



2020

Report on Responsible Investment Activity



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 **Desjardins**
Global Asset Management

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NOTE:
Unless otherwise specified, all data presented in this report is from DGAM and at December 31, 2020.

Leading with innovation

2020 was a year that none of us will soon forget. COVID-19 and the historic challenges it presented have had a significant impact on us as individuals and as a society. Financial markets worldwide experienced significant volatility, with many ultimately setting record after record. Economies in several parts of the globe caught their breath, rebounding almost as spectacularly as they had plunged in the first months of the pandemic.

Desjardins Global Asset Management (DGAM) has remained resilient and effectively navigated these events while maintaining our critical role as one of Canada's leading asset managers. Our investment professionals showed steadfast discipline in managing investment risk and seeking opportunities for the benefit of our clients, never losing sight of our promise to contribute to sustainable growth and to have a positive influence on society. In fact, our commitment to sustainability and responsible investing (RI), one that has been driving us at Desjardins for over 30 years, was tested this year. Our team rose to the occasion and navigated unique social threats brought on by the pandemic. Supply chain resilience weakened, inequalities worsened, and the need for greater diversity and inclusion became even more apparent. At the same time, we could not put aside global climate change issues and the need for a transition to a greener economy. We were given an opportunity to make a difference and prove the importance of our contribution.

I am proud of DGAM's leadership in shaping the ESG landscape and wanted to highlight some of the initiatives we have undertaken in 2020.

Climate change-related goals

DGAM recognizes and supports the need to address climate change, which can boost economic prosperity while safeguarding equality for all.

DGAM has continued to play key role in supporting Desjardins Group's Climate change action plan. As part of the strategy, two main objectives were set: decreasing the carbon footprint of portfolio holdings by 25% and prioritizing renewable energy in direct infrastructure investments.

In 2020, we are very proud to have not only met but exceeded our carbon footprint target, with a reduction of 32%.

Furthermore, DGAM's renewable investments now account for \$1.3 billion, an increase of 3.7% compared to 2019. Additional investment into renewables is under review by our investment team to meet the 2025 target of \$2 billion.

Proprietary ESG analysis grid

ESG insights have become a critical component of the investment process. Our Responsible Investment specialists saw an opportunity to provide greater transparency to all stakeholders in the comprehensive work and analysis we do at DGAM.

In 2020, we continued to refine our methods for analyzing and incorporating ESG criteria into our traditional asset class portfolios. Among other things, the Responsible Investment team developed a proprietary ESG rating scale to assess securities on the material issues of each industry, guided by the Sustainability Accounting Standards Board (SASB) framework and the priorities set by DGAM.

This framework incorporates quantitative analysis of key ESG criteria, such as the number of tons of CO2 emissions, and is supplemented by an assessment of qualitative factors such as the employee engagement strategy. This tool assigns a score of 0 to 10 to individual companies, provides an in-depth perspective on each industry and its issues, and takes into account the information obtained from dialogues with companies.

Integration of DGAM's infrastructure team

In 2021, the DGAM team welcomed the Infrastructure Investment team, originally part of the Desjardins Group supporting our Pension Plan. This integration stemmed from a desire to provide our members and clients access to this asset class and benefit from the team's recognized expertise.

The quality and design of infrastructure play a key role in shaping how we live, determining economic structures and outcomes, social systems, personal well-being, and environmental impacts. The team's transition to DGAM was an opportunity for us to accelerate the inclusion of ESG factors in the analysis of infrastructure investments.

Indeed, this asset class exhibits different characteristics relative to traditional asset classes, including unique ESG issues. In the short term, we will continue to build on the partnership between the RI and Infrastructure teams and will be glad to share future developments.

Introduction of two new RI ETFs

In May 2020, we were excited to launch a market cap-weighted ETF focused on developed markets. In 2021, we started working on the launch of an ETF focused on emerging markets. Both strategies emphasize low CO2 emission companies, incorporate ESG filters, and are inspired by the United Nations Global Compact for exclusions.

These new ETFs are designed to address the needs of both retail and institutional clients particularly focused on climate change.

I am certain you have heard us say that *"Responsible Investing is part of Desjardins' DNA"*. Sustainability remains a major focus at DGAM and increasingly permeates our strategy as each year passes. At Desjardins Global Asset Management, we believe responsible investing has become a critical component of our fiduciary duty to help our clients meet their goals. The trust our clients place in us, and our role as the link with the companies in which they invest, gives us the responsibility to advocate on their behalf. We have long believed that investors will benefit from sustainable value for all stakeholders.

By continuing to act on our convictions, we believe we can make a difference in shaping tomorrow's society.



Nicolas Richard
President and CEO

2020 highlights

32%

carbon footprint reduction for companies held in Desjardins' portfolios

\$1.2 B

of infrastructure investments in renewable energy

Development of a **proprietary** ESG criteria analysis grid

1 climate-change strategy launched

10%

of professionals with SASB level 1 credential

\$1.2 B
in sustainable bonds

Dialogues with **154** companies

75%

of real estate assets certified sustainable

Carbon footprint of responsible investment solutions at least

30%
lower

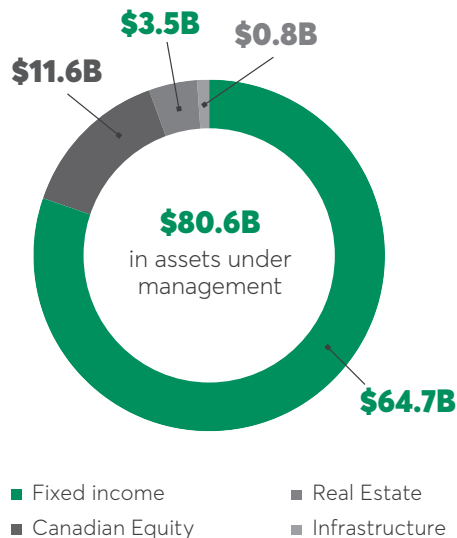
A+

rating from PRI for strategy and governance

About DGAM

Desjardins Global Asset Management

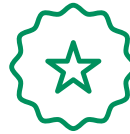
Established in 1998, Desjardins Global Asset Management (DGAM) is one of Canada's largest asset managers with in-house expertise in equity, fixed income and real assets (infrastructure, real estate) across a variety of investment vehicles. DGAM manages over \$80 billion CAD in institutional assets on behalf of insurance companies, pension funds, endowment funds, non-profit organizations and corporations across Canada. With offices in Montreal, Quebec City and Toronto, the team of over 50 investment professionals uses a collaborative approach and combines innovation, accessibility and discipline to design solutions tailored to our clients' unique needs. DGAM infuses the organizations' cooperative values into the investment process to ensure their partners' and clients' assets grow in a sustainable and responsible manner.



