition will be incomplete and global warming will reach 1.7°C in 2050. This scenario presents a high transition risk, and the transition is disruptive in nature.</li> </ul>		1.7°C / 1.7°C	

Table continued on the next page

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**Table 11** Internal climate scenario analysis (cont.)

		Scenario name	Scenario description	Time horizon	Temperature in 2050 / 2100	Scope <sup>1</sup>
Internal climate scenario (cont.)	Transition (cont.)	Historical 1986–2005	<ul style="list-style-type: none"> <li>The baseline scenario for physical risk presents a historical look at the climate as observed between 1986 and 2005. Although it doesn't factor in any additional future warming, it does include notable climate hazards and the resulting damage and disruptions. This reflects the current pattern of climate events, without additional disruptions from climate change.</li> </ul>	2050	N/A	<u>Credit risk</u> <ul style="list-style-type: none"> <li>Business and personal loans</li> <li>Insurers' investment property<sup>2</sup></li> </ul>
		Fossil-fueled development (SSP5-8.5)	<ul style="list-style-type: none"> <li>The SSP5 scenario focuses on rapid economic growth driven by greater confidence in markets, innovation and the development of human capital. This trajectory involves a sharp increase in the use of fossil fuels, driven by energy-intensive lifestyles and constant pressure for development, making it the scenario with the highest emissions.</li> </ul>		2.5°C / 4.8°C	<u>Insurance risk</u> <ul style="list-style-type: none"> <li>Insurance contract liabilities related to property and casualty insurance activities<sup>3</sup></li> </ul> <u>Desjardins Group Pension Plan</u> <ul style="list-style-type: none"> <li>Real estate investments</li> <li>Infrastructure investments (in Canada only)</li> </ul>

1. The elements included in the scope of the analysis are based on data as at December 31, 2024. This data serves as the baseline for the 2025 internal climate scenario analysis. The scope of the analysis remains targeted and doesn't include Desjardins's full balance sheet.
2. Based on the market value of property.
3. Calculated based on the total insured value.

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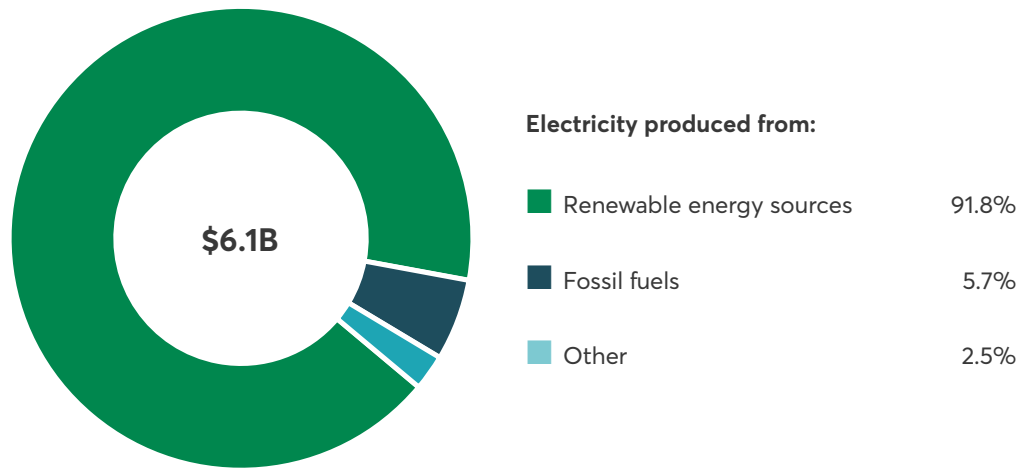
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## Exposure to the electricity production sector

A detailed analysis of the lending portfolio, specifically with respect to the electricity production sector, shows that 5.7% of the portfolio is related to production from fossil fuels, representing about \$348M. It's important to point out that exposure or vulnerability to a given sector will not necessarily translate into a concrete risk for all members and clients of that sector. It depends on the location of the assets and their specific circumstances, such as risk mitigation measures.

As at December 31, 2025, and as illustrated in Figure 12 below, our exposure to the electricity production sector<sup>18</sup> was \$6.1B, which represents 1.4%<sup>19</sup> of our lending portfolio's total exposure at default.<sup>20</sup>

**Figure 12** Exposure to the electricity production sector



<sup>18</sup> Based on the exposure at default (EAD) of businesses in the electricity production sector, included in the utilities sector presented in Table 13 of this report. Each company is weighted based on the amount of electricity produced in GWh. For more information on EAD, refer to section 4.2.3 Credit Risk of the Management's Discussion and Analysis in Desjardins Group's 2025 annual report.

<sup>19</sup> Equivalent to the \$6.1B EAD of businesses in the electricity production sector, divided by the lending portfolio's total EAD of \$495B, excluding \$40B in repo-style transactions and \$9B in over-the-counter derivatives. For more information, refer to Table 26 in section 4.2.3 Credit Risk of the Management's Discussion and Analysis in Desjardins Group's 2025 annual report.

<sup>20</sup> The lending portfolio's total EAD (\$495B) is the sum of the totals from Table 13 (\$134B) and Table 14 (\$361 B).



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## Vulnerability to climate-related risks

By drawing on the various activities conducted to identify and assess climate-related risks, Desjardins can target assets associated with business segments exposed to physical and transition risks. Complementary analyses are underway to refine the assessment of the degree of vulnerability and, over time, enable a more precise quantification of the value of exposed assets. The results shown in Tables 12, 13 and 14 below cover Desjardins's main activities and most of the organization's assets, namely, Desjardins's lending and investment portfolios.

**Table 12** Exposure of insurers' investment portfolio to climate-related risks by asset class and industry

Asset class and industry	Investments (in \$M)	Share of total investments (as a percentage)	Exposure to physical risks	Exposure to transition risks
<b>Listed equity and corporate bonds</b>				
Industrials	1,564	3.6		
Materials	227	0.5		
Utilities	2,291	5.2		
Energy	1,566	3.6		
Other business segments	10,437	23.8		
<b>Commercial real estate<sup>1</sup></b>	1,570	3.5		
<b>Other asset classes</b>	26,286	59.8		
<b>Total</b>	<b>43,941</b>	<b>100.0</b>		

1. Includes only the commercial real estate portfolio considered in the calculation of financed emissions presented in Table 19 in the Metrics and Targets section of this report.

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**Table 13** Exposure at default (EAD) of lending portfolios for businesses, sovereign borrowers and financial institutions by industry<sup>21,22</sup>

Industry	EAD (in \$M)	Share of total EAD (as a percentage)	Exposure to physical risks	Exposure to transition risks
Agriculture	12,116	9.1		
Mining	625	0.5		
Oil and gas	836	0.6		
Utilities	6,012	4.5		
Construction	4,478	3.3		
Manufacturing	6,931	5.2		
Wholesale trade	2,969	2.2		
Retail trade	4,598	3.4		
Transportation	2,312	1.7		
Information industry	1,214	0.9		
Finance and insurance	28,063	21.0		
Real estate	8,008	6.0		
Professional services	1,902	1.4		
Management of companies	1,581	1.2		
Administrative services	1,124	0.8		
Education	217	0.2		
Health care	1,103	0.8		
Arts and entertainment	267	0.2		
Accommodation	893	0.7		
Other services	770	0.6		
Public agencies	44,303	33.1		
Other businesses	3,444	2.6		
<b>Total</b>	<b>133,766</b>	<b>100.0</b>		

<sup>21</sup> For more information on EAD, refer to section 4.2.3 Credit Risk of the Management's Discussion and Analysis in Desjardins Group's 2025 annual report.

<sup>22</sup> The sectors are determined according to the North American Industry Classification System.

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**Table 14** Exposure at default (EAD) of other asset classes<sup>23,24,25</sup>

Other asset classes	EAD (in \$M)	Share of total EAD (as a percentage)	Exposure to physical risks	Exposure to transition risks
<b>Asset classes assessed</b>				
Real estate	260,881	72.2		
Revolving retail client exposures	52,772	14.6		
<b>Asset classes not assessed</b>				
Non-central government public sector entities	9,131	2.5		
Securitization	144	—		
Equities	803	0.2		
Trading portfolio	37,751	10.5		
<b>Total</b>	<b>361,482</b>	<b>100.0</b>		

As shown in the tables above, sectors connected to extractive industries are impacted the most by climate-related risks. These sectors include energy (including oil and gas), transportation, real estate, financial services, agriculture, industrials and utilities.

Thanks to Desjardins's diversification strategy and various positions and exclusions in place, its assets are less exposed to climate-related risks. Desjardins will continue to refine its vulnerability assessment and limit its exposure to climate-related risks by developing new positions, among other things. For more information, refer to the Strategy section of this report.



<sup>23</sup> Excluding the elements listed in Table 13 above, namely, the lending portfolios for businesses, sovereign borrowers and financial institutions.

<sup>24</sup> For more information on EAD, refer to section 4.2.3 Credit Risk of the Management's Discussion and Analysis in Desjardins Group's 2025 annual report.

<sup>25</sup> The definition of exposure classes related to regulatory capital requirements, as defined under the Capital Adequacy Guideline, differs from the accounting classification.

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## Mitigating climate-related risks

Climate-related risk mitigation identifies preventive and corrective measures that reduce the likelihood or impacts of identified risks.

Structured approaches are used to prioritize risks, align them with Desjardins’s risk appetite and, if need be, mitigate them. To obtain a consolidated view of the mitigation measures in place, we inventoried our activities and assessed how climate-related risk management principles were applied. Table 15 below shows examples of these activities, divided into the three components of the PPT framework: people, process and technology.

**Table 15** Examples of the integration of climate-related risk management principles

Activities	People	Process	Technology
<b>Lending</b> <sup>26</sup>	<ul style="list-style-type: none"> <li>ESG ambassadors network created to support operations</li> <li>Training on climate-related risks made available for service providers</li> </ul>	<ul style="list-style-type: none"> <li>New step added to the financing process, with ESG memos to guide account managers' decisions</li> <li>Monitoring process set up for ESG risks specific to personal products and services</li> </ul>	<ul style="list-style-type: none"> <li>Municipal addresses and collateral used identified as inputs for climate scenarios</li> <li>Climate data obtained from the Communauté métropolitaine de Montréal to analyze mortgage portfolio risks in the Montreal area</li> </ul>
<b>Insurance</b> <sup>27</sup>	<ul style="list-style-type: none"> <li>Training created for insurance agents on the impacts of natural disasters in Canada to ensure the fair treatment of clients</li> <li>ESG risk management integrated into governing bodies' mandates</li> </ul>	<ul style="list-style-type: none"> <li>Climate-related risks integrated into underwriting, pricing and reinsurance</li> <li>Climate-related risks integrated into the claims and resilient reconstruction processes</li> <li>Effects of physical risks on mortality and morbidity assessed</li> </ul>	<ul style="list-style-type: none"> <li>Established supplier's tool acquired and integrated into disaster models</li> </ul>

<sup>26</sup> From the Personal and Business Services segment.

<sup>27</sup> From the Property and Casualty Insurance segment and/or the Wealth Management and Life and Health Insurance segment.

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Desjardins has also incorporated climate-related risk management strategies into its existing risk management framework, making its activities more resilient. Refer to Table 16 below:

**Table 16 Risk management strategies applied to Desjardins’s main risk categories**

Main risk category	Risk management strategies
<b>Credit risk</b>	<ul style="list-style-type: none"> <li>We assess exposure to climate change-related default risk using several control and monitoring mechanisms, including a qualitative analysis of loan portfolio vulnerability across all our lending activities and a climate scenario analysis that estimates expected credit losses.</li> </ul>
<b>Liquidity and market risk</b>	<ul style="list-style-type: none"> <li>We use a range of methods to measure the extent of the potential impacts of climate-related risks. These include varied climate scenarios across short- and long-term time horizons.</li> <li>Taking an investment approach that’s aligned with our strategic commitments to decarbonizing our investment portfolios is one way we’re mitigating the impacts of climate-related risks on our liquidity and market risks.</li> </ul>
<b>Legal and regulatory risk</b>	<ul style="list-style-type: none"> <li>A proactive strategy is required to manage regulatory risk related to climate change, including the fair treatment of clients. This strategy includes setting up control mechanisms and training and monitoring activities.</li> <li>We also continually monitor the landscape and regularly review our guidelines and processes to make sure they comply with all applicable laws and regulations.</li> </ul>
<b>Reputation risk</b>	<ul style="list-style-type: none"> <li>To minimize the reputational risks of climate change, we’ve adopted an integrated approach through Desjardins Group’s risk management mechanisms. The assessment of environmental factors is considered in a wide range of processes, including communication about climate risks in reports, risk analysis for major projects and capital transactions.</li> </ul>
<b>Operational risk</b>	<ul style="list-style-type: none"> <li>The impacts of climate risks are closely connected to operational resilience, especially business continuity, incident and crisis management, and third-party risk management.</li> <li>Business continuity management consists in setting up processes and mechanisms for identifying major incidents or operational events that could threaten our financial institution.</li> <li>It also includes the capacity to respond to these kinds of events by measuring climate-related impacts on our priority processes and essential activities and by defining necessary mitigation measures.</li> <li>To maintain continuity in critical activities, we develop documented continuity plans, conduct specific exercises and prepare contingency plans.</li> <li>We manage climate-related third-party risk according to a management and monitoring program. This program aims to ensure that partners are adequately equipped to face climate-related events and to limit the repercussions of these events for our members and clients.</li> </ul>
<b>Insurance risk</b>	<ul style="list-style-type: none"> <li>This kind of risk management is based on a combination of several control and monitoring measures, including reinsurance and underwriting and pricing measures, which mitigate climate-related risk impacts; qualitative and quantitative analysis using climate scenarios to assess our exposure to these risks; and governance processes that cover climate risks.</li> </ul>

In 2025, control and monitoring was done by the second line of defence responsible for climate-related risks, ensuring compliance with Desjardins’s risk appetite framework for the targeted activities.

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

Other climate-related indicators

## Metrics and targets

### Summary of our climate-related metrics and targets

As explained in the Strategy section of this report, 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 to track how we take climate-related risks into account. Table 17 presents a summary of our climate-related metrics and targets. Details on each target are provided after the table.

### Process for setting and reviewing climate-related targets

We developed our targets 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. We've also taken into account observed and expected trends in the areas where we operate, as well as the business context of affected portfolios and the resources available to us to implement our targets.

We monitor these targets at least annually and revise them where necessary, such as when we reach a target or when there are significant changes to the underlying assumptions or methodologies used. For example, we will need to update some of our science-based targets by 2028, as required under the SBTi *Financial Sector Science-Based Targets Guidance V1.0* (February 2022) document, which we use to set our SBTi-approved targets.

Our science-based targets are essential pillars of our climate ambition. They were submitted in 2023 and then validated by the SBTi. The targets cover our operational GHG emissions (refer to Target 14 below) and emissions related to our lending and investment activities (refer to Targets 3, 4, 5, 12 and 13). These targets use the approaches set out by the SBTi for portfolio temperature alignment and sectoral decarbonization. They cover all asset classes required by the SBTi (representing 4% of our total assets in 2020) and don't include the optional asset classes (representing 52% in 2020) or those that fall outside the scope covered by the SBTi methodology. Detailed targets by asset class and key elements of the implementation strategy are available online on the [SBTi's website](#).



Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

Other climate-related indicators

**Table 17** Summary of our climate-related metrics and targets

Sector		Targets		SBTi <sup>28</sup>	Page
<b>Pillar 1 – Operational activities</b>					
Buildings, transportation	14	Reduce our absolute Scope 1 direct and location-based Scope 2 indirect GHG emissions by 50% compared to 2020 levels by 2030	●	✓	52
Buildings, transportation, paper	15	Reduce our absolute Scope 1 direct, location-based Scope 2 indirect and Scope 3 GHG emissions by 50% compared to 2020 levels by 2030	●		52
<b>Pillar 2 – Lending and investment activities</b>					
<b>Personal and Business Services segment</b>					
Energy	6	Achieve and maintain a ratio of at least three times more new lending allocated to renewable energy than to fossil fuels between 2023 and 2030 (on a commitment basis)	●		53
	7	Commit at least \$5B in lending to support renewable energy projects and energy transition projects between 2020 and 2030	●		53
	8	Achieve at least 60% of lending for renewable energy in the energy sector portfolio by 2030	●		53
	9	Finance at least six biomethanization projects by 2025	●		53
	10	Reduce physical intensity (tCO <sub>2</sub> e/TJ, calculated on a commitment basis) of oil and gas sector financed direct GHG emissions (Scope 1) and indirect GHG emissions related to the use of electricity, steam, heating and cooling (Scope 2) by integrated and upstream companies by 35% to 45% compared to 2020 levels by 2030	●		54
	11	Reduce absolute (tCO <sub>2</sub> e, calculated on a commitment basis) oil and gas sector financed indirect GHG emissions related to the use of sold products (Scope 3, Category 11) by upstream companies, midstream companies (pipelines), refineries and integrated companies by 25% compared to 2020 levels by 2030	●		54
	12	Maintain emissions intensity of the electricity production project finance and business loan portfolio (Scope 1 and 2) at 41 gCO <sub>2</sub> e/kWh between now and 2030 (SBTi Sectoral Decarbonization Approach)	●	✓	55
Other	13	Align the business loan portfolio in sectors other than electricity production on a temperature score by loan commitment value (SBTi temperature alignment method): • For Scope 1 and 2: Align on 2.3°C by 2028 • For Scope 1, 2 and 3: Align on 2.4°C by 2028	●	✓	58

Legend: ● Target met or under control | ● Target needing attention | ● Target at risk | ✓ SBTi-approved target

⋮ Table continued on the next page

<sup>28</sup> [SBTi](#).

► **Summary of our climate-related metrics and targets**

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

Other climate-related indicators

**Table 17** Summary of our climate-related metrics and targets (cont.)

Sector	Targets			SBTi <sup>28</sup>	Page
<b>Wealth Management and Life and Health Insurance segment, and Property and Casualty Insurance segment</b>					
Energy	1	Establish a \$2B renewable energy infrastructure investment portfolio (our investments and the Desjardins Group Pension Plan's investments) by 2025	●		55
	2	Reduce absolute financed direct GHG emissions (Scope 1) and indirect GHG emissions related to the use of electricity, steam, heating and cooling (Scope 2) from companies in the oil and gas sector in the listed equity and corporate bonds portfolio by 50% compared to 2020 levels by 2030	●		56
	4	Reduce intensity of GHG emissions from the electricity production sector in the listed equity and corporate bonds portfolio (Scope 1 and 2) by 75.8% per MWh of electricity produced compared to 2020 levels by 2030 (SBTi Sectoral Decarbonization Approach)	●	✓	56
Real estate	3	Reduce intensity of GHG emissions from the direct real estate investment portfolio (Scope 1 and 2) by 54% per square metre compared to 2020 levels by 2030 (SBTi Sectoral Decarbonization Approach)	●	✓	57
Other	5	Align the listed equity and corporate bonds portfolio on a temperature score by invested value in sectors other than electricity production (SBTi temperature alignment method): • For Scope 1 and 2: Align on 2.4°C by 2028 • For Scope 1, 2 and 3: Align on 2.5°C by 2028	●	✓	58

Legend: ● Target met or under control | ● Target needing attention | ● Target at risk | ✓ SBTi-approved target



► **Summary of our climate-related metrics and targets**

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

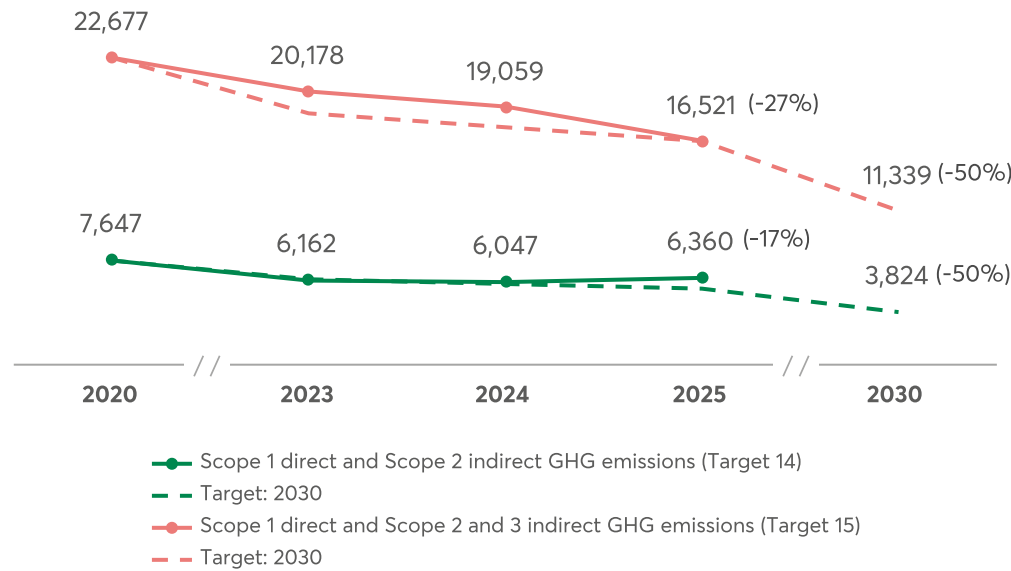
Other climate-related indicators

## Pillar 1 targets – Operational activities

Target		Progress	
14	Reduce our absolute Scope 1 direct and location-based Scope 2 indirect GHG emissions by 50% compared to 2020 levels by 2030	<span style="color: yellow;">●</span>	-17%
15	Reduce our absolute Scope 1 direct, location-based Scope 2 indirect and Scope 3 GHG emissions by 50% compared to 2020 levels by 2030	<span style="color: green;">●</span>	-27%

Operational targets (Targets 14 and 15) are applied internally through the Cooperating for the Climate Challenge, which promotes initiatives to reduce GHG emissions and provides resources for employees in our business segments. Our engagement efforts have resulted in a 17% reduction in Scope 1 and location-based Scope 2 emissions since 2020. Despite the reduction observed, we're currently slightly off track. This is mainly due to the colder winter temperatures in 2025 compared to 2024, leading to greater energy use in our buildings and the ensuing GHG emissions. The target to reduce our operational footprint for Scope 1 emissions, location-based Scope 2 emissions and Scope 3 emissions remains on track, with a 27% decrease between 2020 and 2025. This performance is driven by efforts to limit business travel. In 2025, sectoral targets to reduce vehicle travel were introduced, combined with quarterly monitoring and dedicated tools, such as carbon dashboards, best practices and eco-gestures, leading to a significant reduction in Scope 3 GHG emissions. For more information, refer to the Greenhouse Gas (GHG) Emissions from Our Operations – Scope 1, Location-Based Scope 2 and Scope 3 (Category 1, 5 and 6) section on page 59 of this report.

**Targets 14 and 15**  
(tCO<sub>2</sub>e)



**Summary of our climate-related metrics and targets**

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

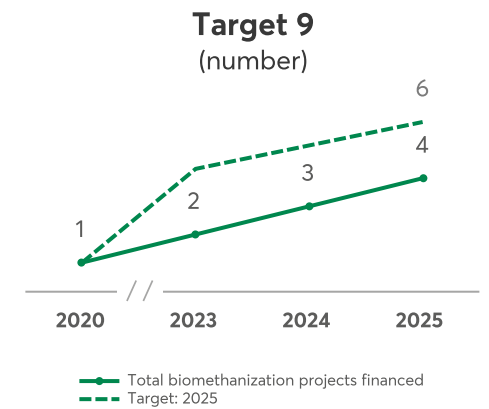
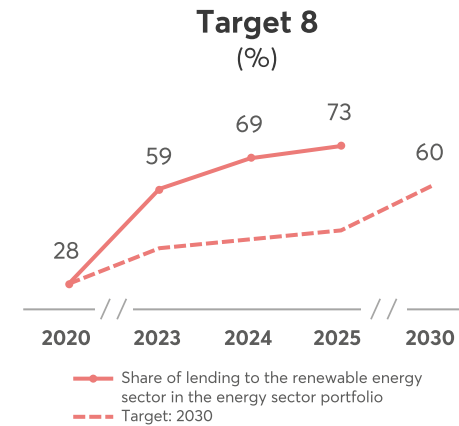
Other climate-related indicators

# Pillar 2 targets – Lending and investment activities

## Energy

### Personal and Business Services segment

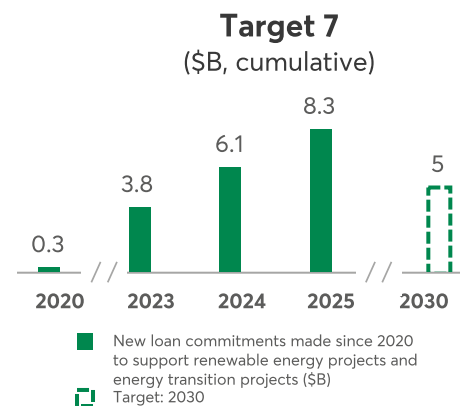
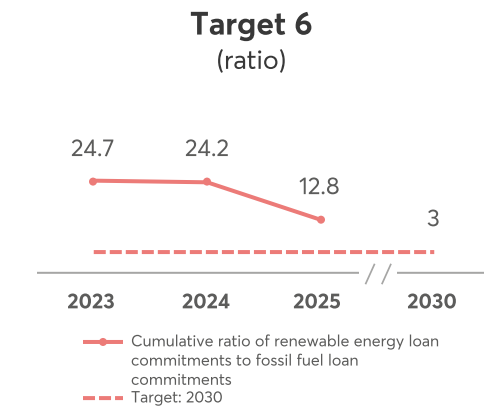
Renewable energy		Target	Progress
6	Achieve and maintain a ratio of at least three times more new lending allocated to renewable energy than to fossil fuels between 2023 and 2030 (on a commitment basis) <sup>29</sup>	●	12.8
7	Commit at least \$5B in lending to support renewable energy projects and energy transition projects between 2020 and 2030 <sup>30</sup>	●	8.3
8	Achieve at least 60% of lending for renewable energy in the energy sector portfolio by 2030 <sup>31</sup>	●	73%
9	Finance at least six biomethanization projects by 2025	●	4



Three out of four targets associated with lending for the renewable energy sector (Targets 6, 7 and 8) are currently ahead of the goal set for 2030. This includes Target 6, whose ratio declined significantly over the past year due to new lending in the oil and gas sector. However, the amounts involved are relatively low compared to new lending for renewable energy since 2023. In 2025, this target remained on track, supported by a lending ratio four times higher than the target level. These strong results show how our corporate financing teams are working steadily to accelerate the energy transition toward a low-carbon economy.

Despite our efforts, which included numerous exchanges with entrepreneurs and companies seeking support, we did not achieve Target 9. The goal was to finance at least six biomethanization projects by 2025. As at December 31, 2025, only four projects were under construction or in operation. This can be explained by slower-than-expected growth in Quebec's renewable natural gas market: limited number of quality projects, prolonged development timelines and complex regulatory authorizations, financing arrangements involving major investments, and project construction and operation.

We'll continue to identify and support the most promising projects. Many projects that are currently underway could reach the required maturity level and represent progress in the short and medium term. Synergy with community partners and a solid understanding of the sector therefore remain a priority for the coming years. We'll continue reporting on the number of projects financed over the coming years, without setting a new target in this regard.



<sup>29</sup> Ratio calculated by comparing new loan commitments made in renewable energy (wind, solar, hydro, biomethanization, battery energy storage systems) between 2023 and 2025 and new loan commitments made in fossil fuels (natural gas, oil, coal) over the same period. Lending for nuclear energy and financial intermediation activities are excluded from this indicator.

<sup>30</sup> Renewable energy projects and energy transition projects include renewable energy production projects (like wind, solar, hydro and biomethanization), renewable energy storage and distribution projects (like battery energy storage systems and low-carbon transmission lines) and energy efficiency projects (like district heating).

<sup>31</sup> Percentage calculated as at December 31, 2025, by dividing loan commitments made in renewable energy (wind, solar, hydro, biomethanization, battery energy storage systems) by total loan commitments made in the energy sector portfolio, which includes renewable energy, fossil fuels (natural gas, oil, coal) and nuclear energy. Financial intermediation activities are excluded from this indicator.

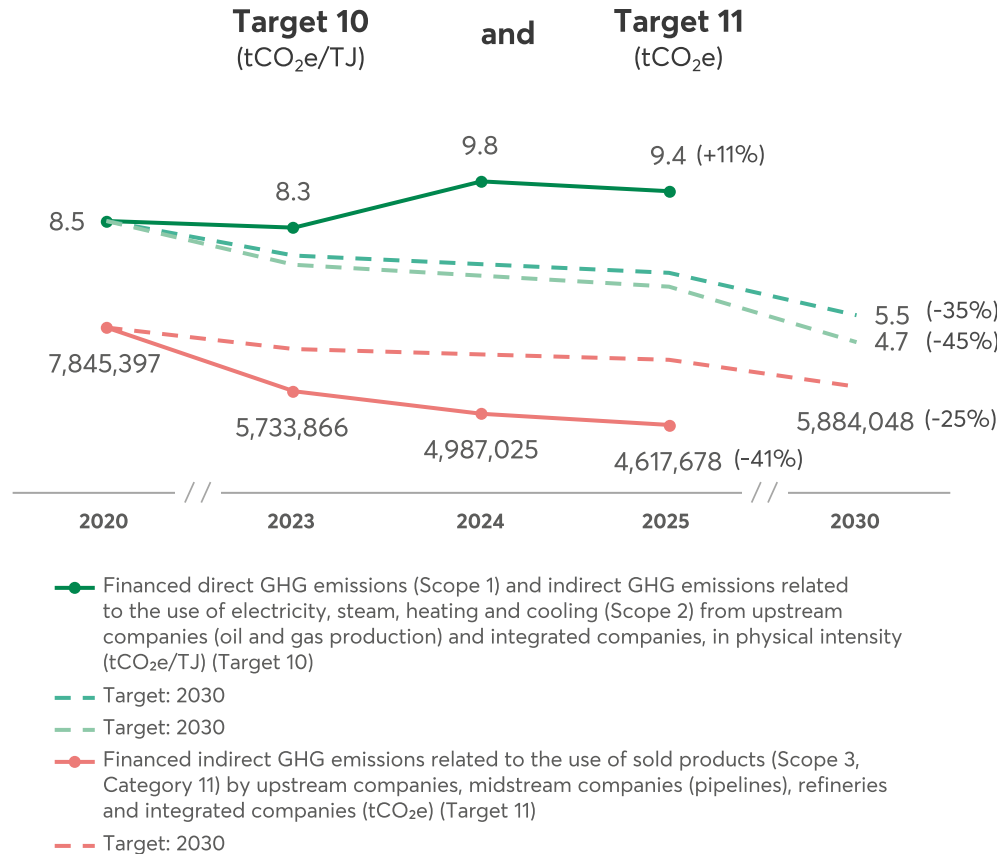
Summary of our climate-related metrics and targets

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

Other climate-related indicators

Oil and gas sector		Target		Progress	
10	Reduce physical intensity (tCO <sub>2</sub> e/TJ, calculated on a commitment basis) of oil and gas sector financed direct GHG emissions (Scope 1) and indirect GHG emissions related to the use of electricity, steam, heating and cooling (Scope 2) by integrated and upstream companies by 35% to 45% compared to 2020 levels by 2030			+11%	
11	Reduce our absolute (tCO <sub>2</sub> e, calculated on a commitment basis) oil and gas sector financed indirect GHG emissions related to the use of sold products (Scope 3, Category 11) by upstream companies, midstream companies (pipelines), refineries and integrated companies by 25% compared to 2020 levels by 2030			-41%	



The target to reduce the physical intensity of oil and gas sector financed direct GHG emissions (Scope 1) and indirect GHG emissions related to the use of electricity, steam, heating and cooling (Scope 2) from integrated and upstream companies is categorized as needing attention in 2025 (Target 10). This indicator is up 11% from 2020. However, the indicator showed a slight improvement between 2024 and 2025, going from 9.8 to 9.4 tCO<sub>2</sub>e. The changes in the physical intensity of emissions measured from companies included in this target reflects the challenges this sector faces in decarbonizing its operations. The metric is also influenced by data availability and estimates used. In 2025, we adjusted our methodology to address the lack of data on GHG emissions from Canadian companies in the oil and gas sector, some of which stopped disclosing their carbon footprint in 2024. To ensure data comparability, we used the most recent reported emissions available (mainly from 2022 or 2023) for the 2025 calculation, to present a more representative and realistic assessment of progress toward our target.

