

# Security is everyone's responsibility!



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## Mission of the Desjardins Group Security Office

The mission of the Desjardins Group Security Office (DGSO) is to protect Desjardins Group's members and clients, their assets and their personal information. The DGSO is responsible for identifying and responding to all types of security challenges in any manner of situations.

The DGSO is headed up by a Chief Security Officer, who reports to the Desjardins Group's Senior Executive Vice-President and Chief Operating Officer.

Currently, more than 1,500 professionals work in the DGSO, all experts in their respective fields. In addition to fulfilling its main mission, the DGSO continues to develop an organization-wide awareness regarding security. The DGSO also ensures consistency in different security practices for :

- Fraud prevention
- Financial crime prevention
- Personal information protection
- Data governance
- Information security
- Physical security

# Accomplishments

Desjardins Group continually invests in security enhancements, according to the risks it faces. The DGSO takes a rigorous approach to improving operational control and the efficiency of its teams, all in the name of better protecting Desjardins Group's members and clients.

Desjardins Group's latest security investments have yielded positive outcomes for its members and clients. Here are some of the DGSO's most recent accomplishments:

## 2022 – Expansion of voice biometrics

Desjardins Group promoted voice authentication technology in 2022, seeing the number of members and clients signed up for the service more than double over the year.

When a member or client calls Desjardins Group to access their accounts or services, voice authentication is a quick and effective way to confirm their identity. When they sign up, the member or client's voice is used to serve as a comparison for the next calls. It's an extra measure to protect members and clients against identity theft attempts.

## 2022 – Broader scope for the Desjardins Liaison Office

The role of the Desjardins Liaison Office (DLO) is to interface with police departments and other law enforcement agencies. In 2022 the DLO continued to grow, in particular by broadening the scope of its work across Canada.

The DLO serves as a central hub for all requests for cooperation or information, including those from police. By contributing to the fight against financial crime, the DLO helps protect Desjardins Group's members and clients.

## June 2022 – Launch of the Criminal Information Unit

2022 saw the launch of Desjardins's Criminal Information Unit. Its mandate is to collect information on criminal offences for the entire organization. The unit uses this information to prevent and deter fraud tactics and threats in order to protect Desjardins Group's members and clients.

## August 2022 – 2-step verification

In order to enhance the level of security for its AccèsD and AccèsD Affaires users, Desjardins Group has been gradually rolling out 2-step verification. After a user logs in with their password, a single-use security code, sent by text message for example, is used to confirm their identity. This method helps reduce the risk of identity theft and other types of online fraud by adding another layer of security to AccèsD accounts.

## September 2022 - Quebec Law 25

### An Act to Modernize Legislative Provisions as Regards the Protection of Personal Information (Quebec Law 25)

On September 22, 2022, parts of Quebec's Law 25 came into force. Desjardins Group is proud to be fully compliant with the new rules, which cover the handling of privacy incidents and the communication of personal information.

## February 2023 – "Sharpen Your Cyber Reflexes" campaign

Desjardins Group ran its most recent "Sharpen Your Cyber Reflexes" campaign between February 8 and May 12, 2023. It's designed to raise awareness and help its members and clients protect themselves against fraud scams. The program aims to educate the public about phishing, get-rich-quick scams, romance scams, mail box scams and fake advisor scams.

The campaign "Sharpen Your Cyber Reflexes" is an excellent example of Desjardins Group's commitment to helping its members and clients adopt and maintain good cybersecurity habits.

# Mandatory security training

Security is everyone's responsibility!

Desjardins Group made sure that employees had the tools and accountability needed to implement the robust and thorough security processes.

## Mandatory training for all employees and managers

All Desjardins Group employees and managers must complete a mandatory security learning path. This learning path includes the following courses:

- **Introduction to Security** – This course includes 7 videos that cover the different security practices overseen by the DGSO.
- **Protecting Personal and Confidential Information Is Everyone's Business!** – This course helps employees identify personal information and confidential information, understand the roles and responsibilities of the organization and its employees, and protect information according to the principle of necessity.
- **Identifying Phishing Emails** – This course explores how to recognize the red flags of fraudulent emails so employees don't fall for phishing attempts.
- **Privacy Policy and Consents** – This course recaps the evolution in Desjardins Group's privacy policy and types of consent. The recent changes are aligned with Quebec's new Act to Modernize Legislative Provisions as Regards the Protection of Personal Information.