Our commitment

DGAM combines the stability and expertise of its teams with ongoing support for its partners and clients, making it a preferred ally for sustainable and responsible asset growth.

Our investment pillars



ETHICS AND INTEGRITY

DGAM seeks to contribute to the advancement of society in accordance with Desjardins' cooperative values. Integrity and commitment form the foundation of all its business and management practices.



RESPONSIBLE INVESTMENT

We strongly believe that incorporating environmental, social and governance (ESG) criteria into our investment management practices can yield equally high returns. Our goal is to help our clients grow their assets by maintaining an optimal risk-return ratio while contributing to sustainable prosperity for communities and future generations.



COLLABORATION

The team fosters collaboration with its specialists, partners, and clients. In a world that is constantly changing, DGAM takes an agile approach, tailoring its investment solutions to clients' evolving needs.

About the report

This Responsible Investment Activity Report is written with the purpose of sharing our responsible investment actions and achievements in 2020. It also aims to provide an overview of the efforts and progress we have made in integrating ESG issues into our investment practices.



Shareholder engagement

DGAM's engagement with issuers

DGAM's leadership in responsible investment is not limited to including ESG risks when selecting securities. With its power to influence, DGAM draws on shareholder engagement¹, an effective mechanism for reducing risk, optimizing returns, and generating a positive impact on society and the environment. Exercising proxy voting rights, shareholder dialogue, and intervention with public decision makers are core levers that allow DGAM to encourage companies to enhance their sustainable development practices.

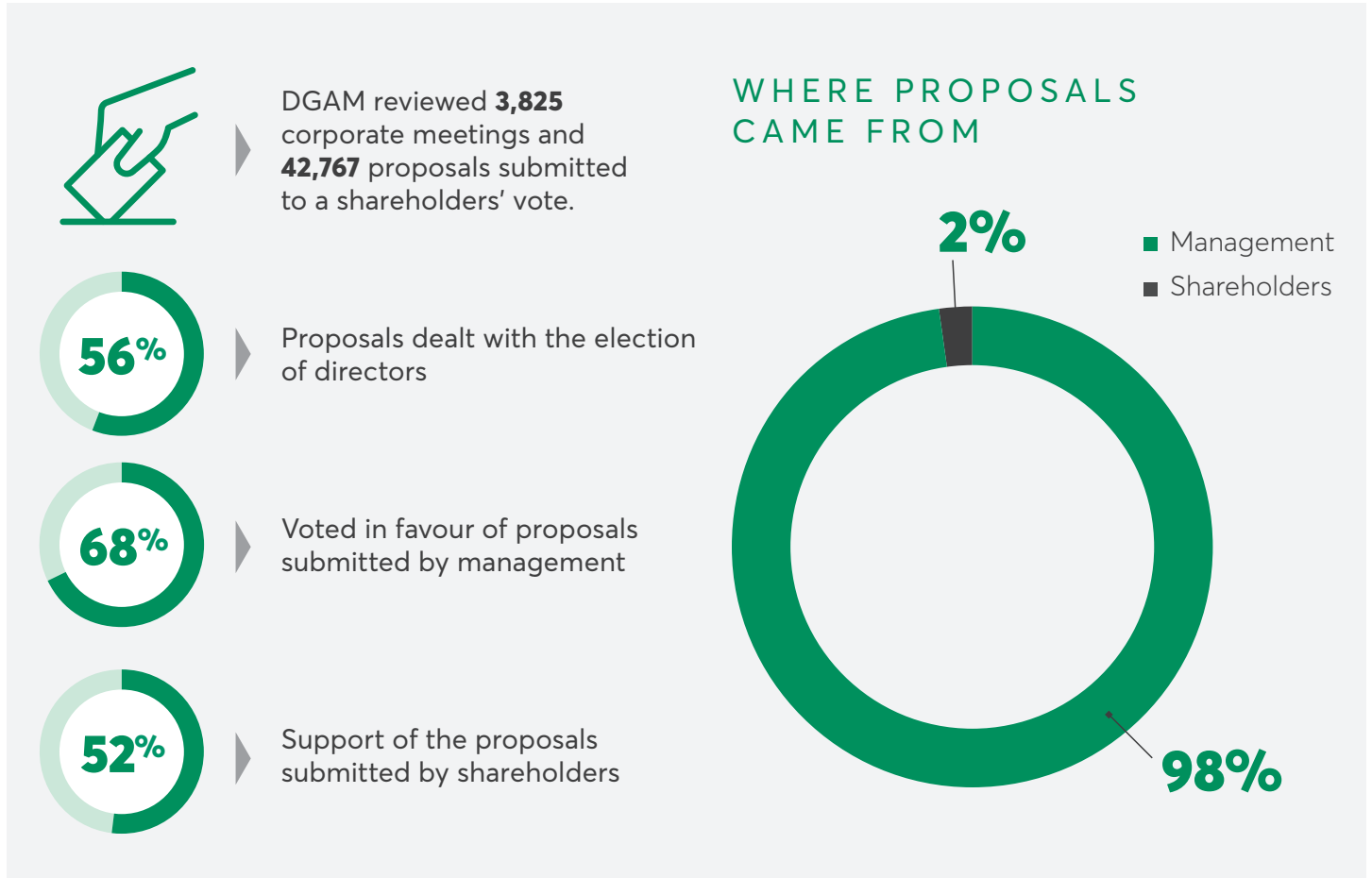
Exercising voting rights

By exercising voting rights, DGAM can vote on all issues submitted each year at shareholders' meetings. DGAM pays close attention to key issues, as it recognizes that it has a duty to state a coherent, adequate opinion on all proposals submitted to the shareholders' meetings of portfolio companies, in keeping with Desjardins' values and those of its partners and clients.