The target to reduce absolute Scope 3, Category 11 (use of sold products) GHG emissions by upstream companies, midstream companies (pipelines), refineries and integrated companies (Target 11) is moving in the right direction. We've seen a decrease of 41% since 2020, outpacing the 25% target set. However, keeping up this positive performance depends on several factors: first, business value and, to a lesser extent, the value of the total commitment and companies' hydrocarbon production. We're keeping a close eye on PCAF analyses and recommendations regarding the impact of fluctuations in business value on the calculation of financed emissions.



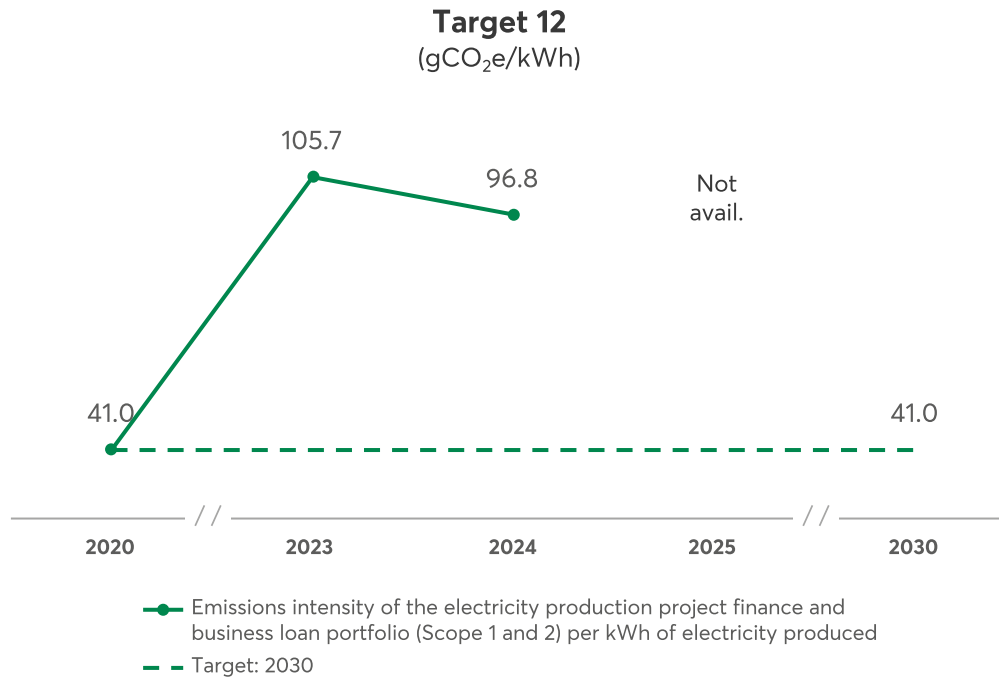
► **Summary of our climate-related metrics and targets**

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

Other climate-related indicators

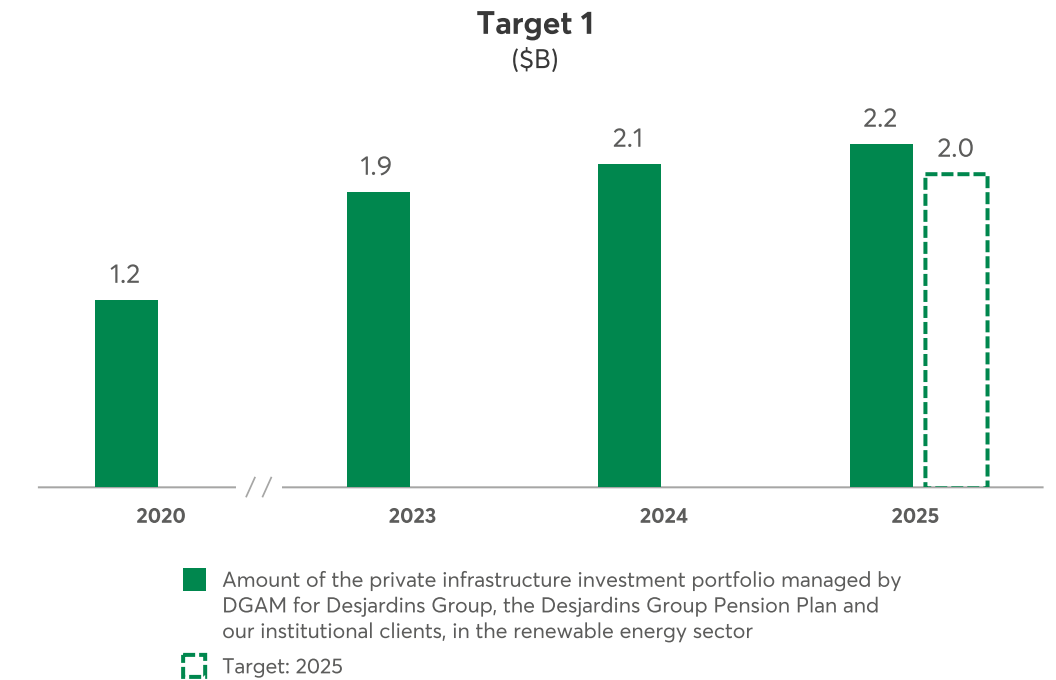
Electricity production sector			
Target		Progress	
12	Maintain emissions intensity of the electricity production project finance and business loan portfolio (Scope 1 and 2) at 41 gCO <sub>2</sub> e/kWh between now and 2030 (SBTi Sectoral Decarbonization Approach)		96.8 <sup>32</sup>



The decarbonization target set for the electricity production sector (Target 12) is currently deemed at risk, since we've surpassed the initial maximum threshold. This situation is due to the fact that the lending portfolio contains a small number of companies that use natural gas to produce electricity. We're continuing to transition this portfolio by supporting companies that are implementing GHG-reduction practices and by encouraging the development of renewable energy projects. We're also increasing lending to companies working on renewable energy projects. The results of this transformation should put us back on track to reach the target in the coming years.

**Wealth Management and Life and Health Insurance segment, and Property and Casualty Insurance segment**

Renewable energy			
Target		Progress	
1	Establish a \$2B renewable energy infrastructure investment portfolio (our investments and the Desjardins Group Pension Plan's investments) by 2025		2.2 <sup>33</sup>



Even though we reached our \$2B investment target in 2024, infrastructure investments in the renewable energy sector continued to grow in 2025, with an additional \$100M.

<sup>32</sup> Since the data needed to calculate this target wasn't available at the time of publication, we've presented the data in the table as at December 31, 2024.

<sup>33</sup> As at September 30, 2025, for a portion of the investment portfolio, based on available data, and as at December 31, 2025, for the remaining portion, including \$1.2B invested by our organization's main pension plan, the Desjardins Group Pension Plan (DGPP).

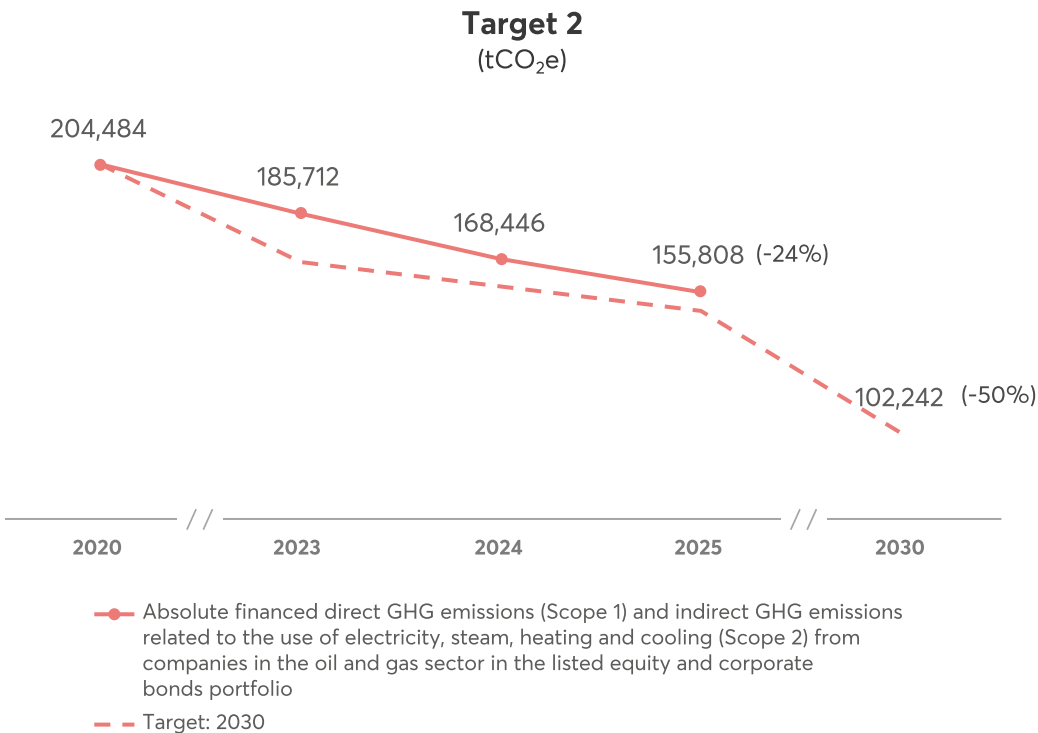
► Summary of our climate-related metrics and targets

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

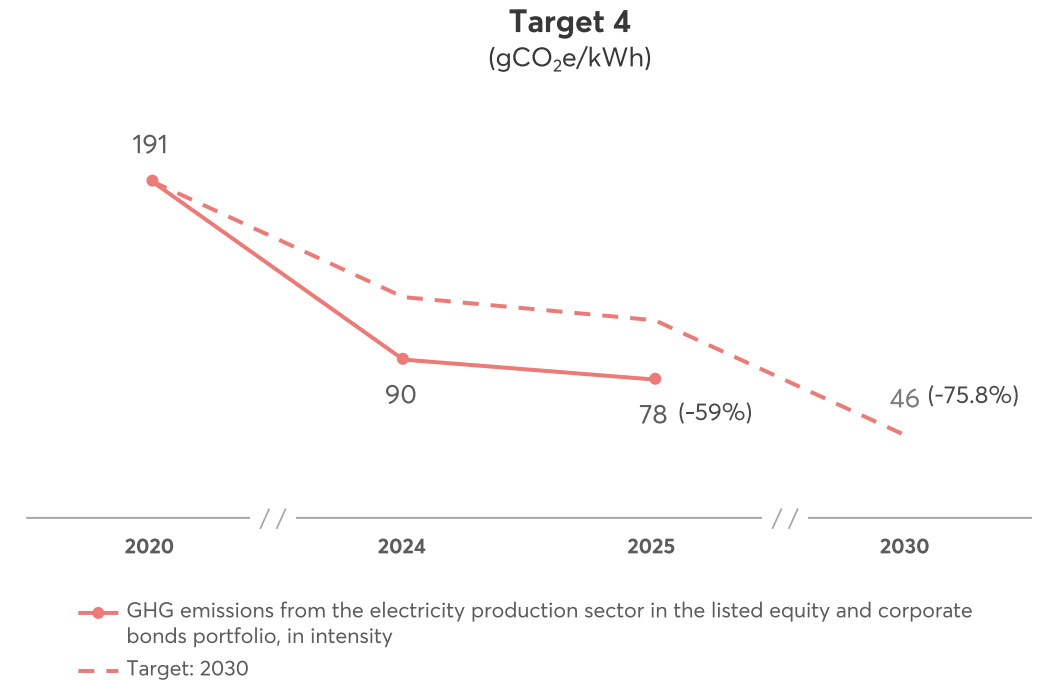
Other climate-related indicators

Oil and gas sector			
Target		Progress	
2	Reduce absolute financed direct GHG emissions (Scope 1) and indirect GHG emissions related to the use of electricity, steam, heating and cooling (Scope 2) from companies in the oil and gas sector in the listed equity and corporate bonds portfolio by 50% compared to 2020 levels by 2030		-24%



The decarbonization indicator for financed emissions in the oil and gas sector is heading in the right direction. Efforts are ongoing to sustain this progress through 2030, taking changes in the market into account.

Electricity production sector			
Target		Progress	
4	Reduce intensity of GHG emissions from the electricity production sector in the listed equity and corporate bonds portfolio (Scope 1 and 2) by 75.8% per MWh of electricity produced compared to 2020 levels by 2030 (SBTi Sectoral Decarbonization Approach)		-59%

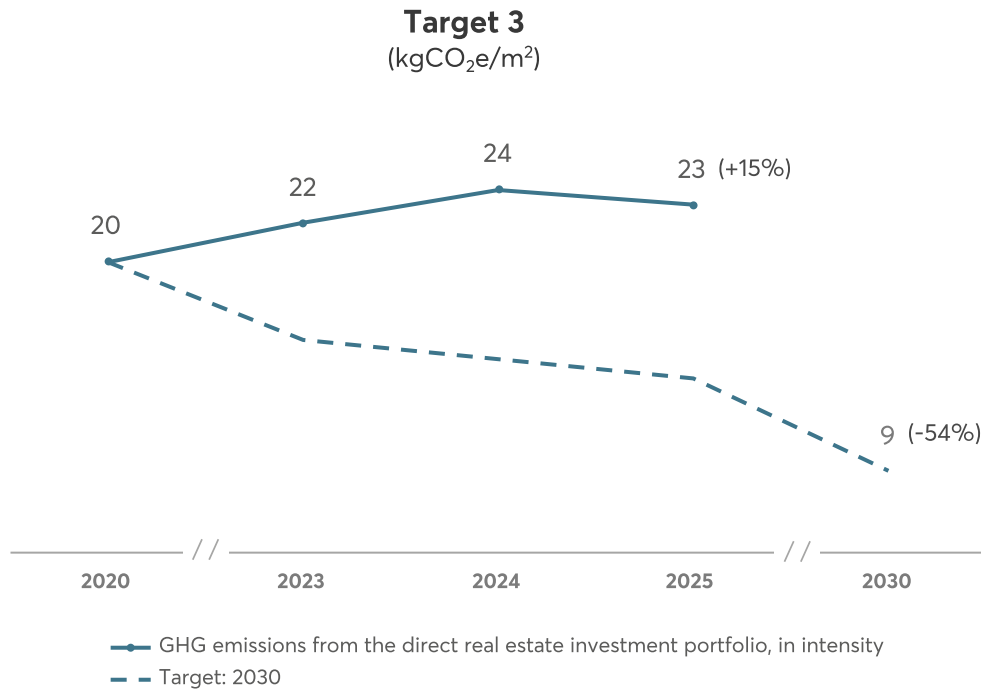


The sectoral decarbonization indicator for electricity production is still progressing more quickly than expected, mainly thanks to our position on excluding thermal coal and portfolio decarbonization when opportunities arise.