## Security for Everyone dashboard

The Security for Everyone dashboard is available to all Desjardins Group employees. It's a platform containing mandatory training courses, informative videos and useful resources. Managers can also use it to monitor their employees' security posture.

In 2022, improvements were made to the dashboard to streamline the experience for Desjardins Group's employees and managers.

## Mandatory training for managers

The following course is mandatory for managers and is also made available to the organization's entire workforce.

- **Desjardins Identity and Access Management (IAM): A Specific Training Program Designed for Managers!** – This course covers identity and access management best practices and the responsibilities of managers.



## Ongoing training

In 2022, Desjardins Group launched an ongoing security training program. The program is mandatory for all employees and must be renewed every year. With up-to-date content, this approach helps employees stay vigilant and knowledgeable about security best practices.

## Mandatory training for DGSO employees

All DGSO employees are required to complete the courses listed below. They're also mandatory for other employees if the topic is specific to their job.

- **MISSION POSSIBLE: Fighting Money Laundering and Terrorist Financing** and **BEHIND THE SCENE: Fighting Money Laundering and Terrorist Financing** – These courses help employees identify and understand how and when people get involved in illegal activities related to money laundering and terrorist financing.
- **International Economic Sanctions** – This course helps employees understand economic sanctions in the context of correspondent banking relationships with foreign financial institutions.
- **Anti-Corruption** – This course explains what corruption is and teaches employees how to recognize high-risk situations and respond appropriately. The aim is to protect the organization and do what's best for its members, clients and communities.
- **Unusual Operation Notification** – This course is designed to help employees be more vigilant in reporting unusual transactions and events to better protect Desjardins Group's reputation by acting in accordance with regulatory obligations that the organization is subject to.
- **Introduction to Fraud Prevention** – This course helps employees recognize external and internal fraud in different situations.

## New mandatory security training for board members

In August 2022, the new security course "Security Is Everyone's Responsibility!" was added to the mandatory learning path for all board members across the entire organization.

"Security Is Everyone's Responsibility!" is a course designed to meet the security requirements for board members and give them the tools they need to succeed. More specifically, it covers the potential consequences of non-secure practices and the main risks for the organization, and explains how to identify appropriate security measures to address a situation as a board member.

## Phishing tests

In 2022, Desjardins Group refined its phishing awareness initiative. Tests were made more challenging and targeted tests were sent out to specific groups of employees and board members. Text message tests were also added. The goal of the initiative is to make employees and board members more aware of the risks of phishing.



## Forum Sécurité

The 12th and 13th editions of the Forum Sécurité took place in May and October 2022. This semi-annual event is open to all employees. It's designed to give them the tools they need and help them adopt secure practices on a daily basis.

The event features talks by internal and external experts on current topics. The 2022 editions, which saw record attendance from Desjardins Group employees, included talks on phishing scams, secure methods for sharing confidential information, voice biometrics and mortgage fraud.

For the first time, the October 2022 edition also featured 3 talks for Desjardins Group board members.



## The 3 lines of defence

In line with industry best practices, Desjardins Group uses a 3 lines of defence model. The DGSO carries out **first line of defence** activities.

To ensure effective protection mechanisms and security, the DGSO has a forward-looking organizational structure that fosters collaboration, transparency and security data sharing between its security practices.

The programs related to the six security practices are continuously monitored from an implementation and regulatory risk perspective. These programs allow the DGSO to provide an opinion on the adequacy, application and effectiveness of control mechanisms.

The DGSO also prepares quarterly integrated security reports in connection with the organization's risk management reporting. These reports give Desjardins Group's governance bodies and regulators the information they need to assess the organization's security position.

Desjardins Group's **second line of defence** provides governance and oversight of the DGSO's operations. This role is assumed by the Risk Management Executive Division.

The Desjardins Group Monitoring Office is the **third line of defence** and provides an independent assessment of the relevance and effectiveness of the management framework. As required by regulations, it also conducts an independent compliance assessment of each of Desjardins Group's reporting entities every 2 years.



# Head and chief officer roles

at Desjardins Group

## Chief Anti-Tax Evasion Officer

Responsible for overseeing the organization's regulatory compliance program, including compliance with the intergovernmental agreement between Canada and the United States, known as the *Foreign Account Tax Compliance Act*, and the Organisation for Economic Co-operation and Development's *Common Reporting Standard*. These require Desjardins Group to obtain tax residence information from its members and clients, their US citizenship information where applicable, and report it to the Canada Revenue Agency every year.