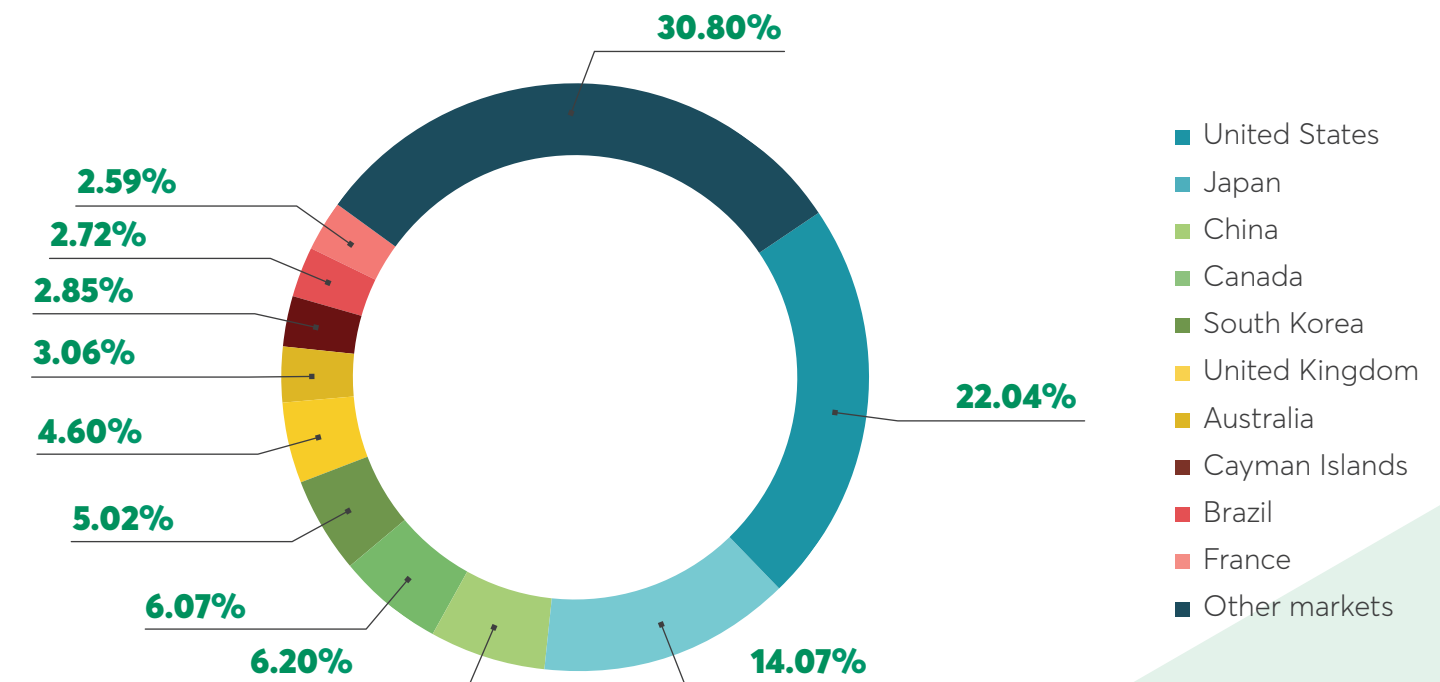
DGAM's **Policy on the Exercise of Proxy Voting Rights** applies to all of its funds and portfolios and defines conditions governing the exercise of voting rights for securities held in the portfolios at any shareholders' meeting. In keeping with the regulatory obligations in force, we disclose all votes exercised for DGAM Funds and Desjardins ETFs each year.

1 UN PRI, A Practical Guide to Active Ownership in Listed Equity, 2018.

Here are a few numbers and key statistics on the voting rights exercised by DGAM from January 1 to December 31, 2020:



BREAKDOWN OF SHAREHOLDER MEETINGS BY MARKET WORLDWIDE



2020 voting highlights

In Canada, the number of shareholder proposals decreased in 2020, falling to 35 from 56 in 2019². We are seeing the same trend in the United States and elsewhere, leaving more room for dialogues and closed-door discussions between shareholders and companies³. In this encouraging context, the topics below were key ESG themes in the exercise of our voting rights in 2020.

Boards of directors: Worldwide, we voted against or abstained from voting for **37%** of the candidates proposed for director positions. We generally vote against candidates that do not seem independent. Moreover, in keeping with Desjardin's commitment to the 30% Club, we voted against the chair of the nominating committee or board of directors 332 times at **196** companies due to a gender imbalance. In fact, the DGAM Policy on the Exercise of Proxy Voting Rights recommends voting against the proposal when the board has fewer than two female directors. That said, the proportion of women on boards continued to increase in 2020; the percentage of businesses on the S&P/TSX Composite Index whose boards were at least 30% women climbed to 49% from 38% in the previous year. In 2021, we plan to amend our policy to include other facets of diversity.

Executive compensation: In 2020, for the first time, 17 Canadian companies, eleven of which were listed on the S&P/TSX Composite Index, adopted a say-on-pay consultative vote on executive compensation. We voted against the consultative proposals submitted **47%** of the time. We oppose elements of compensation where we do not believe they are aligned with the interests of shareholders or the company. Among the most common reasons for voting against are severance packages that are deemed excessive, share purchase options in incentive compensation programs, and a greater than 10% total dilution rate of shares earmarked for executive compensation. In Canada, during the 2020 voting season, the rate of support for the directive on compensation rose to an average of 93% from 91% in 2019⁴.

Environmental and social issues: In 2020, we voted for **53%** of shareholder proposals that covered environmental or social issues. The majority of the proposals on environmental issues were concerning climate change. In terms of social issues, the focus was on diversity and human rights. We also backed proposals on the disclosure of political contributions and lobbying activities. Although the number of shareholder proposals declined, those on environmental and social issues increased proportionally. In Canada and the United States, most of the shareholder proposals submitted to companies dealt with such issues.

2 ISS Governance Exchange, *2020 Proxy Season Review: Canada (Report)*; August 24, 2020.

3 ISS Governance Exchange, *U.S. Environmental & Social Shareholder Proposals, 2020 Proxy Season Review*; October 20, 2020.

4 ISS Governance Exchange, *2020 Proxy Season Review: Canada (Report)*; August 24, 2020.

Shareholder dialogue

Shareholder dialogue is an integral part of DGAM's RI strategy. These discussions allow us to achieve two objectives. They give our RI team the opportunity to enrich its knowledge of each company's business model and strategies. The meetings also allow the team to offer recommendations for improving risk management practices and to identify opportunities specific to each organization.

DGAM has developed an innovative approach in which the RI team and portfolio managers jointly meet with the management team of Canadian companies. While DGAM also privileges dialogue with the sustainable development teams to deepen discussions about very specific ESG practices, access to management makes it possible to speak directly with decision makers regarding issues that could have an impact on their company's valuation.

The approach is consistent with **DGAM's responsible investment orientations** and is also based on incorporating ESG based on risk factors specific to each sector, drawing on such things as the SASB framework and DGAM's list of priority issues. DGAM's RI team conducts an annual review of its shareholder engagement priorities and its objectives in revising its dialogue program. Elements considered in identifying securities that will be included in the dialogue program include:

- The geographic location of the securities;
- The materiality of ESG issues;
- The weighting of these securities in the portfolios managed by DGAM;
- The status of the relationship with the corporate executives;
- How DGAM has exercised certain key votes;
- The performance and dynamism of ESG factors in the corporation;
- Continuity in a previously initiated dialogue.

The results of the dialogues feed the ESG analysis for a company and investment decisions. A company with no ESG disclosure could be considered a potential investment if it has introduced a strategy for integrating ESG standards or could be removed from a responsible investment portfolio following inconclusive dialogue.