**Real estate**

**Wealth Management and Life and Health Insurance segment, and Property and Casualty Insurance segment**

Real estate		Progress	
Target			
3	Reduce intensity of GHG emissions from the direct real estate investment portfolio (Scope 1 and 2) by 54% per square metre compared to 2020 levels by 2030 (SBTi Sectoral Decarbonization Approach)		+15%



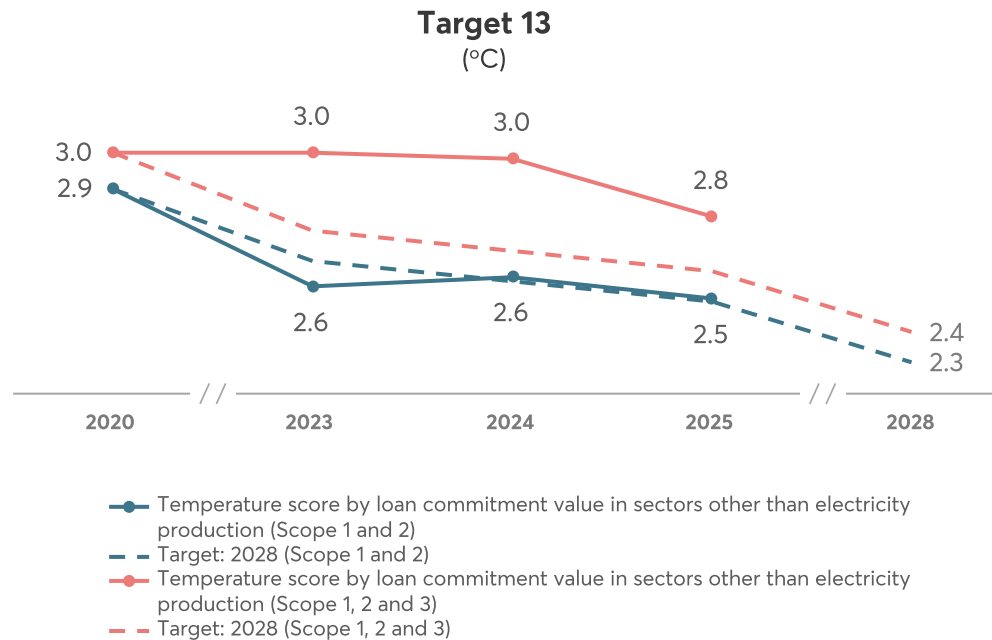
The intensity of financed GHG emissions from our direct real estate investments increased from 2020 to 2024, largely due to changes in the portfolio composition. The disposition of several buildings in Quebec in 2023 and 2024, combined with the addition of a new build in Ontario, had a negative impact on the emissions intensity profile. However, disposing of buildings in 2025 had a positive impact on the portfolio’s emissions intensity. As a result, the related sectoral decarbonization target (Target 3) is categorized as needing attention. The target is no longer on track and will need additional attention and effort in the coming years.



## Temperature targets in sectors other than electricity production

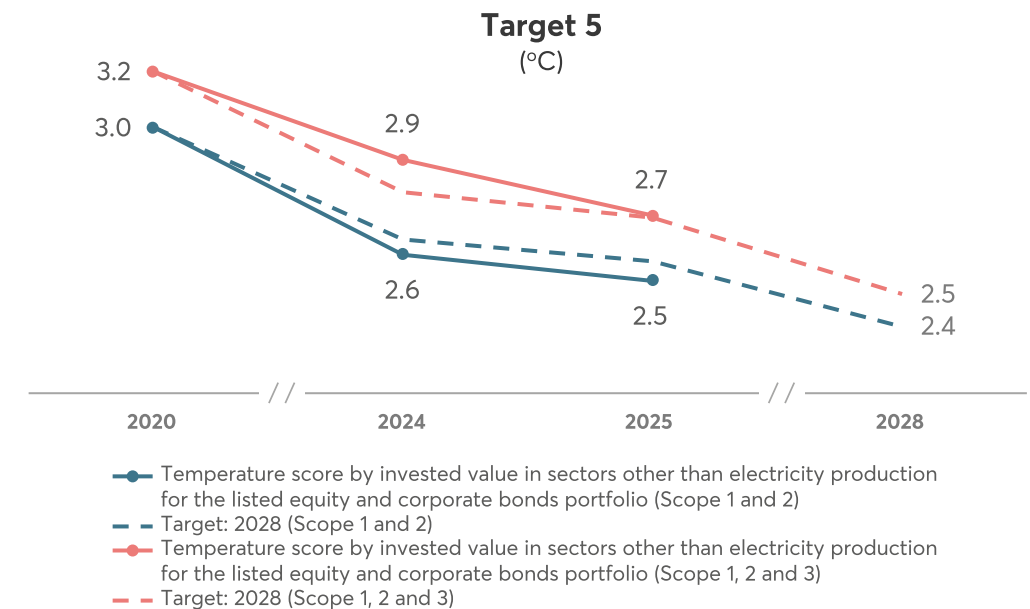
### Personal and Business Services segment

Temperature scores		Progress	
Target		Progress	
13	Align the business loan portfolio in sectors other than electricity production on a temperature score by loan commitment value (SBTi temperature alignment method):	●	2.5
	<ul style="list-style-type: none"> <li>For Scope 1 and 2: Align on 2.3°C by 2028</li> <li>For Scope 1, 2 and 3: Align on 2.4°C by 2028</li> </ul>		2.8



### Wealth Management and Life and Health Insurance segment, and Property and Casualty Insurance segment

Temperature scores		Progress	
Target		Progress	
5	Align the listed equity and corporate bonds portfolio on a temperature score by invested value in sectors other than electricity production (SBTi temperature alignment method):	●	2.5
	<ul style="list-style-type: none"> <li>For Scope 1 and 2: Align on 2.4°C by 2028</li> <li>For Scope 1, 2 and 3: Align on 2.5°C by 2028</li> </ul>		2.7



As at December 31, 2025, the temperature alignment indicators for our lending portfolio (Target 13) and investment portfolio (Target 5) are on track for 2028. However, these targets are flagged as needing attention because of the calculation methodology used to track them, as defined by the SBTi. Starting in 2026, portfolio companies' 2030 targets will no longer be considered medium-term targets (5–15 years). Our future progress toward our temperature alignment targets will therefore depend on whether portfolio companies set targets that extend beyond 2030. If they don't set 2031–2041 targets, it could negatively impact our portfolios' temperature alignment as early as 2026. We'll continue to closely monitor developments in both the methodology and the market.

Summary of our climate-related metrics and targets

**Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)**

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

Other climate-related indicators

# Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

We measure and offset the carbon footprint of our operations including emissions from our buildings, business travel and paper consumption. Our calculations were prepared in compliance with the principles and requirements in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2015 revised edition) and in the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2013). For more information on the calculations, refer to the Methodology section in the appendix on page 76 of this report.

Table 18 presents the changes in Scope 1, 2 and 3 GHG emissions from our operations as well as the associated intensity metrics.

The following operational categories of Scope 3 GHG emissions are included:

- Category 1: Purchased goods and services: Paper consumption
- Category 5: Waste generated in operations: Paper consumption
- Category 6: Business travel: Fossil fuel consumption from business travel
- Other Scope 3 categories, except Category 15, which is included in Table 19: Certain Scope 3 emissions are not disclosed if, for example, the available data is considered to be lacking in terms of quality, accuracy or reliability.

**Table 18 Greenhouse gas (GHG) emissions from our operations<sup>1,2</sup>**

Metric	2025	2024 <sup>3</sup>	2023	2020 (reference year)
Direct GHG emissions (Scope 1, tCO <sub>2</sub> e) <sup>4,7</sup>	4,845 <input checked="" type="checkbox"/>	4,543	4,920	5,905
Location-based indirect GHG emissions (Scope 2, tCO <sub>2</sub> e) <sup>5,7</sup>	1,515 <input checked="" type="checkbox"/>	1,503	1,242	1,742
Indirect GHG emissions (Scope 3, tCO <sub>2</sub> e) <sup>6,7</sup>	10,161	13,012	14,016	15,030
• Paper (Scope 3, Category 1 and 5)	4,242 <input checked="" type="checkbox"/>	6,013	7,039	11,553
• Business travel (Scope 3, Category 6)	5,919 <input checked="" type="checkbox"/>	6,999	6,977	3,477
Total emissions (tCO <sub>2</sub> e) <sup>7</sup>	16,520	19,059	20,178	22,677
Emissions intensity (Scope 1 and location-based Scope 2, kgCO <sub>2</sub> e/m <sup>2</sup> ) <sup>8</sup>	5.2	4.4	4.4	5.1
Energy intensity (Scope 1 and location-based Scope 2, GJ/m <sup>2</sup> ) <sup>9</sup>	0.79	0.72	0.72	0.84
Renewable energy purchased (GWh and %)	260 (96%)	254 (96%)	266 (95%)	294 (95%)
Share of energy mix from renewable energy (%)	88%	88%	88%	85%

PwC conducted a limited assurance engagement on these indicators for 2025. For more information, see the report in the appendix on page 84 of this report.

- For the period of January 1, 2025, to December 31, 2025, with the exception of building energy data, which was calculated for the period of October 1, 2024, to September 30, 2025.
- Emissions calculated based on the 1990–2023 inventory report published by Environment and Climate Change Canada. The 1990–2024 inventory report, which was published in mid-April 2026, was not taken into account, given the publication schedule of this report. For more information, refer to the Methodology section on page 76 of this report.
- Scope 1 and location-based Scope 2 GHG emissions were reviewed to reflect more accurate or additional information. Based on this review, the total emissions reported in 2024 were adjusted by 100 and 16 tCO<sub>2</sub>e, respectively. This review was not part of the PwC limited assurance engagement. For more information, refer to the Methodology section on page 76 of this report.
- The direct emissions (Scope 1) sources included are for fossil fuel consumption in buildings under our operational control, refrigerant leakage (ODS), and the fuel consumption of our vehicle fleet and the Desjardins shuttle.
- The indirect emissions (location-based Scope 2) included are those related to electricity consumed in the buildings that we occupy (as an owner or a tenant) and electricity used by our fleet of electric vehicles. Gases included in the carbon dioxide equivalent (CO<sub>2</sub>e) calculations: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.
- Other indirect emissions (Scope 3) include business trips made with rental and personal vehicles and by carpooling, as well as business travel by plane and train. GHG emissions from paper consumption are calculated using the Environmental Paper Network's Paper Calculator.
- The data covers all of our components and subsidiaries, with the exception of refrigerant leakage, which is only calculated for the head offices (Complexe Desjardins in Montreal and Cité Desjardins de la coopération in Lévis). As explained in the About This Report section, in addition to Desjardins Group, the operational GHG emissions report includes data for Desjardins International Development, the Desjardins Foundation and the Desjardins Group Pension Plan. Gases included in the carbon dioxide equivalent (CO<sub>2</sub>e) calculations: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.
- GHG emissions intensity is measured by dividing total emissions (Scope 1 and 2) by the total area of the operational boundaries.
- Energy intensity is measured by dividing the total energy consumption calculated (Scope 1 and 2) by the total area of the boundaries.

Summary of our climate-related metrics and targets

► **Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)**

Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

Other climate-related indicators

The data in Table 18 above shows that in 2025, Scope 1 operational emissions increased by 7%, while location-based Scope 2 emissions remained stable (+0.8%) compared to 2024 levels. Meanwhile, total emissions—including Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)—decreased by 13% in 2025 compared to 2024 levels. The reasons behind these changes depend on the following categories of operational emissions included in the climate ambition:

- Business travel<sup>34</sup> (Scope 1 and 3): 54% increase in operational emissions compared to 2020, mainly due to the COVID-19 pandemic. All business travel was suspended in 2020 and work-from-home was mandatory for over 90% of employees. When our activities resumed and we returned to in-person meetings, our business travel and associated GHG emissions increased. However, in 2025, we implemented internal policies and monitored travel closely, reducing emissions by 14% compared to 2024.
- Buildings<sup>35</sup> (Scope 1 and location-based Scope 2): 18% decrease in operational emissions compared to 2020, mainly due to hybrid work arrangements, which have had a positive impact on the total carbon footprint of our buildings. They have reduced our space requirements and also, to a lesser extent, lowered the energy consumption of our buildings. However, a colder winter in 2025 and operational factors like the opening of new locations and changes in the energy mix mitigated this decrease.
- Paper (Scope 3): 63% decrease in operational emissions compared to 2020 due to lower total paper consumption. The ongoing efforts of our procurement teams and business segments to reduce printing and promote the use of 100% recycled paper led to significantly lower emissions.

<sup>34</sup> Including business travel (by rental or personal vehicle, carpooling, plane or train), our vehicle fleet and the Desjardins shuttle.

<sup>35</sup> Including buildings under our operational control, refrigerant leakage (ODS) and buildings that we occupy (as an owner or tenant).



Summary of our climate-related metrics and targets

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

► **Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15**

Other climate-related indicators

# Greenhouse gas (GHG) emissions from our financial activities – Scope 3, Category 15

Under the GHG Protocol, Scope 3 emissions are divided into 15 categories. Category 15 includes financed and insurance-associated emissions.

In 2020, we joined the Partnership for Carbon Accounting Financials (PCAF) to adopt and promote an international standard for measuring the GHG emissions of our lending and investments. For more information on the calculations, refer to the Methodology section in the appendix on page 76 of this report.

Since 2021, our teams have been active participants in PCAF working groups. They have applied methodologies from the Global GHG Accounting and Reporting Standard for the Financial Industry Part A (second edition, 2022) for financed emissions and Part C (first version, 2022) for insurance-associated emissions.

The graph on the next page shows the changes in some of our financed emissions since 2020. As set out in the Caution Concerning Forward-Looking Statements section, the results published in this report are based on the best available information and the methodology deemed most appropriate for our portfolio. The metrics for financed emissions are based on internal data, provided by our members and clients or sources outside of our organization.

The metrics we calculated may be affected by data-related challenges, including but not limited to the:

- Availability and quality of real data (for example, specific to a company or asset) or granularity and representativeness of generic values used as a substitution
- Accuracy of data (such as the precision and reliability of GHG emissions reported by a company), when data was updated and consistency in time periods between data sources (for example, year of reported GHG emissions compared to the year of a company’s financial statements)
- Variability of certain key data from one year to the next (for example, volatility in the value of companies used to calculate the attribution factor for financed GHG emissions)

Any calculation change or update resulting from a change in methodology or addition of new data that produces significantly different results from what has been published will be addressed and corrected in future publications.



Summary of our climate-related metrics and targets

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

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**Figure 13** Change in absolute financed GHG emissions (in ktCO<sub>2</sub>e) and in intensity (tCO<sub>2</sub>e/\$M of outstanding amount) for lending and investment activities



\* Some comparative information related to these asset classes was reviewed to improve accuracy, coverage and comparability. For commercial real estate, the 2025 review of methodology led to a restatement of data for previous years. For more information, refer to the Methodology section in the appendix on page 76 of this report.

# Desjardins Group financed emissions, Scope 3 – Category 15 (PCAF disclosure)

(as at December 31, 2025)

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**Table 19** Financed emissions: PCAF disclosure<sup>1,2</sup>

Asset classes	Emissions (Scope 1 and 2, ktCO <sub>2</sub> e)	Outstanding amount (\$B)	% coverage	Intensity (tCO <sub>2</sub> e/\$M)	PCAF data quality score <sup>3</sup>				
					1	2	3	4	5
Mortgages	313 <input checked="" type="checkbox"/>	144.2	100%	2.2	—%	—%	—%	59%	41%
Motor vehicle loans	347 <input checked="" type="checkbox"/>	8.1	57%	75.0	—%	85%	—%	15%	—%
Commercial real estate (lending)	597	83.5	78%	9.1	—%	—%	—%	—%	100%
Business loans									
Transportation	177	1.8	100%	96.5	—%	16%	—%	36%	48%
Energy	220	1.6	88%	157.2	11%	21%	35%	22%	11%
Project finance									
Transportation	3	0.2	100%	13.7	—%	—%	—%	—%	100%
Energy	223	3.9	100%	57.0	22%	7%	64%	—%	7%
<b>Total – Lending (assets covered)</b>	<b>1,880</b>	<b>243.3</b>	<b>91%</b>	<b>8.5</b>	<b>—%</b>	<b>2%</b>	<b>1%</b>	<b>40%</b>	<b>57%</b>
Commercial real estate (investments)	11 <input checked="" type="checkbox"/>	1.6	100%	7.3	68%	—%	—%	32%	—%
Listed equity and corporate bonds	323 <input checked="" type="checkbox"/>	18.4	100%	17.6	41%	24%	—%	30%	5%
<b>Total – Investments (assets covered)</b>	<b>334</b>	<b>20.0</b>	<b>100%</b>	<b>16.7</b>	<b>43%</b>	<b>22%</b>	<b>—%</b>	<b>30%</b>	<b>5%</b>

PwC conducted a limited assurance engagement on these indicators for 2025. For more information, see the report in the appendix on page 84 of this report.