## Head of Fraud Prevention

Responsible for a management framework that encompasses fraud prevention, detection and response in consideration of the life cycles of members/clients, employees, managers, board members, suppliers and Desjardins products. This provides a 360° view that protects the organization's people and assets. The approach to fraud prevention is continually updated in response to new threats.

## Chief Privacy Officer

Responsible for implementing and overseeing Desjardins Group's personal information protection program to ensure that personal information is handled in compliance with applicable laws.

## Chief Information Security Officer

Responsible for ensuring that Desjardins Group's actions are aligned with the IT risk framework.

These roles are assumed by senior management.

## Chief Data Officer

Responsible for providing leadership, structure, expertise and direction to encourage stakeholders across the organization to recognize data as a strategic asset and to manage data in the best interests of Desjardins Group's members and clients.

## Chief Anti-Money Laundering Officer and Head of Economic Sanctions

Responsible for ensuring sound management of risks associated with money laundering, terrorist financing and international economic sanctions. The organization's program, policies, procedures and training are regularly adjusted, mainly to reflect regulatory changes. These measures help detect and report transactions related to money laundering and terrorist financing.

## Chief Anti-Corruption Officer

Responsible for overseeing the implementation of control measures to mitigate corruption risk, with support from a specialized team. Desjardins Group prohibits any type of corruption, aims to comply with all applicable laws and maintain the public's trust. The organization's anti-corruption framework is designed to prevent, identify, assess, handle, report and impose penalties for cases of corruption, in compliance with best practices and applicable laws.

# Key governance documents

## at Desjardins Group

The *Desjardins Group Information Security Policy*, which was implemented by the DGSO, provides a general framework for developing an organization-wide awareness of security and ensuring consistency across security practices. Each security practice is also supported by tactical and operational governance documents to ensure operations run smoothly and strategies are applied effectively. Desjardins Group regularly updates all of its governance documents and enforces strict compliance with them.

The DGSO's governance framework is based on 2 international information security governance frameworks: ISO 27000 and the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

### Financial crime prevention

- Anti-Money Laundering and Anti-Terrorist Financing Regulatory Compliance Standard and Policy
- Standard and Policy on Compliance with International Anti-Tax Evasion Regulations
- Anti-Corruption Standard and Policy
- Conflict of Interest Management Standard and Directive
- Code of Professional Conduct<sup>1</sup>

### Fraud prevention

- Anti-Fraud Policy
- Policy and Rule on Security and Credit Checks for Employment
- Code of Professional Conduct<sup>1</sup>

### Physical security

- Desjardins Group Rule on Physical Security

### Data governance

- Data Quality Directive

### Information security

- Information Security and Technology Risk Management Policy and Directive
- Information Security Policy and Directive
- Acceptable Use of Technology Directive<sup>2</sup>
- Desjardins Group Rule on Identity and Access Management
- Desjardins Group Rule on Information Security Classification
- Desjardins Group Rule on Information Security for Supplier Relationships in the Context of Products and Services Acquisitions

### Protection of personal information

- Personal Information Protection Policy
- Ethical Use of Data Policy
- Data Retention and Disposal Policy

<sup>1</sup> Every year, all Desjardins Group employees must sign a commitment to comply with this code.

<sup>2</sup> Every year, all Desjardins Group employees must sign a commitment to comply with this directive.



# Partnerships

to boost cybersecurity research and innovation

**Desjardins Group collaborates and builds security partnerships with industry peers to promote research and innovation in the field. The organization also helps develop local talent by investing in education initiatives for the next generation.**

- Desjardins Group has partnered with CyberCap, a non-profit organization that helps students stay in school and pursue an education in digital media. The project "Citizenship in the Digital Age & Cybersecurity" raises awareness among students, aged 12 to 17, on the risks associated with their digital activities and encourages vocations in the field of cybersecurity.
- Desjardins Group is supporting students at Collège de Bois-de-Boulogne and its Agora numérique, with plans to award 25 \$1,000 scholarships to students enrolled in its continuing education programs over the coming years.
- As part of an ongoing partnership between Desjardins Group, Université du Québec à Chicoutimi (UQAC) and Cybereco, university programs in cybersecurity are now being offered at UQAC. The partnership includes the creation of a technical laboratory that replicates a corporate environment and tools. The goal is to invest in educating and training the specialized workforce of tomorrow.
- Desjardins Group has partnered with Polytechnique Montréal as part of an Alliance-Mitacs. The research partnership is funding projects developing artificial intelligence solutions to identify and effectively prevent internal threats.