2020 highlights

172
interactions

154
companies
met

MOST FREQUENTLY DISCUSSED ISSUES:

34%
on climate
change and
the energy
transition

27%
on diversity
and inclusion

11%
on cybersecurity

9%
on compensation



Priority ESG issues

When assessing a company from the perspective of responsible investment and ESG criteria, DGAM specialists consider a wide range of risk issues. This may be from a reputational, operational, or financial point of view. They have selected five priority issues on which they focus their analysis and, if applicable, interventions with the companies involved.

- Climate change;
- Diversity and inclusion;
- Executive compensation;
- Privacy and cybersecurity;
- Responsible supply chain;
- Human rights and stakeholder engagement.

For each issue, we have laid out:

- Brief description of what the issue represents for a company and for selecting securities that comply with ESG criteria;
- Snapshot of the process our team of responsible investment specialists uses when assessing a company;
- Description of interventions pertaining to that issue in the context of our shareholder engagement;
- Presentation of a portfolio company that is exemplary in its management of that issue.

Climate change

According to the 16th edition of the World Economic Forum's *Global Risks Report*, climate change remains the biggest risk⁵. From the perspective of portfolio management, climate change features both opportunities and risks. The Task Force on Climate-related Financial Disclosures (TCFD) puts climate risks into two broad categories: the risks associated with the transition to a low-carbon economy and the risks associated with the physical effects of climate change⁶.

Transitioning to a low-carbon economy is a substantial challenge. With more and more countries adopting policies to limit GHG emissions, companies are under intense pressure to act and take the required measures to publicize what the company is doing to combat climate change⁷. In May 2021, Millani assessed the quantity and quality of disclosure according to TCFD standards by issuers listed on the index. It found that 23% of the companies follow TCFD recommendations⁸. Moreover, while two-thirds of the companies on the S&P/TSX Composite Index report their GHG emissions, only 27% have reduction targets, which is well below the percentages seen in other developed market indexes⁹.

- 5 The Global Risks Report 2021 | World Economic Forum (weforum.org).
- 6 Task Force on Climate-Related Financial Disclosures (2017). *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures*.
- 7 Sommet sur le climat : « nous ne pouvons nous résigner à ce futur », dit Biden | Radio-Canada.ca.
- 8 Reports | Millani | ESG Integration.
- 9 Sean Cleary & Andrew Hakes, *Assessing Current Canadian Corporate Performance on GHG Emissions, Disclosures and Target Setting*, Institute for Sustainable Finance April 2021.

Our approach

We assess corporate strategy on climate change from various angles:

- Transparent, detailed disclosure of GHG emissions according to Scopes 1, 2 and 3¹⁰;
- Adherence to a recognized reporting structure, such as those proposed by the Carbon Disclosure Project (CDP), Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB);
- Ambition to reach net-zero emissions by 2050, with short- and medium-range reduction targets;
- Robustness of the governance structure for overseeing the incorporation and deployment of the strategy to address climate change;
- Measurable results tied to executive compensation;
- Plan to transition to a low-carbon economy and development of new green technologies.

As an asset manager, DGAM also discloses information on climate change risks and opportunities, in accordance with TCFD directives. This information is an integral part of Desjardins Group's **2020 Social and Cooperative Responsibility Report**, appearing in the Climate-Related Financial Disclosure (TCFD Report), starting on page 40.

Our shareholder engagement

In 2020, DGAM voted for 33 shareholder proposals covering the management of GHG emissions or disclosing climate risks. For example, we voted in favour of the proposal asking Chevron Corp. in the US to publish a detailed report on its climate change lobbying activities to ensure it is aligned with the objectives of the Paris Agreement¹¹.

10 Scope 1 emissions are under the company's direct control; Scope 2 covers indirect emissions from producing the energy the company uses; Scope 3 represents emissions generated upstream and downstream from the company's operations.

11 Chevron investors back proposal for more emissions cuts | Reuters.

Case study

Dialogue with a construction engineering company

Since 2018, we have engaged in discussions with the management of an engineering company about incorporating sustainable development principles upstream into all its projects and setting ambitious goals for reducing its carbon footprint. Given the company's major exposure to large-scale public and private infrastructure projects, taking the principles into account at the project design phase is essential for transitioning to a low-carbon economy. DGAM encouraged the company to promote resilience to climate change in all these projects. Since then, the management has set ambitious new targets to address climate change and now plays a leadership role in incorporating sustainable development principles.



Diversity and inclusion

Several studies show that there is a positive link between a business's financial performance and female representation on boards of directors and in leadership positions¹². Nonetheless, men still hold most management positions and seats on boards. In Canada, women held fewer than 30% of board and executive positions at the companies in the S&P/TSX Composite Index in 2020¹³. Similar conclusions can be drawn with respect to cultural, ethnic and indigenous diversity. All these groups are underrepresented, although their contribution could bring increased profitability.

12 Research from McKinsey & Company, MSCI, BCG, Deloitte, CIBC and the Government of Canada.

13 <https://www.catalyst.org/research/women-in-management/> and <https://www.osler.com/osler/media/Osler/reports/corporate-governance/Diversity-and-Leadership-in-Corporate-Canada-2020.pdf>

Our approach

When we examine how a company addresses the issue of diversity and inclusion, we verify the following:

- The existence of programs to promote diversity and increase the representation of different groups across all management levels;
- Gender diversity as well as ethnic and cultural diversity (including Indigenous groups) in decision-making and operational positions across the corporation;
- The existence of sponsorship or bursary programs to help increase the number of people from diverse backgrounds who undertake studies in fields usually dominated by men, such as finance, engineering and trucking;
- The means deployed to counter the conscious and unconscious biases that can hinder the recruiting and advancement of people from diverse backgrounds to decision-making positions.