1. For the period of January 1, 2025, to December 31, 2025, with the exception of commercial real estate (investments) data, which was calculated for the period of October 1, 2024, to September 30, 2025.

2. Emissions calculated based on the 1990–2023 inventory report published by Environment and Climate Change Canada. The 1990–2024 inventory report, which was published in mid-April 2026, was not taken into account, given the publication schedule of this report. For more information, refer to the Methodology section on page 76 of this report.

3. Assessment of PCAF data quality scores: Data quality scores 1 and 2 are based on real data and quality scores 3, 4 and 5 are based on estimates.

The calculations led to certain observations. See below for more information:

## Mortgages

Our mortgage portfolios are concentrated in Quebec, where electricity is produced from renewable energy sources (98.8% in 2024)<sup>36</sup> and electric heating is used in most buildings. As a result, these asset classes have a low carbon intensity. Most of the energy consumption data for these assets is currently estimated and therefore imprecise. We will continue to refine these estimates with real data as it becomes available. Improving our data will help us reduce our reliance on generic GHG emissions intensity metrics by dwelling or surface area. It will ultimately enable us to better track changes in GHG emissions specific to the assets in these portfolios in relation to comparable buildings and dwellings.

## Motor vehicle loans

This portfolio has a high emissions intensity and reflects the current state of vehicles in Canada. The part of this portfolio that isn't covered, which makes up 43%, represents recreational vehicles (ATVs, boats, etc.), for which there is no recognized approach for estimating emissions. Our GHG emissions for this portfolio went up slightly by 2% in 2025 compared to 2024. This increase is mainly the result of an increase in the average number of kilometres travelled in Quebec.

<sup>36</sup> Hydro-Québec, [Residual electricity mix and greenhouse gas \(GHG\) emission rate](#), 2024.

Summary of our climate-related metrics and targets

Greenhouse gas (GHG) emissions from our operations – Scope 1, location-based Scope 2 and Scope 3 (Category 1, 5 and 6)

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**Commercial real estate (lending)**

Our commercial real estate portfolio is concentrated in Quebec. That's why, as we explained earlier, these asset classes have a low carbon intensity. All of the GHG emission data for these assets is currently estimated and therefore imprecise. We'll continue to refine these estimates with real data when it becomes available. Improving our data will help us reduce our reliance on generic GHG emissions intensity metrics by surface area. It will ultimately enable us to better track changes in GHG emissions specific to the assets in these portfolios in relation to comparable buildings.

It should be noted that the identification criteria for commercial real estate lending excluded 22% of this asset class in 2025. Efforts to improve the methodology are underway.

**Business loans and project finance**

Only a portion of the business loan portfolio (63% of outstanding loans) is currently being measured and disclosed as part of the monitoring process for sectors covered by our climate ambition (energy, real estate and transportation). In the absence of actual emissions data and high quality estimates, it's currently impossible for us to publish a satisfactory calculation of our financed emissions for these asset classes for other economic sectors. In fact, the vast majority of our business portfolio is made up of small- and medium-sized businesses, whose emissions would be estimated based on emission factors by industry sector. External variance analyses completed in 2022 of some sectors and some businesses have shown differences of over 80% between estimates based on real data (PCAF data quality score 1 or 2) and sectoral estimates based on the outstanding amount (PCAF data quality score 5), which makes it difficult to use this kind of data right now. Since 2024, emissions from project finance are presented separately, as recommended in the PCAF standard.

The coverage ratio is 88%, with the remaining 12% corresponding to lending for which no estimated data (proxy) is available.

**Commercial real estate (investments)**

In 2025, a review of methodology was conducted on the application of the PCAF standard related to asset disposition. This review led to a restatement of data for previous years. For more information, refer to the Methodology section in the appendix on page 76 of this report. Emissions for this asset class decreased by 8% compared to 2024. The decrease is mainly due to the portfolio's regional composition and fewer direct real estate investments. New tools have also helped us improve data quality by providing more real data in 2025.

**Listed equity and corporate bonds**

The emissions calculated include 100% of positions in scope under the PCAF methodology. This represents the insurers' entire investment portfolio and the treasury investment portfolio. With respect to insurers' investments, the energy, utilities, materials and industrials sectors<sup>37</sup> account for 87.2% of this portfolio's financed emissions, but only 35.1% of the outstanding amount.

**General comments**

These results underscore the importance of obtaining real data (such as Scope 1, 2 and 3 GHG emissions, physical data like square footage, production volumes, etc.) rather than using sectoral estimates, which are generally inexact, as a basis. Work is underway to progressively increase the quality of the estimates of our financed emissions over the coming years, which will enable us to identify the economic players that have the best GHG performance as well as those that will need support in the energy transition.



<sup>37</sup> According to the [Global Industry Classification Standard \(GICS\)](#).

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## Insurance-associated emissions, Scope 3 – Category 15 (PCAF disclosure)

(as at December 31, 2025)

**Table 20** Insurance-associated emissions: PCAF disclosure

Sector	Emissions (Scope 1 and 2, ktCO <sub>2</sub> e)	Value of insurance revenues <sup>1</sup> (\$B)	% coverage	Intensity (tCO <sub>2</sub> e/\$M)	PCAF data quality score				
					1	2	3	4	5
Personal motor vehicles	905	4.5	96%	210.1	—%	85%	—%	15%	—%

1. Direct written premiums

In 2024, we expanded our calculations for our Scope 3 GHG emissions for Category 15. We now include emissions associated with personal motor vehicle insurance. By including these emissions, we can present a more complete and transparent picture of the GHG emissions associated with our financial activities for a major sector, given the portfolio's size and climate impact. Our calculations covered passenger vehicles and motorcycles but excluded other motor vehicles (such as snowmobiles and off-road vehicles) because of the lack of a recognized methodology and specific data for these vehicles, and excluded personal motor vehicles for The Insurance Company of Prince Edward Island. In 2025, absolute emissions remained stable compared to 2024, but decreased by 5% in intensity, going from 221.8 in 2024 to 210.1 in 2025. The proportion of electric vehicles in our personal auto insurance portfolio is gradually increasing.



# Other climate-related indicators

In addition to indicators related to our operational, financed and insurance-associated emissions, we've developed and we track other indicators that reflect our climate commitments.

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**Table 21** Other indicators: Climate commitments

Activities	Metrics	2025	2024	2023	2020 (reference year)
<b>Operational</b>	Internal carbon price (\$/tCO <sub>2</sub> e)	27.6	20.2	20.0	14.0
<b>Lending</b>	Total exposure at default to electricity production (renewables/fossil/other)	\$6.1B 92% / 6% / 2%	\$4.1B 89% / 10% / 2%	\$3.2B 94% / 5% / 1%	N/A
	Share of renewables in our lending to energy corporations <sup>1</sup>	73%	69%	59%	28%
	Energy Supply Banking Ratio <sup>2</sup>	Not avail.	66.7	10.8	N/A
	Total biomethanization projects financed since 2020	4	3	2	1
	Total sustainable and green bonds issued	\$2,249M	\$1,749M	\$1,000M	0
<b>Investments</b>	Share of our financial commitments exposed to the coal sector	0%	0%	0%	N/A
	Percentage of insurers' investments in the coal sector	0%	0%	0%	N/A

1. Percentage calculated by dividing loan commitments made in renewable energy (wind, solar, hydro, biomethanization, battery energy storage systems) during the year by total loan commitments made in the energy sector portfolio, which includes renewable energy, fossil fuels (natural gas, oil, coal) and nuclear energy. Financial intermediation activities are excluded from this indicator.
2. BloombergNEF, [Third Annual Energy Supply Investment and Banking Ratios](#). We were included in this report for the first time when it was published in January 2025, with results for 2023. This ratio compares the low-carbon financial flows versus financial flows toward fossil fuels. The goal is to achieve a global ratio of 4:1 by 2030, 6:1 by 2040 and 10:1 by 2050, to reflect climate scenarios that limit climate change to 1.5°C. In 2025, BloombergNEF released the data for 2024.

### Internal carbon price

Every year, we buy carbon credits to offset our Scope 1, location-based Scope 2 and Scope 3 (Category 1 and 5 for paper consumption and Category 6 for fossil fuel consumption from business travel) operational emissions and emissions associated with our direct real estate investments (Scope 3, Category 15, insurers' direct real estate investments) from the previous year, using the emissions values disclosed for that reporting year. It should be noted that this value may differ from the amount disclosed in this report due to the recalculation of comparative data. We used this approach because the carbon credits are bought before data is recalculated.

In 2025, we offset 18,975 tCO<sub>2</sub>e of our Scope 1, location-based Scope 2 and Scope 3 (Category 1 and 5 for paper consumption and Category 6 for fossil fuel consumption from business travel) operational emissions and 13,906 tCO<sub>2</sub>e of emissions associated with our direct real estate investments (Scope 3, Category 15, insurers' direct real estate investments),<sup>38</sup> for a total of 32,881 tCO<sub>2</sub>e, at an average price of \$28/tCO<sub>2</sub>e.

Carbon credits are sourced from projects that contribute to climate action and are selected through a thorough procurement process carried out with our procurement team. This process relies on a request for proposals and assessment criteria aimed at ensuring the quality of projects and their positive impacts on communities, climate and biodiversity. Also taken into account are the geographic distribution of purchases based on emission locations, along with their cost and suppliers' sustainability commitments.

<sup>38</sup> For more information on operational emissions and emissions associated with direct real estate investments, refer to pages 40 and 44 respectively of the [2024 Climate Action at Desjardins report](#).

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## Appendixes

### Additional disclosure details on the governance of Desjardins General Insurance Group Inc.

This appendix contains disclosure information on the governance of Desjardins General Insurance Group Inc. and its insurance subsidiaries, subsequently referred to as DGIG.<sup>39</sup> The purpose of this appendix is to ensure that DGIG meets the regulatory disclosure requirements put in place by the Office of the Superintendent of Financial Institutions (OSFI) and complements the information included in the Governance section of this report.

#### Supervision by the board of directors

Each year, the DGIG Board of Directors completes a consultation process to analyze and assess its members' skills. The target skill sets are based on the enhanced group profile for the DGIG Board of Directors and include areas related to environmental, social and governance (ESG) factors, such as sustainable development and responsible finance (E), human resources management, which includes equity, diversity and inclusion (S), and governance (G).

According to the consultation completed in the spring of 2025, 62% of board members attest to having advanced or expert-level skills or knowledge in sustainable development and responsible finance. They have an in-depth understanding of and experience with priority ESG issues, such as climate-related risk and its impacts on DGIG, incorporating ESG factors into strategies and decision-making, and the climate-related impacts and opportunities specific to the organization's business model.

In addition, DGIG board members participate in a training program designed to help them deepen their learning and further develop the knowledge they need to fulfill their duties, including with respect to ESG matters. Specific training on decarbonization goals is also given to the Investment Committee.

<sup>39</sup> Subsidiaries: Desjardins General Insurance Inc., The Personal General Insurance Inc., The Personal Insurance Company, Certas Direct Insurance Company, and Certas Home and Auto Insurance Company.



**Table 22 ESG and climate governing bodies at DGIG and its subsidiaries**

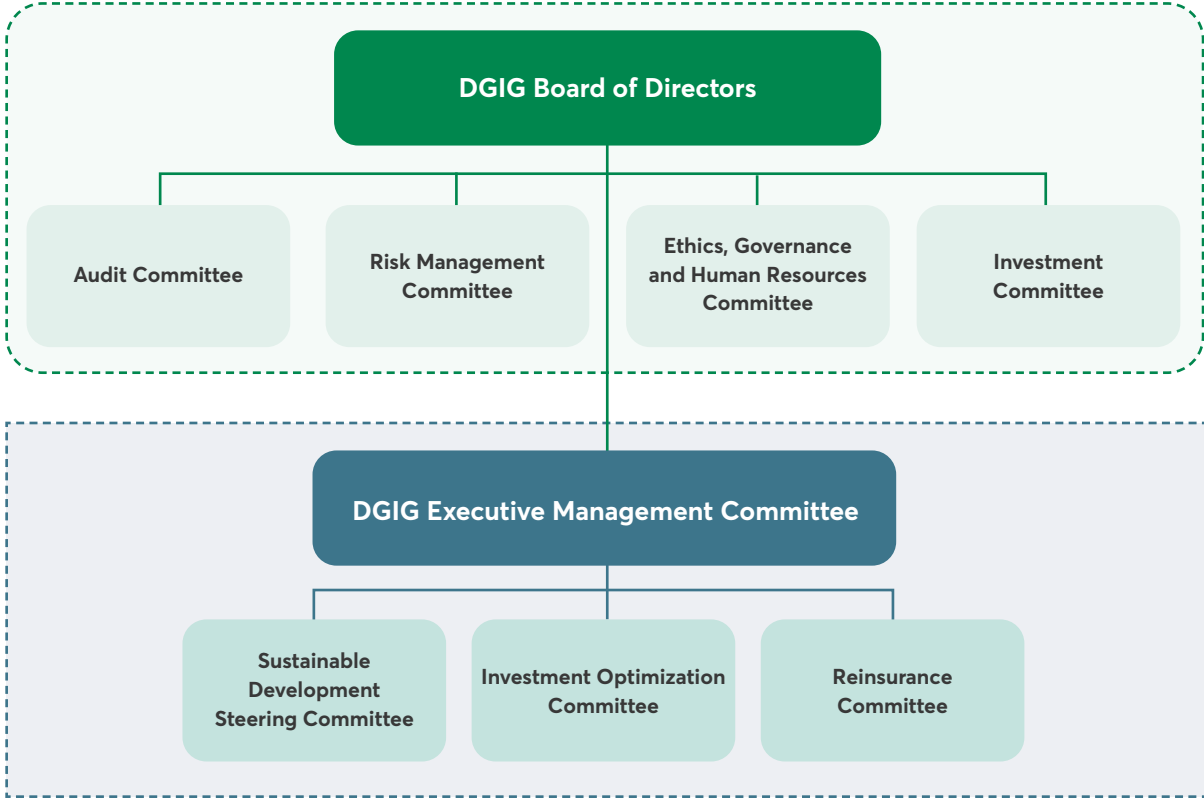
Governing body	Frequency <sup>1</sup>	ESG responsibilities	Examples of activities or topics covered
<b>Board of directors</b>	Annually	<ul style="list-style-type: none"> <li>Adopt Desjardins Group's ESG positions and ensure DGIG's activities comply with them</li> <li>Oversee the incorporation of ESG factors, including climate change, into the DGIG business model</li> </ul>	<ul style="list-style-type: none"> <li>Performance reviews, sustainable development policy, ESG positions</li> </ul>
<b>Audit Committee</b>	Annually	<ul style="list-style-type: none"> <li>Oversee internal processes and controls to ensure the integrity, accuracy and reliability of DGIG's ESG-related (including climate-related) data and indicators in the Climate Action at Desjardins report</li> </ul>	<ul style="list-style-type: none"> <li>Climate Action at Desjardins report, including the disclosure process and related controls, monitoring and training</li> </ul>
<b>Risk Management Committee</b>	Quarterly	<ul style="list-style-type: none"> <li>Oversee the integration and monitoring of ESG-related risks (including climate-related risks), in accordance with DGIG's risk appetite and integrated risk management frameworks</li> <li>Study risks associated with ESG strategies, initiatives and positions</li> <li>Monitor trends related to control measures and integration of ESG-related risks (including climate-related risks)</li> </ul>	<ul style="list-style-type: none"> <li>Risk register, risk report, risk analysis, Climate Action at Desjardins report, monitoring and training</li> </ul>
<b>Investment Committee</b>	Annually	<ul style="list-style-type: none"> <li>Receive and comment on the ESG report, which includes an update on the portfolio's evolution in relation to relevant Desjardins Group policies</li> </ul>	<ul style="list-style-type: none"> <li>Annual ESG report, DGIG voting report for the current fiscal year (internal report)</li> </ul>
<b>Ethics, Governance and Human Resources Committee</b>	Annually	<ul style="list-style-type: none"> <li>Review and make recommendations to the board on the development of programs related to onboarding, mentoring and skills development for board members, including ESG topics (as well as climate change)</li> <li>Receive any relevant sustainable development reports, including reports from the Desjardins Group Sustainable Development Office, as well as observations from the internal auditor and regulators</li> <li>Take note of equity, diversity and inclusion strategies and employee health and wellness strategies and their integration into HR management practices, in accordance with Desjardins Group's strategic directions, objectives and priorities</li> <li>Take note of the integration of ESG factors into compensation programs, including employee benefits, in accordance with Desjardins Group's strategic directions, objectives and priorities</li> <li>Receive all relevant reports from the Equity, Diversity and Inclusion Office and the Respect in the Workplace Office</li> </ul>	<ul style="list-style-type: none"> <li>ESG training, general incentive plan, which includes an ESG indicator (for more information, see the Compensation section of this report)</li> </ul>