Our shareholder engagement

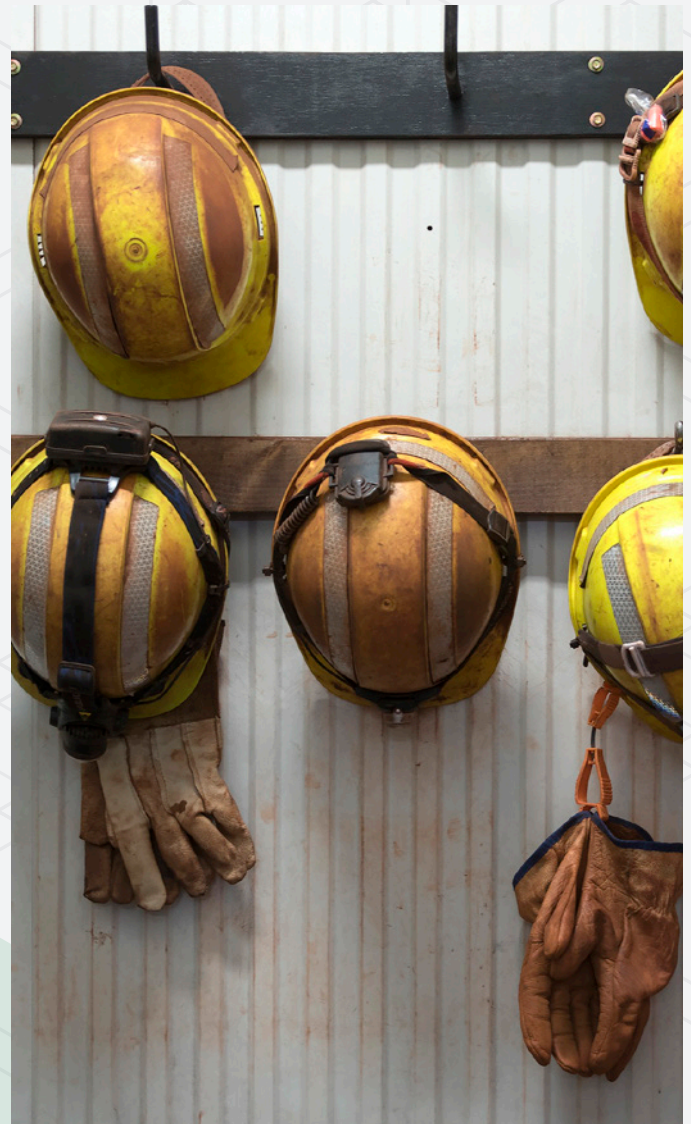
Desjardins Group belongs to the 30% Club, a group of companies promoting greater representation of women in decision-making bodies. This is a commitment reflected in DGAM's decision to vote against the chair of the nomination committee or board 332 times at 196 companies due to a gender imbalance. These decisions comply with the DGAM Policy on the Exercise of Proxy Voting Rights when the board of directors has fewer than two women directors. We plan to amend this policy in 2021 to expand board representativeness to other kinds of diversity.

In 2020, DGAM took action on diversity with companies 42 times, specifically diversity on boards of directors and management teams. In the context of such dialogues, we may be asked to present arguments for eliminating some barriers that are frequently mentioned. For example, when merit-based recruiting is emphasized, we seek to understand the Board of Directors' definition of "merit" to better understand whether any unconscious or systemic bias is present in the evaluation parameters, as well as in their process of identifying qualified candidates; we also seek to understand whether the Board members' have undergone unconscious bias training. If we are told that the pool of experienced people from diverse backgrounds is small, we invite them to look at the skills matrix rather than job titles, and ask them to join initiatives that promote women's participation in their economic sector.

Case study

Dialogue with a mining company

As early as 2017, DGAM began talks with a mining company to encourage gender diversity in its Board of Directors. Our team presented the benefits of increasing diversity. We had to make our case to counter the preconceived idea that the pool of experienced people from diversity was limited. Today, DGAM is pleased to note that female representation is now close to 30% and that the company has adopted a company-wide gender diversity policy that should include at some point other forms of diversity.



Executive compensation

Adequate executive compensation remains an important factor in attracting, motivating, and retaining the best candidates. However, compensation may not always be aligned with financial performance and oftentimes may not consider the non-financial interests of shareholders and various stakeholders. Given the growing pressure to ensure executive compensation alignment, a series of indicators and criteria have been introduced into making this assessment. This can include: the ratio between the CEO's compensation and that of senior executives, the correlation between compensation and the company's short- and long-term financial performance, and a comparison of the CEO's compensation with that of their peers. This evaluation is in negative territory when severance payments are deemed too large, incentive compensation mechanisms include stock options and the overall dilution rate of stock earmarked for executive compensation is greater than 10%.

At DGAM, we are especially sensitive to excessive compensation practices since they can result in executives taking excessive risks to maximize short-term returns¹⁴, fostering short-sightedness, with measures such as stock redemptions, layoffs, and undue cost-cutting which could have a negative impact over the longer term. In other words, executive behaviour and decisions that impact short-term financial performance are made at the expense of less easily quantifiable initiatives that have a long-term impact.

Our approach

With regards to a company's executive compensation, we analyze the degree to which the following elements are respected:

- Alignment between the company's financial performance and executive compensation;
- Transparency on the evaluation criteria used, their triggers, targets, and individual objectives;
- Justification for awarding discretionary amounts, including severance payments;
- Use of performance criteria tied to the company's ESG objectives in the executive incentive compensation program.

Our shareholder engagement

In 2020, DGAM voted against half of management's consultative proposals on executive compensation. It also voted for 30 shareholder proposals on senior management compensation. Most frequently, these proposals sought to tie ESG performance criteria to incentive compensation and disclosure of an equity ratio that makes it possible to assess the gap between each executive's compensation and the salary (average and median) of the company's full-time employees.

14 IGOPP, Pay for Value: Cutting the Gordian Knot. 2017. <https://igopp.org/pay-for-value>

Dialogue with a bank

Since 2017, a Canadian bank's Board of Directors has improved its commitment to shareholders. DGAM was part of this improvement via the ongoing meetings and discussions with the organization as it related to governance and ESG issues. The bank deployed a range of initiatives to improve governance, such as introducing a majority vote, adopting a consultative vote on executive compensation, and overhauling the short- and long-term incentive compensation program for senior management in 2019. It has also pledged to evolve its approach to ESG issues and more notably, aims to align executive compensation with the company's strategy through short- and long-term objectives and taking shareholder interests into consideration.



Privacy and cybersecurity

The increasingly rapid shift to digitalization is putting more pressure on businesses to continuously update their operations and processes to address cybersecurity risks. With the rushed transition to working from home during the COVID-19 pandemic, the risk of data breaches (and, consequently, reputation damage and regulatory sanctions) is greater than ever, potentially compromising confidential personal

information. The World Economic Forum has flagged failures in cybersecurity systems as one of the biggest economic risks worldwide for the next 10 years¹⁵. In 2020, the Federal Bureau of Investigation (FBI) reported that cyberattacks had doubled, creating losses of US\$4.2 billion¹⁶.

Our approach

Knowing that cyberattacks can seriously compromise the performance of portfolio companies, we pay special attention to cybersecurity issues and the risks they represent. We conduct a four-pronged assessment:



GOVERNANCE

The will and ability to incorporate cybersecurity issues into the company's strategy and commitment to making a quality disclosure.

- Recognized cybersecurity expertise on the board of directors and continuous learning mechanisms in place
- The frequency at which the topic of cybersecurity appears on the agenda of board meetings



PROCESSES

Clear processes and mechanisms in place to ensure compliance and upgrading as cyberattacks evolve.