1. Minimum frequency of updates on climate action or climate-related issues by governing bodies.

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**Figure 14** ESG and climate change governance at DGIG and its subsidiaries



## Management roles and responsibilities

**Table 23 ESG and climate committees at DGIG and its subsidiaries**

Committee	Members <sup>1</sup>	Frequency <sup>2</sup>	ESG responsibilities
<b>Executive Management Committee</b>	<ul style="list-style-type: none"> <li>EVP, Property and Casualty Insurance</li> <li>VPs in charge of business segments and support functions in the property and casualty insurance sector</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>Adopt Desjardins Group's sustainable development positions, particularly the integration of ESG factors into the Property and Casualty Insurance segment's business model and climate action</li> <li>Adopt DGIG's ESG strategies, including managing climate-related risks and opportunities, with support from the Sustainable Development Steering Committee</li> </ul>
<b>Sustainable Development Steering Committee</b>	<ul style="list-style-type: none"> <li>VP, Actuarial Services and Underwriting</li> <li>VP, Claims</li> <li>VP and Chief Risk Officer</li> <li>Director, Marketing Planning and Integration</li> <li>Certain managers and advisors from DGIG's business segments and support functions who have ESG-related responsibilities</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Ensure DGIG's business and management practices are aligned with Desjardins Group's sustainable development vision</li> <li>Oversee the activities required to achieve the established strategic objectives, such as supporting members and clients during major events, raising awareness about climate change and sharing prevention tips to ensure members and clients are well protected</li> <li>Produce the reports required to monitor indicators and action plans</li> <li>Ensure compliance with regulators' requirements for the property and casualty insurance industry</li> </ul>
<b>Investment Optimization Committee</b>	<ul style="list-style-type: none"> <li>Chief Financial Officer and VP, Finance and Corporate Actuarial Services</li> <li>VP, Corporate Actuarial Services and Appointed Actuary</li> <li>VP and Chief Risk Officer</li> <li>Certain managers and advisors from DGIG's business segments and support functions who have ESG-related responsibilities</li> </ul>	Eight times a year	<ul style="list-style-type: none"> <li>Optimize the Property and Casualty Insurance Executive Division's investment performance, taking into account related constraints and risks</li> <li>Promote the incorporation of responsible investment concepts into investment strategies and practices</li> </ul>
<b>Reinsurance Committee</b>	<ul style="list-style-type: none"> <li>VP, Corporate Actuarial Services and Appointed Actuary</li> <li>Chief Financial Officer and VP, Finance and Corporate Actuarial Services</li> <li>VP and Director, Actuarial Services and Underwriting</li> <li>VP and Chief Risk Officer</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Oversee sound management of reinsurance in the Property and Casualty Insurance sector to ensure the organization's capital is protected in the event of major climate events</li> <li>Ensure compliance with the criteria for selecting reinsurers, including ESG criteria</li> </ul>

1. EVP: executive vice-president; VP: vice-president.  
 2. Minimum frequency of updates on climate action or climate-related issues by governing bodies.

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**Table 24 Senior management ESG and climate-related roles and responsibilities at DGIG and its subsidiaries**

Position	ESG and climate change roles and responsibilities
<b>EVP, Property and Casualty Insurance</b>	<ul style="list-style-type: none"> <li>Take ESG factors and climate change-related issues into account in carrying out duties</li> <li>Define the Property and Casualty Insurance sector's vision, directions and strategic objectives and have them approved by the board of directors</li> <li>Ensure that ESG factors are incorporated into business strategies and practices</li> </ul>
<b>VP, Actuarial Services and Underwriting</b>	<ul style="list-style-type: none"> <li>Set up monitoring mechanisms for measuring progress and adjust strategies accordingly</li> <li>Oversee the implementation of ESG policies and initiatives</li> </ul>
<b>VP and Chief Risk Officer, Property and Casualty Insurance</b>	<ul style="list-style-type: none"> <li>Oversee and monitor ESG risk management and report on these risks both separately and as an integral part of other risk categories</li> <li>Develop scenarios and assess ESG risks</li> </ul>
<b>Chief Financial Officer and VP, Finance and Corporate Actuarial Services</b>	<ul style="list-style-type: none"> <li>Take responsibility for internal processes and the application of controls to ensure the integrity, accuracy and reliability of climate-related data and indicators in financial information disclosures and in this report</li> <li>Examine all climate-related information in financial information disclosures, including this report</li> </ul>
<b>VP, Corporate Actuarial Services and Appointed Actuary</b>	<ul style="list-style-type: none"> <li>Develop tools to improve understanding of climate-related risk</li> </ul>

## Setting and monitoring targets: Reporting to the board of directors and senior management

We use a variety of methods to keep the DGIG Board of Directors and senior management informed of our progress in terms of our climate targets and other ESG issues:

- **Quarterly monitoring:** We have an ESG dashboard that shows our progress toward our climate targets and ESG priorities. The dashboard is shared with senior management and the Sustainable Development Steering Committee.
- **Quarterly monitoring:** The Investment Optimization Committee and the Investment Committee are updated quarterly on our progress toward decarbonizing the investment portfolio, as well as any current and future issues that arise during this process.
- **Annual monitoring:** The Climate Action at Desjardins report is presented to the Sustainable Development Steering Committee each year. In addition, the consolidated ESG data in this report and the results of the internal controls carried out for this data is presented to the Audit Committee.

## Additional disclosure details on the governance of Desjardins Trust Inc.

### Supervision by the board of directors

An annual report is made to the Desjardins Trust Inc. Board of Directors. The report includes Desjardins Trust's operational emissions. These emissions are included in Desjardins Group's operational targets. In 2026, the mandates of Desjardins Trust's board and committees in terms of climate-related risks and opportunities will be expanded.

The members of the Desjardins Trust Board of Directors are also members of the Fédération des caisses Desjardins du Québec (FCDQ) Board of Directors, with the exception of Desjardins Trust's president and CEO. As a result, the FCDQ board completes the consultation process to analyze and assess its members' skills. According to this consultation, 50% of Desjardins Trust board members (5 out of 10 as at December 31, 2025) attest to having advanced or expert-level skills or knowledge in sustainable development and responsible finance. For more information, refer to the Governance section of this report.

### Management roles and responsibilities

Supported by its governing bodies, the Desjardins Trust Management Committee takes responsibility for climate risk management and other ESG factors that pertain to its own specific environment and mission within Desjardins Group. The management committee ensures that ESG risks, according to their degree of importance, are gradually incorporated into the integrated risk management framework and the reports it receives.

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The table below shows how our report meets the expectations for financial disclosures for 2025, as described in Annex 1 of the AMF's Climate Risk Management Guideline.<sup>40</sup> The disclosure expectations set out in b) ii) of the guideline's metrics and targets will come into effect in 2028. Some information on this disclosure element has been included in this report, although it isn't yet required by the guideline. We continue to work on complying with these requirements.

**Table 25** AMF guideline

Section	Financial disclosure expectations			Year of implementation	Pages	
Governance	a)	<ul style="list-style-type: none"> <li>The financial institution should describe the governance body(ies) (e.g., board of directors, board committees, other) or individual(s) responsible for oversight of climate-related opportunities and risks, including their identity, responsibilities, skills and competencies, process around staying informed including the frequency of meetings, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of how climate-related considerations are factored into their remuneration.</li> </ul>			2024	8
	b)	<ul style="list-style-type: none"> <li>The financial institution should describe management's role in monitoring, managing and overseeing climate-related opportunities and risks, including the identity of the management-level position or committee as applicable, its governance processes, controls and procedures, and how oversight should be exercised over that position or committee.</li> </ul>			2024	11
Strategy	a)	<ul style="list-style-type: none"> <li>The financial institution should describe the climate-related opportunities and risks it has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital, including:                             <ul style="list-style-type: none"> <li>– the classification of each climate-related risk as either "physical risk" or "transition risk";</li> <li>– the expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term);</li> <li>– the financial institution's definitions of "short term," "medium term," and "long term" in relation to strategic decision-making planning horizons.</li> </ul> </li> </ul>			2024	15, 22, 23, 36 Key Parts of Our Transition Plan (Table 26)
	b) i	Business model and value chain <ul style="list-style-type: none"> <li>The financial institution should describe:                             <ul style="list-style-type: none"> <li>– the current and anticipated effects of climate-related opportunities and risks on its business model and value chain;</li> <li>– where in its business model and value chain the climate-related opportunities and risks are concentrated.</li> </ul> </li> </ul>	Strategy and decision-making <ul style="list-style-type: none"> <li>The financial institution should disclose information about current and anticipated:                             <ul style="list-style-type: none"> <li>– changes to its business model, including its resource allocation, to address climate-related opportunities and risk;</li> <li>– direct mitigation and adaptation efforts;</li> <li>– indirect mitigation and adaptation efforts.</li> </ul> </li> </ul>	Financial position, financial performance, and cash flows <ul style="list-style-type: none"> <li>The financial institution should describe:                             <ul style="list-style-type: none"> <li>– how climate-related opportunities and risks have affected its financial position, financial performance, and cash flows for the reporting period;</li> <li>– how it expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related opportunities and risks.</li> </ul> </li> </ul>	2024	18 to 21, 32 to 35, 43, 44 and 47

⋮ Table continued on the next page

<sup>40</sup> Some of our subsidiaries are subject to OSFI's Guideline B-15 – Climate Risk Management. OSFI's expectations for climate-related financial disclosures are aligned with the AMF's Climate Risk Management Guideline, which applies to us at Desjardins Group. For the sake of brevity, we have not included OSFI's expectations.

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**Table 25** AMF guideline (cont.)

Section		Financial disclosure expectations	Year of implementation	Pages
Strategy (cont.)	b) ii	<ul style="list-style-type: none"> <li>The financial institution should describe its climate transition plan.</li> </ul>	To be determined	Key Parts of Our Transition Plan (Table 26)
	c)	<ul style="list-style-type: none"> <li>The financial institution should describe the resilience of its strategy, taking into consideration different climate-related scenarios, including a scenario which limits warming to the level aligned with the latest international agreement on climate change, or lower.</li> </ul>	To be determined	40
Risk Management	a)	<ul style="list-style-type: none"> <li>The financial institution should disclose information about its processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks. In meeting this disclosure expectation, the financial institution should explain how it has applied the expectation in the text box of section 2.</li> </ul>	2024	39 and 40
	b)	<ul style="list-style-type: none"> <li>The financial institution should disclose information about its processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how it uses climate-related scenario analysis to inform its identification of climate-related opportunities.</li> </ul>	2024	18
	c)	<ul style="list-style-type: none"> <li>The financial institution should disclose information about the extent to which, and how its processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities and risks are integrated into and inform the financial institution's overall risk management process.</li> </ul>	2024	18 and 32 to 35
Metrics and targets	a)	<ul style="list-style-type: none"> <li>The financial institution should disclose the metrics it uses to assess climate-related risks and opportunities in line with its strategy and risk management process.</li> </ul>	2024	49 to 61
	b) i	<ul style="list-style-type: none"> <li>The financial institution should disclose its Scope 1 and location-based Scope 2 absolute gross GHG emissions separately for the period.</li> <li>The financial institution should disclose the measurement approach, inputs, and assumptions it uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions.</li> <li>The financial institution should disclose the reporting standard it uses to calculate and disclose GHG emissions. If the reporting standard used by the financial institution is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the institution is comparable.</li> </ul>	2024	59
	b) ii	<ul style="list-style-type: none"> <li>The financial institution should disclose its Scope 3 absolute gross GHG emissions for the period.</li> <li>The financial institution should disclose the measurement approach, inputs, and assumptions it uses to measure its Scope 3 GHG emissions, and the underlying reasons for these decisions.</li> <li>The financial institution should disclose the reporting standard it uses to calculate and disclose GHG emissions.</li> <li>The financial institution should disclose additional and specific information about its Category 15 (investments) emissions. The financial institution should disclose the following, as applicable:                             <ul style="list-style-type: none"> <li>The financial institution's absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 GHG emissions by asset class and for any corporate investments or loans (i.e., the following asset classes under PCAF A: listed equity, corporate bonds, business loans, and unlisted equity), by sector;</li> <li>The financial institution's gross exposure to each asset class as the carrying amounts (before subtracting the loss allowance, when applicable), expressed in Canadian dollars;</li> <li>The percentage of the financial institution's gross exposure included in the financed emission calculation; if the percentage is less than 100%, the financial institution should explain the exclusions (i.e., due to lack of methodology or lack of data), including types of assets and the associated amount of AUM;</li> <li>The methodology used to calculate the financed emissions from AUM, including the method of allocation the institution uses to attribute its share of emissions in relation to the size of the AUM balance.</li> </ul> </li> </ul>	2028	61 to 64

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**Table 25** AMF guideline (cont.)

Section	Financial disclosure expectations	Year of implementation	Pages
Metrics and targets (cont.)	<p><b>b) iii</b></p> <ul style="list-style-type: none"> <li>In-scope financial institutions that participate in asset management activities should disclose:               <ul style="list-style-type: none"> <li>The financial institution's absolute gross financed emissions pertaining to Assets Under Management (AUM), disaggregated by Scope 1, Scope 2, and Scope 3 GHG emissions;</li> <li>For each of the disaggregated items in (1), above, the total amount of AUM that is included in the financed emissions disclosure, expressed in Canadian dollars;</li> <li>The percentage of the financial institution's total AUM included in the financed emission calculation; if the percentage is less than 100%, the financial institution should explain the exclusions (i.e., due to lack of methodology or lack of data), including types of assets and the associated amount of AUM;</li> <li>The methodology used to calculate the financed emissions from AUM, including the method of allocation the institution uses to attribute its share of emissions in relation to the size of the AUM balance.</li> </ul> </li> </ul>	2029	N/A
	<p><b>c)</b></p> <ul style="list-style-type: none"> <li>The financial institution should disclose any quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals.</li> <li>The financial institution should disclose information about its approach to setting and reviewing each target and how it monitors progress against each target.</li> <li>The financial institution should disclose information about its performance against each climate-related target and an analysis of trends or changes in the institution's performance.</li> <li>For any GHG emissions target disclosed (and the corresponding metrics, if applicable), the financial institution should disclose it both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (e.g., carbon credit, nature-based, other.)</li> </ul>	2024	49 to 58
	<p><b>d)</b></p> <ul style="list-style-type: none"> <li>The financial institution should disclose the following cross-industry metrics:               <ul style="list-style-type: none"> <li>Climate-related transition risks: the amount and percentage of assets or business activities vulnerable to climate-related transition risks;</li> <li>Climate-related physical risks: the amount and percentage of assets or business activities vulnerable to climate-related physical risks;</li> <li>Climate-related opportunities: the amount and percentage of assets or business activities aligned with climate-related opportunities;</li> <li>Capital deployment: the amount of capital expenditure, financing or investment deployed towards climate-related opportunities or risks;</li> <li>Internal carbon price;</li> <li>Remuneration: the percentage of senior management and other material risk-takers' remuneration recognized in the current period that is linked to climate-related considerations. (Mandatory for Group A financial institutions only)</li> </ul> </li> </ul>	2025	1. 44 2. 44 3. 23 to 26 4. 27 5. 66 6. 13
	<p><b>e)</b></p> <ul style="list-style-type: none"> <li>The financial institution should disclose industry-based metrics. In determining the industry-based metrics that it discloses, the financial institution should consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing Climate-related Disclosures (Financials Sector, as applicable to the financial institution's business model/ activities).</li> </ul>	2028	N/A

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# Key parts of our transition plan

In November 2022, the Glasgow Financial Alliance for Net Zero (GFANZ) published detailed guidance on climate transition plans to help financial institutions operationalize their commitments. GFANZ also supports capacity-building in financial institutions in emerging economies and supports industry transitions through collaboration and national platforms.

We used these guidelines to prepare this report.

**Table 26** Key parts of our transition plan

Section	Key aspects		Reference		Pages
Foundations	1.	Objectives and priorities	1.	Our Climate Ambition	14
	2.	Products and services	2.	Operational Initiatives Other Opportunities Linked to Sustainability and Climate Change	16 to 23
Implementation Strategy	3.	Activities and decision-making	3a.	Climate Scenario Analysis	40 to 42
			3b.	Other Environmental Topics	29 to 31
			3c.	Risk Management	32 to 48
	4.	Policies and conditions	4.	Our Pillars	15 to 22
Engagement Strategy	5.	Clients and portfolio companies	5.	Vulnerability to Climate-Related Risks	44 to 46
	6.	Industry	6.		
	7.	Government and public sector	7a.	Listening to Our Stakeholders – <a href="#">2025 Social and Cooperative Responsibility Report</a>	20 to 21
			7b.	Relations with Government and Regulatory Authorities – <a href="#">2025 Social and Cooperative Responsibility Report</a>	27 to 28
Metrics and Targets	8.	Metrics and targets	8.	Metrics and Targets	49 to 66
Governance	9.	Roles, responsibilities and remuneration	9.	Governance	8 to 13
	10.	Skills and culture	10.	Engaging Internal and External Actors	27 to 29

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## Operational emissions<sup>42,43</sup>

### Methodology and assumptions

#### Scope 1

##### Fossil fuel consumption of buildings under our operational control

For sites where the volume of fossil fuel consumption is known, the information was taken from our energy data collection systems, which are based on invoices and reports from our energy suppliers. It includes the volume of diesel and natural gas consumed by buildings at each site.

For some of the sites, the energy consumption (GJ/m<sup>2</sup>) and breakdown of energy sources were estimated using provincial data. For buildings with a large floor area, 2014 data was used as it's better quality data. We've used the results of energy audits, when available, at a few sites in this category to improve our estimate. Desjardins also conducts surveys for each building to collect relevant information to improve this estimate.

Emissions were calculated by multiplying fossil fuel volumes by corresponding emission factors.<sup>44</sup>

In 2025, changes were made to the methodology to improve data quality. These changes led to a review of 2024 GHG emissions, which resulted in an increase of 100 tCO<sub>2</sub>e.

##### Refrigerant leaks (ODS)

The volume of accidental releases of ozone-depleting substances (ODS) was determined by adding up the release volumes provided by property managers. Emissions were calculated by applying the Global Warming Potential (GWP) of each substance.<sup>45</sup>

##### Fuel consumption of our vehicle fleet and the Desjardins shuttle

For vehicles owned by our entities, fuel consumption (in litres of diesel and gasoline or in electricity for hybrid and electric vehicles) was calculated based on mileage data and the fuel consumption rating for each vehicle.

The Desjardins shuttle has two 35-passenger buses that transport employees between Lévis and Montreal. We know how much diesel the shuttle uses for each trip. We calculated annual consumption based on the number of trips made.

The vehicle fleet and shuttle emissions for 2025 were calculated by multiplying the fossil fuel volumes by the relevant emission factors.<sup>46</sup>

<sup>41</sup> For the calculation of emissions, the 1990–2024 inventory report, which was published by Environment and Climate Change Canada in mid-April 2026, was not taken into account, given the publication schedule of this report.

<sup>42</sup> Scope 1 and location-based Scope 2 GHG emissions were reviewed to reflect more accurate or additional information. Based on this review, the emissions reported in 2024 were adjusted by 100 and 16 tCO<sub>2</sub>e, respectively. These adjustments were not part of the PwC limited assurance engagement.

<sup>43</sup> For the period of January 1, 2025, to December 31, 2025, for paper consumption, business travel and refrigerant leak (ODS) data, and October 1, 2024, to September 30, 2025, for building energy data.

<sup>44</sup> Environment and Climate Change Canada, National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Part 2), 2025 (comparative data was not restated and is based on the 2024 version); US Energy Information Administration, Commercial Sector Energy Consumption Estimates, 2025; Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, 2021.

<sup>45</sup> IPCC Sixth Assessment Report, 2021.

<sup>46</sup> IPCC Sixth Assessment Report, 2021; Environment and Climate Change Canada, National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Part 3), 2025 (comparative data was not restated and is based on the 2024 version).

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## Scope 2, location-based emissions

### Electricity consumption of buildings under our operational control

Electricity consumption data (in Canadian dollars or in kWh) was obtained as follows:

- For sites where electricity consumption is known, data was taken from our electricity data collection systems, which are based on invoices and reports from our electricity suppliers.
- For sites where Desjardins Group does not have actual data, electricity consumption was estimated based on observed consumption ratios (kWh/m<sup>2</sup>), established using comparable data and adjusted for site location.
- For some of the sites, the energy consumption (GJ/m<sup>2</sup>) and breakdown of energy sources were estimated using provincial data. For buildings with a large floor area, 2014 data was used as it's better quality data. We've used the results of energy audits, when available, at a few sites in this category to improve our estimate. Desjardins also conducts surveys for each building to collect relevant information to improve this estimate.

Emissions were calculated by multiplying electricity consumption by corresponding emission factors.<sup>47</sup>

In 2025, changes were made to the methodology to improve data quality. These changes led to a review of 2024 GHG emissions, which resulted in a reduction of 16 tCO<sub>2</sub>e.

### Electricity consumption of our vehicle fleet

For vehicles owned by our entities, fuel consumption (in electricity for electric vehicles) was calculated based on mileage data and the fuel consumption rating for each vehicle.

The vehicle fleet emissions were calculated by multiplying electricity volumes by the relevant emission factors.<sup>48</sup>

## Scope 3

### Paper consumption

The majority of the paper we use comes directly from our suppliers. We extrapolated data for caisses that don't use our main supplier of office supplies. We based our extrapolation on the average paper consumption of caisses that use our main supplier. GHG emissions from paper consumption were calculated based on the volume and recycled content of the different types of paper using the Environmental Paper Network's Paper Calculator.

### Fossil fuel consumption from business travel

We calculated fuel consumption (in litres) for rental vehicles by compiling the total amount spent on fuel (in Canadian dollars). These amounts were then converted to volume using the average cost (\$/L) of gas by geography.<sup>49</sup>

The total distance travelled by personal vehicles was calculated by converting reimbursement costs (\$), based on the distance in kilometres. This distance was then converted into gasoline consumption (litres) based on an average vehicle's consumption. For hybrid vehicles, the average consumption (L/100 km) was adjusted based on the average consumption of the best-selling models of the year.<sup>50</sup> For electric vehicles, a factor (kWh/km) was assigned, then multiplied by an emission factor linked to the province's energy.<sup>51</sup>

We then calculated emissions using the same methodology as for fossil fuels for buildings (described under Scope 1 above).

Air travel data, represented in kilometres, was obtained from our travel agency and includes flight segments and distance travelled. Flight distance was then converted to tonnes of CO<sub>2</sub>e using corresponding emission factors.<sup>52</sup>

Rail travel data was taken from VIA Rail reports. CO<sub>2</sub>e emissions were calculated by multiplying kilometres travelled by corresponding emission factors.<sup>53</sup>

<sup>47</sup> Environment and Climate Change Canada, National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Part 3), 2025 (comparative data was not restated and is based on the 2024 version); US Energy Information Administration, Commercial Sector Energy Consumption Estimates, 2023; French Agency for Ecological Transition (France), Bilans GES, 2024 (in French only).

<sup>48</sup> IPCC Sixth Assessment Report, 2021; Environment and Climate Change Canada, National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Part 3), 2025 (comparative data was not restated and is based on the 2024 version).

<sup>49</sup> Statistics Canada, Monthly average retail prices for gasoline and fuel oil, by geography, 2025.

<sup>50</sup> Association des véhicules électriques du Québec, Électrification des transports, 2025 (in French only); PCAF European building emission factor database.

<sup>51</sup> Environment and Climate Change Canada, National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Parts 2 and 3), 2025 (comparative data was not restated and is based on the 2024 version).

<sup>52</sup> Department for Energy Security and Net Zero (UK), Government Greenhouse Gas Conversion Factors for Company Reporting (Table 37), 2025.

<sup>53</sup> VIA Rail Canada, Data Tables, 2023.

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# Financed and insurance-associated emissions<sup>54</sup>

## Methodology and assumptions

### Mortgages

#### Background and scope

The calculation of financed emissions for the mortgage portfolio includes on-balance sheet loans for specific consumer purposes—namely the purchase and refinance of residential property, including individual homes and multi-family housing with a small number of units. These emissions were calculated using the following formula:

$$\text{Financed emissions} = \sum_{b,e} \frac{\text{Outstanding amount}}{\text{Property value at origination}_b} \times \text{Energy consumption}_{b,e} \times \text{Emission factor}_e$$

where *b* = building and *e* = energy source

Mortgages held by individuals for buildings with five or more units are often reported separately, as these loans are generally considered commercial. However, we decided that we would include all loans for residential properties held by an individual, regardless of the number of units, in this asset class.

We have not included home equity lines of credit as they are not required under this methodology given that these products are generally consumer loans for general consumer purposes.

#### Calculation methodology and assumptions

To calculate our emission factors for this asset class, we used the energy consumption data by energy source from Natural Resources Canada to reproduce the Partnership for Carbon Accounting Financials (PCAF) methodology with the most current data.<sup>55</sup> Where the building area was available, we used the factors by square metre. Where the building area wasn't available, we used the factors for housing units.<sup>55</sup>

To calculate GHG emissions for electricity consumption, we used the most recent production intensity data in grams of CO<sub>2</sub> equivalent / kilowatt-hour (g CO<sub>2</sub>e/kWh) from Canada's official greenhouse gas inventory.<sup>56</sup>

### Motor vehicle loans

#### Background and scope

This indicator quantifies the GHG emissions of motor vehicle loans to determine the portion that can be attributed to us. We made our calculations according to the PCAF methodology:

$$\text{Financed emissions} = \sum_v \frac{\text{Outstanding amount}}{\text{Total vehicle value at origination}_v} \times \text{Vehicle emissions}_v$$

where *v* = vehicle or vehicle fleet

We calculated financed emissions for passenger vehicles and motorcycles only. We didn't calculate financed emissions for other motor vehicles such as motorized boats, recreational vehicles, aircraft and off-road vehicles because of the lack of a recognized methodology and specific data for these vehicles.

#### Calculation methodology and assumptions

To calculate emissions from our motor vehicle loans, we used the average annual distance travelled per vehicle by province,<sup>57</sup> CO<sub>2</sub> emissions intensity and electricity consumption (kWh) per 100 kilometres by vehicle type,<sup>58</sup> and emission factors per kWh of electricity by province.<sup>59</sup>

For calculating financed emissions from motorcycles, we used Scope 1 emissions per province provided by PCAF multiplied by the attribution factor.

<sup>54</sup> For the period of January 1, 2025, to December 31, 2025, with the exception of commercial real estate (investments) data, which was calculated for the period of October 1, 2024, to September 30, 2025.

<sup>55</sup> Natural Resources Canada, Comprehensive Energy Use Database, 2022.

<sup>56</sup> Environment and Climate Change Canada, National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Part 3), 2025.

<sup>57</sup> Natural Resources Canada, Comprehensive Energy Use Database, Table 32: Car Explanatory Variables, 2022.

<sup>58</sup> Natural Resources Canada, Fuel consumption ratings, 2025.

<sup>59</sup> For Quebec: Hydro-Québec, GHG Emission Rate Associated with Residual Electricity Supplies, 1990–2024. For other provinces and territories: Environment and Climate Change Canada, National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Part 3), 2025.

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## Commercial real estate (lending)

### Background and scope

The calculation of financed emissions for commercial real estate lending includes on-balance sheet loans for specific corporate purposes, namely the purchase and refinance of commercial real estate. This definition implies that the property is used for commercial purposes, such as retail, hotels, office space, industrial, or single or multi-family rentals. In all cases, the owner of the building uses the property to conduct income-generating activities. Lending for construction and renovation is not included in the calculation.

Emissions were calculated using the following formula:

$$\text{Financed emissions} = \sum_b \frac{\text{Outstanding amount}}{\text{Property value at origination}_b} \times \text{Building emissions}_b$$

where *b* = building

In 2025, we included the Fédération des caisses Desjardins du Québec’s commercial real estate loans in the commercial real estate scope for the first time. A loan qualifies if real estate makes up at least 80% of the total collateral value of the loan at origination. This revision resulted in transferring \$7.2B from the non-commercial real estate scope (calculated using PCAF’s methodology for business loans) to commercial real estate. This methodological adjustment was applied to historical data, resulting in an increase in GHG emissions of 19.5, 55.1 and 75.2 ktCO<sub>2</sub>e for 2020, 2023 and 2024, respectively.

### Calculation methodology and assumptions

All emissions for this asset class are currently estimated.

For residential properties, we used the energy consumption data by energy source from Natural Resources Canada<sup>60</sup> to reproduce the PCAF methodology with the most current data. We applied factors based on the number of housing units. To calculate GHG emissions for electricity consumption, we used the most recent consumption intensity data in g CO<sub>2</sub>e/kWh from Canada’s official greenhouse gas inventory.<sup>61</sup>

For properties in the commercial and institutional category, we based our estimate on the factors per m<sup>2</sup> in the PCAF database (2017 NRCan version). The floor area of financed properties was also estimated based on the value at origination and the loan guarantee’s province.

## Business loans and project finance (transportation and energy)

### Background and scope

The calculation of financed emissions for business loans includes on-balance sheet loans to businesses, non-profits, and any other structure of organization that are not traded on a market and are for general corporate purposes. The calculation of financed emissions from project finance includes all on-balance sheet loans or equities to projects or activities that are designated for specific purposes, i.e., with known use of proceeds as defined by the GHG Protocol.

For now, the disclosure includes the transportation and energy sectors only. We used the client’s North American Industry Classification System (NAICS) code to determine sector segmentation. Both these sectors, along with the real estate sector (see Commercial Real Estate (Lending)), are prioritized in our disclosure because they’re part of our 2040 climate ambition.

Emissions were calculated using the following formula:

For business loans:

$$\text{Financed emissions} = \sum_c \frac{\text{Outstanding amount}}{\text{Total equity + debt}_c} \times \text{Company emissions}_c$$

where *c* = borrower or investee company

or

$$\text{Financed emissions} = \sum_c \frac{\text{Outstanding amount}}{\text{Enterprise Value Including Cash (EVIC)}_c} \times \text{Company emissions}_c$$

where *c* = borrower or investee company

For project finance:

$$\text{Financed emissions} = \sum_p \frac{\text{Outstanding amount}}{\text{Total project equity + debt}_p} \times \text{Project emissions}_p$$

where *p* = project

<sup>60</sup> Natural Resources Canada, Comprehensive Energy Use Database, 2022.

<sup>61</sup> Environment and Climate Change Canada, National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Part 3), 2025.