- Disclosure mechanisms for cybersecurity incidents and thefts of personal information
- Procedures to minimize the quantity of personal data collated and limit employee, subcontractor, and third-party access



CULTURE

Cybersecurity culture that ensures that the existing processes are effective.

- Cyber resilience and collaboration with other players in the same economic sector
- Sensitization of employees, clients, suppliers, and other stakeholders to the risks associated with cybersecurity



INSURANCE

Robustness of existing processes to effectively enable business continuity.

- Internal process audit
- Process performance evaluation criteria
- Cybersecurity insurance

15 World Economic Forum, *The Global Risks Report 2021*, January 2021. WEF_The_Global_Risks_Report_2021.pdf (weforum.org)

16 Federal Bureau of Investigation, *Internet Crime Report 2020*.

Our shareholder engagement

Although a growing number of companies have enhanced their cyber resilience, most don't share key statistics on how their processes are validated. In 2020, we intervened 17 times with management teams and boards to discuss the issue of cybersecurity. In addition to recommending broader disclosure of the mechanisms for governing cyber risks, we asked several of the companies to publish statistics on the number of incidents detected and the resulting financial losses.

Case study

Dialogue with a technology company

Since 2019, DGAM has been participating in the investor review of an organization that operates in the information technology sector. As part of the discussions, we met with senior management and the corporate social responsibility team to address issues in cybersecurity and the management of personal information. This included issues on transparency on cyber governance, the processes in place, and auditing them. In 2021, the company published a social responsibility report on its commitment to cyber resilience and the management of personal information. Hiring a consultant allowed the company to bring to light exemplary practices, such as introducing cyber risk management, from the board of directors to employees, implementing an employee, client, and third-party awareness plan, and developing process efficiency metrics. With a strong cybersecurity culture, the company can now help its clients build cyber resilient organizations.



Responsible supply chain

A company's performance is largely dependent on its ability to control the risks associated with the activities of its network of external partners. A company must be vigilant along the entire supply chain to ensure that the third parties it deals with conduct themselves not only ethically, but also responsibly from a social and environmental perspective. Any lapse could be harmful to its reputation, its ability to keep operating and its financial performance¹⁷.

Our approach

Respect for human rights and working conditions, protection of natural resources and biodiversity, and contributing to the efforts to reduce GHGs, including Scope 3 emissions¹⁸, are some of the considerations we focus on when assessing a company's approach to its supply chain.

We strive to determine:

- Management's level of knowledge of issues specific to the supply chain;
- The mechanisms in place to mitigate risk, measurement parameters, the targets and the disclosure process.

Once our process is complete, we should be able to validate whether a company has a supplier code of conduct, if a supplier audit system makes it possible to verify that their employees are treated fairly and equitably and whether Scope 3 GHG emissions are recorded on their balance sheet or whether zero-deforestation targets have been set.

Our shareholder engagement

In 2020, DGAM backed 61% of responsible supply chain resolutions¹⁹. Among others, we voted for the shareholder proposal submitted to **Skechers U.S.A., Inc.**, an American footwear company, about adopting a human rights policy that also covers labour issues in its supply chain.

17 <https://www.lapresse.ca/international/2021-02-18/exploitation-des-enfants/les-geants-du-chocolatpoursuivis-aux-etats-unis.php>

18 Scope 3 emissions are defined as indirect third-party emissions upstream and downstream from a company's operations, especially in the production of raw materials, transportation and disposing of end-of-life products.

19 In keeping with its Policy on the Exercise of Proxy Voting Rights and these guidelines, DGAM did not back proposals that were overly constraining, did not consider the organization's efforts or were unsuited or adapted to that company.

Dialogue with a retail company

In dialogues with corporate management, we discussed supply chain issues with 11 companies. Since 2016, DGAM has been working with a retail company's management to influence them to consider responsible supply chain choices and adopt best practices in ESG disclosure and employee relations. Our goal is to improve our supplier audit process to ensure compliance with labour standards. Since our first engagement, the company has made significant progress. It has begun to review its supplier code of conduct and has implemented a third-party supplier audit program. The code addresses quality and safety standards, employment standards, ethical and environmental business practices, supplier monitoring and implementation of the code, and supplier disclosure. As a result, its ESG report is now aligned with the SASB framework. This allows the company to set clear targets and measure its progress. As an engaged investor, DGAM continues to encourage this company to improve its reporting and supply chain audit process.



Human rights and stakeholder engagement

The World Economic Forum declared that "the purpose of a company is to engage all its stakeholders in shared and sustained value creation²⁰." As such, companies have the responsibility to ensure they are aware of human rights issues and engage all stakeholders in the decision-making process to discuss scenarios involving workers and the communities in which they operate. Aside from reputational risk, companies that do not consider stakeholders are exposed to operational risks that could lead to production delays or cancelled projects, financial risks that could lead to a loss of investment or fines, and legal risks that could result in proceedings. According to a Harvard Kennedy School study, the loss of a social license to operate²¹ can lead to losses in the order of US\$10 million per week for a large mining project²². A report by EY also rated social acceptability as the leading risk of the ten major risks mining companies face²³.

Our approach

At DGAM, we believe that to maximize a company's long-term value, its leaders must consider the interests of all parties concerned. Therefore, in the framework of our ESG criteria analysis, we validate corporate practices in the area of respect for human rights and stakeholder mobilization. From this perspective, we evaluate:

- Governance that guarantees respect for human rights;
- Policies, guidelines and due diligence processes that respect the rights of company employees, and those in their supply chains;
- Stakeholder consultation framework to ensure projects' social acceptability.

Our shareholder engagement

The DGAM Policy on the Exercise of Proxy Voting Rights supports the United Nations' position that companies have a responsibility to ensure that their operations do not infringe human rights, as stipulated in the United Nations Universal Declaration of Human rights, International Labour Organization conventions, and the Canadian constitution. In 2020, we voted in favour of 121 shareholder proposals that directly concerned environmental and social issues, representing an approval rate of 53% of all proposals submitted. We supported 13 proposals that dealt solely with human rights. Nine of these involved demands for more thorough reporting on human and civil rights from the perspective of the activities of the company and its supply chain. The other four dealt with strengthening standards governing labour management and human rights in general.