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Calculation methodology and assumptions

To determine the emissions from our business loans and project finance, we focused on compiling GHG emissions from client disclosures and using data from the MSCI platform and answers in CDP reports, and searching online for available GHG reports. However, given how few reports are available for most lending, we had to estimate. For our estimates, we used the factors in the PCAF database (EXIOBASE 2015 version) per dollar (\$) of revenue and per dollar (\$) of business assets. We've calculated and disclosed only Scope 1 and 2 emissions from business loans and project finance.

**Commercial real estate (investments)**

Background and scope

The calculation of financed emissions for commercial real estate includes on-balance sheet investments. These emissions were calculated using the following formula:

$$\text{Financed emissions} = \sum_{b,e} \text{Attribution factor}_b \times \text{Energy consumption}_{b,e} \times \text{Emission factor}_e$$

where *b* = building and *e* = energy source

The scope of the calculation includes Desjardins Financial Security's and Desjardins General Insurance Group's direct real estate investments. Buildings occupied by our employees were not included in the scope, as the emissions for these buildings are included in our operational emissions (Scope 1 and 2). Also excluded from the scope were indirect investments, land, buildings under construction and new buildings with less than one year of operational data.

For this asset class, the attribution factor is the percentage of the building owned by Desjardins on December 31, 2025. As a result, it didn't need to be calculated.

Calculation methodology and assumptions

For sites where we knew the actual energy consumption, data was taken from our energy data collection system. In exceptional cases (such as due to a system failure), we entered the actual energy consumption data manually from supplier invoices. Note that the data available is for the period from October 1, 2024, to September 30, 2025. For investment property in Ontario, we use data from the Energy and Water Reporting and Benchmarking (EWRB) database when available, as it's better quality data. Note that the EWRB data is available for the period from January 1 to December 31, 2024, for 2025.

For sites where we didn't know the actual cost or energy consumption, a supplier estimated the consumption in 2023 using the RETScreen<sup>62</sup> model following a decarbonization audit. This model takes into account location-specific data collected during the data collection process, including fuel types for each end-use, the efficiency of installed equipment, as well as temperature set points and operating schedules.

For locations that weren't included in an audit during the 2023 decarbonization project and for which there was no energy data, we estimated their energy consumption using the ENERGY STAR Portfolio Manager.<sup>63</sup> These estimates take into account the type of building and main use by surface area. The mix of fuels was estimated from a combination of information we provided and averages from other similar buildings within the portfolio.

Emissions were calculated by multiplying fossil fuel volumes by corresponding emission factors.<sup>64</sup>

Commercial real estate investments are presented at fair market value (FMV) for financed emissions (Scope 3, Category 15); however, the Desjardins Group consolidated financial statements use the amortized cost method. This difference in methods can lead to discrepancies between the two presentations.

In 2025, a review of methodology was conducted on the application of the PCAF standard related to asset disposition. This review identified adjustments required to financed emissions data for Scope 3, Category 15: Commercial real estate (investments). As a result, the previously published comparative data has been restated, resulting in downward revisions of 14% for 2024 and 13% for 2023. These adjustments were not part of the PwC limited assurance engagement.

<sup>62</sup> Natural Resources Canada, RETScreen, 2023.

<sup>63</sup> ENERGY STAR, Portfolio Manager, 2023.

<sup>64</sup> Environment and Climate Change Canada. National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Part 2), 2025.

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## Listed equity and corporate bonds (insurers' investments and treasury)

### Background and scope

The calculation of financed emissions for listed equity and corporate bonds includes the portfolio positions held by our insurers, Desjardins Financial Security and Desjardins General Insurance Group (collectively, our insurance companies), and the positions held by our treasury. These emissions were calculated using the following formula:

$$\text{Financed emissions} = \sum_c \frac{\text{Outstanding amount}}{\text{Enterprise Value Including Cash (EVIC)}_c} \times \text{Company emissions}_c$$

where *c* = borrower or investee company

The calculation includes 100% of in-scope positions under the PCAF methodology for listed equity and corporate bonds. The calculation scope includes companies' Scope 1 and 2 emissions for common and preferred stock, corporate bonds, exchange-traded funds and certain money market securities, namely, commercial paper and structured notes. Excluded from the scope are sovereign bonds and parapublic entities, private investments, infrastructure, securities held for short-term trading, derivative financial products and mutual funds.

### Calculation methodology and assumptions

Under the attribution principle in the PCAF standard, our investments are responsible for a portion of companies' emissions (financed emissions). For the treasury's positions, the share of responsibility is determined by the attribution factor (%), which is the ratio of our share in the business (balance sheet value) to the EVIC. For the insurers' positions, the share of responsibility is determined by intensity, which is the ratio of the company's Scope 1 and 2 emissions to the EVIC (tCO<sub>2</sub>e/\$M). Note that using the attribution factor or intensity has no impact on the result for financed emissions.

The value of listed equity is defined based on its market value, and the value of corporate bonds is defined based on the book value of the debt. The company value is defined as the EVIC at market close on the last business day of the quarter and by the most up-to-date financial data from issuers' financial disclosures. Depending on the availability of data, the order of priority for the EVIC used is daily EVIC, then quarterly EVIC and then fiscal-year EVIC.

We got the data we needed to calculate the carbon footprint according to PCAF from the MSCI platform, which collects emitters' greenhouse gas emissions data, where available. We obtained the balance sheet value by adding up the market value (for listed equity) and the book value of the debt (for corporate bonds) of each position. We got the EVIC from Datastream and Worldscope databases or from MSCI, or used companies' financial disclosures. For treasury positions, the attribution factor for each company (%) is multiplied by its Scope 1 and 2 emissions to determine the financed emissions that are attributed to us (ktCO<sub>2</sub>e). For insurers' positions, the intensity of each company (tCO<sub>2</sub>e/\$M) is multiplied by the asset value (in \$) and divided by one million to determine the financed emissions that are attributed to us (tCO<sub>2</sub>e). All the financed emissions are then added up to get the total financed emissions.

## Insurance-associated emissions – Personal motor lines

### Background and scope

This indicator quantifies the GHG emissions of motor vehicle insurance premiums to determine the portion that can be attributed to us. We made our calculations according to the PCAF methodology:

$$\text{Insurance-associated emissions} = \sum_c \text{Attribution factor} \times \text{Emissions of insured vehicles}_c$$

where *c* = vehicle

Our calculations covered 96% of insurance premiums for this sector. They covered passenger vehicles and motorcycles but excluded other motor vehicles (such as snowmobiles and off-road vehicles) because of the lack of a recognized methodology and specific data for these vehicles, and excluded personal motor lines for The Insurance Company of Prince Edward Island. As with motor vehicle loans, this portfolio currently consists mainly of motor vehicles with internal combustion engines. As a result, the portfolio has a high GHG emissions intensity, which should decrease as Canada's vehicle fleet decarbonizes.

We calculated insurance-associated emissions for personal vehicles only. We didn't calculate insurance-associated emissions for commercial vehicles.

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***Calculation methodology and assumptions***

We used the PCAF methodology in The Global GHG Accounting and Reporting Standard Part C: Insurance-Associated Emissions, which specifically covers the calculation of GHG emissions associated with insurance and reinsurance.

To calculate emissions from the vehicles we insure, we used the annual distance travelled as reported by the client, CO<sub>2</sub> emissions intensity and electricity use (kWh) per 100 kilometres by vehicle type,<sup>65</sup> as well as emission factors per kWh of electricity by province.<sup>66</sup>

For calculating insurance-associated emissions from motorcycles, we used Scope 1 emissions per province (provided by PCAF) multiplied by the attribution factor. For this asset class, the attribution factor is the total costs associated with vehicle insurance in Canada. The factor, 12.6%, is provided by PCAF.<sup>67</sup> As a result, it didn't need to be calculated.

<sup>65</sup> Natural Resources Canada, Fuel consumption ratings, 2025.

<sup>66</sup> For Quebec: Hydro-Québec, GHG Emission Rate Associated with Residual Electricity Supplies, 1990–2024. For other provinces and territories: Environment and Climate Change Canada, National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada (Part 3), 2025.

<sup>67</sup> Partnership for Carbon Accounting Financials, Personal motor industry attribution factor approach, 2023.



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Our public communications sometimes include written or spoken forward-looking statements, as defined by applicable securities legislation, particularly in Quebec, Canada and the United States. This document contains forward-looking statements that may also be incorporated in other filings with Canadian regulators or in any other communications. Desjardins Group representatives may also make spoken forward-looking statements to investors, the media or others.

All forward-looking statements in this document are made in accordance with applicable securities legislation in Canada and the United States and are subject to our caution concerning forward-looking statements as set out in the Caution Concerning Forward-Looking Statements section of the 2025 Desjardins Group MD&A.

Forward-looking statements in this document represent the point of view of management on the publication date only and may include, but are not limited to, statements with respect to our objectives, priorities, strategies, sustainability commitments and targets or actions that will be taken to achieve them, the regulatory environment in which we operate, the causes and potential impacts of climate change globally, our approach to identifying and managing climate-related risks and opportunities, and certain risks we face.

These forward-looking statements are typically identified by words or phrases such as "target," "objective," "timing," "outlook," "believe," "predict," "foresee," "expect," "intend," "have as a goal," "estimate," "plan," "forecast," "anticipate," "aim," "propose," "should" and "may," words and expressions of similar meaning in all their grammatical forms, and future and conditional verbs.

Such forward-looking statements are made to assist readers in understanding our vision, strategy and objectives related to sustainability and environmental, social and governance issues, and may not be suitable for other purposes. By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. We caution readers against placing undue reliance on forward-looking statements, including the statements in this document, since a number of factors, many of which are beyond our control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the assumptions, predictions, forecasts or other forward-looking statements.

Our ability to achieve our sustainability and environmental, social and governance objectives, priorities, and targets (including with respect to reducing our greenhouse gas emissions and reaching our goal of net-zero emissions<sup>68</sup> by 2040) is based on a number of assumptions and is subject to a number of factors. Many of these factors are beyond our control, can be difficult to predict, may cause results to differ substantially from the expected results in forward-looking statements and may require us to adapt our initiatives and activities, and adjust our targets as we make improvements to the quality and completeness of our data and methods. These factors include, among others, the speed and scale of the transition to a low-carbon economy and our ability to satisfy stakeholder expectations on environmental and social issues; the need for active

and continued participation of stakeholders (including our employees, our members and clients, our suppliers, governments, the communities in which we are present, etc.); the availability of comprehensive and high-quality greenhouse gas emission and other third party data; our ability to develop indicators to effectively monitor our progress; the development and release of new technologies and sustainable products; our ability to identify climate-related opportunities as well as assess and manage climate-related risks; the general economic environment, geopolitical uncertainty arising from trade tensions with the United States; changes made to regulations that affect our business; the development of environmental, social and governance regulatory requirements; geopolitical and sociopolitical uncertainty; our ability to achieve our long-term strategies and key short-term priorities; our ability to recruit and retain key personnel in a competitive labour market; and possible impacts of major events affecting the local and global economies, including international conflicts, natural disasters, and public health crises, and measures responding to these events.

Note that the above list of factors that could affect future results is not exhaustive. Other factors could impact our ability to reach our objectives. Additional information on these and other factors is available in section 4.0 Risk Management of our 2025 annual MD&A and may be updated in subsequent quarterly MD&As.

In general, the quality of the data relied upon in climate-related planning and reporting is often not yet of the same standard as more traditional reporting. In addition, the assumptions, data, metrics, measurements, methodologies, scenarios and other standards used to develop our assumptions and estimates and to track our progress, believed to be reasonable at the time of preparing this report, may later turn out to be inaccurate. Many of these assumptions, data, metrics, measurements, methodologies, scenarios and other standards, as well as the definitions we use to define certain concepts, continue to evolve and may differ significantly from those used by others, those we may use in the future or those that government authorities or regulators may later mandate. Such evolutions and changes could affect the assumptions and estimates we use and could affect the comparability of the information and data across industries or companies and from one reporting period to another, as well as our ability to achieve our objectives, priorities, strategies, sustainability commitments and targets.

Nothing in this document shall constitute, or form part of, an offer to sell or solicitation of an offer to buy or subscribe for any security or other instrument of Desjardins Group, the Fédération des caisses Desjardins du Québec or any of their affiliates, or as an invitation, recommendation or inducement to enter into any investment activity. No part of this document shall form the basis of or be relied upon in connection with any contract, commitment, or investment decision whatsoever.

We do not undertake to update any spoken or written forward-looking statements that could be made from time to time by us or on our behalf, except as required under applicable legislation.

<sup>68</sup> For more information about this target, refer to the Our Climate Ambition section of this report.

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**Limited assurance report**

# Independent practitioner's limited assurance report on Desjardins Group's selected key performance metrics presented in the 2025 Climate Action at Desjardins Report

To the Board of Directors of Desjardins Group

We have undertaken a limited assurance engagement of the selected key performance metrics that are part of the greenhouse gas statement of Desjardins Group (Desjardins) included in the 2025 Climate Action Report (subject matter) as at December 31, 2025 and for the year then ended.

## Subject matter

Selected key performance metrics		2025 value	Applicable criteria
Direct greenhouse gas (GHG) emissions (Scope 1, tCO <sub>2</sub> e)		4,845	The principles and requirements presented in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition).
Indirect location-based GHG emissions (Scope 2, tCO <sub>2</sub> e)		1,515	
Indirect GHG emissions (Scope 3, tCO <sub>2</sub> e)	Paper (Scope 3, Categories 1 and 5)	4,242	The principles and requirements presented in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition) and the Greenhouse Gas Protocol: The Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
	Business travel (Scope 3, Category 6)	5,919	
Financed GHG emissions, Scope 3 Category 15 (ktCO <sub>2</sub> e)	Mortgages	313	The principles and requirements presented in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition) and the Global GHG Accounting and Reporting Standard for the financial Industry Part A for financed emissions (2nd Edition, 2022 ) from the Partnership for Carbon Accounting Financials (PCAF).
	Motor vehicle loans	347	
	Commercial real estate (investments)	11	
	Listed equity and corporate bonds	323	

## Responsibility for the subject matter

Management of Desjardins is responsible for preparation of the subject matter in accordance with the applicable criteria detailed above, that were applied as explained in the "Methodology" appendix of the 2025 Climate Action Report (collectively, the applicable criteria). Desjardins is also responsible for the design, implementation and maintenance of internal control relevant to the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

## Inherent limitations in preparing the subject matter

Non-financial data are 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.

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

## Our independence and quality management

We have complied with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards 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 engagements, issued by various professional accounting bodies, which are 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.

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### Practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on the subject matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the Auditing and Assurance Standards Board and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), issued by the International Auditing and Assurance Standards Board.

These standards require that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement undertaken in accordance with CSAE 3410 and ISAE 3410 involves assessing the suitability in the circumstances of Desjardins' use of the applicable criteria as the basis for the preparation of the subject matter, assessing the risks of material misstatement of the subject matter whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the subject matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

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

- obtained an understanding of the process for collecting and reporting the data included in the subject matter by:
  - conducting interviews with the personnel involved in the preparation of the subject matter;
  - gaining an understanding of the methodologies applied to the subject matter in order to ensure the consistency and reliability of the reported data; and
  - gaining an understanding of the controls in place to ensure the accuracy and completeness of the data from which the subject matter is derived.
- evaluated whether all material information identified by management has been considered for reporting on the subject matter;
- performed inquiries of relevant personnel and analytical procedures on selected information in the subject matter;

- performed substantive assurance procedures on selected key performance metrics;
- compared selected key performance metrics in the subject matter with the corresponding disclosures in the financial statements;
- evaluated the appropriateness of quantification methods and reporting policies;
- evaluated the methods, assumptions and data for developing estimates; and
- reviewed the subject matter disclosures in the 2025 Climate Action Report to ensure consistency with our understanding and procedures performed.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Desjardins' subject matter has been prepared, in all material respects, in accordance with the applicable criteria which were applied as explained in the "Methodology" appendix of the 2025 Climate Action Report.

### 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 Desjardins' subject matter as at December 31, 2025 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 on 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 LLP

Partnership of Chartered Professional Accountants

Montréal (Québec)

May 13, 2026