20 *Davos 2020 Manifesto: The Universal Purpose of a Company in the Fourth Industrial Revolution | World Economic Forum (weforum.org)*

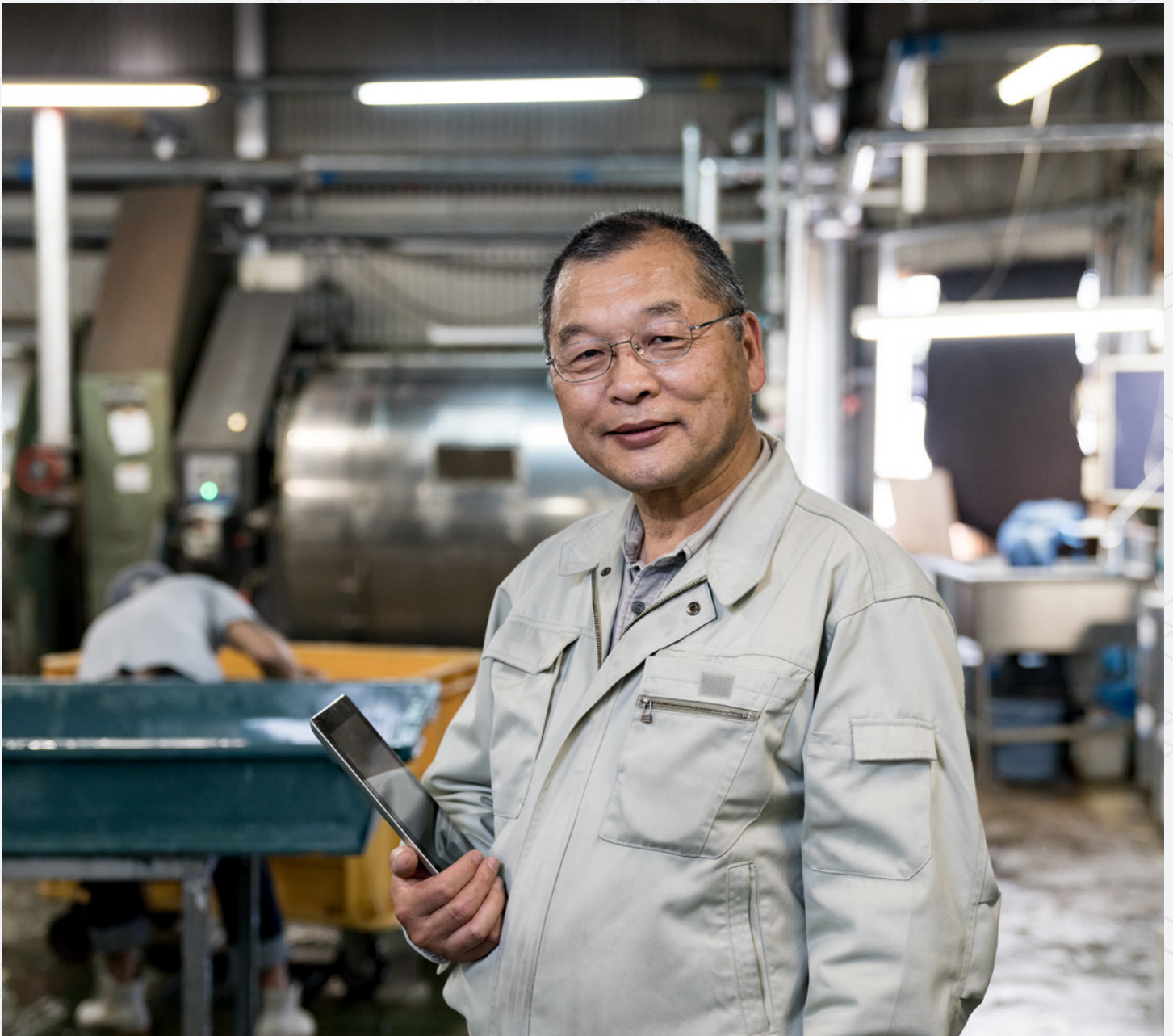
21 Social licence to operate (SLTO) is a term used by Jim Cooney in "Corporate Social Responsibility – The Social Licence to Operate a Mine", International Resource Journal, November 2012.

22 *Cost of Company-Community Conflict in the Extractives*, Harvard Kennedy School, 2014.

23 Ernst & Young, *Top 10 business risks and opportunities - 2020*, September 2019.

Dialogue with a retail company

Human rights are among the topics of our engagement with an American retailer, individually and in collaboration with other investors through the Interfaith Center on Corporate Responsibility (ICCR). The discussions have been around the company's practices and due diligence process with respect to human rights. For example, given the political and human rights issues facing the Uyghur population in China's Xinjiang province, we asked the company to take appropriate steps to ensure that none of its direct or indirect suppliers is associated with the humanitarian crisis. The retailer has updated its policy for cotton procurement and pledged to no longer accept products containing cotton from the province of Xinjiang, regardless of where the product is manufactured. We believe this is an important first step.



Active involvement in the responsible investment ecosystem

Throughout 2020, DGAM actively promoted the principles and advantages of a responsible financial market, and we continue to do so in our interactions with the authorities responsible for public policy, companies, our partners and the responsible investment community.

As a stakeholder, we've played a major role in a variety of initiatives and projects, including:

- The coalition of more than 28 investors demanding that the **TMX Group** facilitates issuer reporting according to ESG criteria and align itself with SASB and TCFD standards;
- The pledge to promote diversity and inclusion among portfolio companies and other institutions in partnership with Desjardins Group, one of the founding signatories of the **Canadian Investor Statement on Diversity and Inclusion**;
- Our participation, in partnership with Desjardins Group, in **Ontario's Capital Markets Modernization Taskforce**, whose goal is to modernize the province's financial markets by incorporating reporting based on ESG criteria, with diversity as a key theme;
- Signature of the **Principles for Responsible Investment (PRI) declaration** concerning ESG factors in financial ratings and credit risks;
- The financial institutions' task force piloted by **UNEP-FI** to establish common methodologies for applying some of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD);
- The coalition of more than 50 investors demanding that pharmaceutical companies adopt measures relating to managing human capital and suppliers as well as access to vaccines during the public health crisis.

We have also continued our efforts to make various stakeholders aware of responsible investment. Our specialists have shared their expertise in this area a number of times by, for example:

- Sitting, for a fifth consecutive year, on the steering committee of the **Université de Sherbrooke's Desjardins Chair for Responsible Finance** to support research and innovation, which has helped train numerous responsible investment interns;
- Taking part in events aimed at students such as the **Youth Impact Challenge**, a competition that allows young people under the age of 25 to submit solutions that tackle environmental or social issues;
- Serving as panelist and main sponsor on the Future of Responsible Finance round table during the **Montreal Youth Summit**;
- Speaking at several events, including the **Foundation, Endowment and Not-for-Profit Investment Summit (FENI)**, a **CAiP** virtual forum for pension fund managers, and a CFA Montreal panel called Investment strategies to tackle climate change.

These efforts and interventions are in addition to working with other organizations to promote best practices in managing ESG issues.

ESG Integration

ESG OBJECTIVES IN 2020 – EQUITY AND FIXED INCOME

Type of mandate	Types of clients	Investment approach	Objectives
Canadian high-dividend equity – climate transition	Insurer	Quantitative – systematic	<ul style="list-style-type: none"> • Maximize exposure to dividends • Reduce asset risk vs. benchmark • Reduce carbon intensity by at least 25% vs. index
Corporate bonds and equity – climate transition	Insurer	Several	<ul style="list-style-type: none"> • Add carbon intensity restriction without changing portfolios' risk-return characteristics
Fossil fuel-free Canadian ESG equity	Retail fund manager	Active	<ul style="list-style-type: none"> • Assess and monitor issuers' ESG practices before and during investment term
Fossil fuel-free Canadian ESG bonds	Retail fund manager	Active	<ul style="list-style-type: none"> • Apply a positive screening process favouring issuers who actively manage ESG risks
Low CO2 multifactor ETFs (Canada, US, developing markets, emerging markets)	Institutional and retail	Quantitative – multifactor	<ul style="list-style-type: none"> • Manage ESG risks • Outperform traditional indexes • Reduce carbon intensity by at least 25% vs. index
Canadian low-CO2 ETF bonds	Institutional and retail	Active	<ul style="list-style-type: none"> • Reduce carbon intensity by at least 25% vs. index
Low CO2 ETF index (Canada, US, developing markets, emerging markets)	Institutional and retail	Index-based	<ul style="list-style-type: none"> • Manage ESG risks • Maintain low carbon intensity
Global multifactor ETFs without fossil fuel reserves	Institutional and retail	Quantitative – multifactor	<ul style="list-style-type: none"> • Manage ESG risks • Outperform traditional indexes • Offer a fossil fuel-free option to investors

ESG OBJECTIVES IN 2020 – EQUITY AND FIXED INCOME

Type of mandate	Exclusions					Shareholder engagement Dialogue and vote	ESG integration		Theme Decarbonization target	Impact Targeted green or social projects	Outcomes
	Controversial weapons	Tobacco	Coal	Nuclear energy	Fossil fuels		Risks and opportunities	Positive screening according to ESG rating			
Canadian high-dividend equity – climate transition	•	•	•			•			•		Dividend yield: 3.8% Tracking error: 3.25% Carbon footprint: -30.7%*
Corporate bonds and equity – climate transition	•	•	•			•	•		•		Carbon footprint: -38.9%*
Fossil fuel-free Canadian ESG equity	•	•	•	•	•	•	•	•	•		Engagement rate: dialogue with 72% of portfolio holdings Carbon footprint: -49.45%* 38% of portfolio holdings are ESG leaders vs. 28% for index***
Fossil fuel-free Canadian ESG bonds	•	•	•	•	•	•	•	•	•	•	10.5% of the portfolio's holdings are in green, social or sustainable bonds Carbon footprint: -36.8%*
Low CO2 multifactor ETFs (Canada, US, developing markets, emerging markets)	•	•				•	•	•	•		Carbon footprint: between -52.7% and -68.4% based on ETF**
Canadian low-CO2 ETF bonds	•	•				•	•	•	•	•	Carbon footprint: -39.1%**

* Percentage reduction in carbon intensity vs. the index (tCO₂eq/M\$) including Scope 1 and Scope 2 emissions. Source: Internal calculation based on Trucost data

** Percentage reduction in carbon intensity vs. the index (tCO₂eq/M\$) including Scope 1 and Scope 2 emissions. Source: Scientific Beta

*** Source: MSCI

ESG OBJECTIVES IN 2020 – EQUITY AND FIXED INCOME (SUITE)

Type of mandate	Exclusions					Shareholder engagement	ESG integration		Theme	Impact	Outcomes
	Controversial weapons	Tobacco	Coal	Nuclear energy	Fossil fuels	Dialogue and vote	Risks and opportunities	Positive screening according to ESG rating	Decarbonization target	Targeted green or social projects	
Low CO2 ETF index (Canada, US, developing markets, emerging markets)	•	•				•	•	•	•		Carbon footprint: between -35.9% and -61.4% based on ETF**
Global multifactor ETFs without fossil fuel reserves	•	•	•		•	•	•	•	•		Carbon footprint: -29.6%*

* Percentage reduction in carbon intensity vs. the index (tCO₂eq/M\$) including Scope 1 and Scope 2 emissions. Source: Internal calculation based on Trucost data

** Percentage reduction in carbon intensity vs. the index (tCO₂eq/M\$) including Scope 1 and Scope 2 emissions. Source: Scientific Beta

Sustainable bonds

In 2020, DGAM held \$1.2 billion in green, social and sustainable bonds, positioning the organization as a major player in Canada's sustainable bond market. The management philosophy applied in these types of mandates calls for each new issuance to be analyzed rigorously and weighted more heavily than in traditional indexes for the most attractive sustainable financing projects. When analyzing sustainable bonds, we use the principles applicable to green and social bonds put forward by the International Capital Market Association (Green Bond Principles) and the Climate Bond Initiative.

Note that "sustainable bonds" are not just green bonds. Some issuers rely on the nature of their operations to issue social bonds associated with the energy transition or the UN's sustainable development objectives.

The expertise of DGAM's Responsible Investment team is widely recognized. Various players in Canada's capital market (bank syndicates and issuers) consult them regularly.



\$1.2 billion

in green, social and
sustainable bonds



Quebec's green bonds²⁴

In 2020, the province of Quebec made a fifth issuance as part of its green bond program. About 42% of the funds raised will be used by the Société de transport de Montréal (STM) to buy 71 AZUR trains. The new cars are at the leading edge in design and technology and will improve customer experience, provide better train performance and reliability, make the metro more universally accessible and have positive economic outcomes for Quebec.

Issuance details²⁵

- Type of project: Energy efficiency and public transit
- Reference framework evaluation: Dark green by CICERO
- Size: CA\$500 million
- Issue date: February 13, 2020
- Maturity date: February 13, 2027

Outcomes²⁶

- About **440** million public transit trips on the STM network in 2025
- Increase electrically powered travel on the network from **69.5%** to **88.6%** in 2025
- **6%** decrease in GHG emissions per passenger-kilometre from 2015 to 2025
- Reclaim more than **85%** of the **8,200** tonnes of material on the **333** MR-63 metro cars that will be retired



24 Ministère des Finances, October 8, 2020. http://www.finances.gouv.qc.ca/en/RI_GB_Projects.asp

25 Province de Québec, 7-year green bond, February 6, 2020. http://142.213.133.27/documents/Autres/en/AUTEN_GreenBondIssue_2027_02_13_LUX.pdf

26 Ministère des Finances, October 8, 2020. http://www.finances.gouv.qc.ca/en/RI_GB_Projects.asp

Brookfield Renewable green bonds²⁷

About 75% of the funds raised under a Brookfield Renewables bond issuance were allocated to five renewable energy production projects. The hydro and wind power projects are located in the United States, Canada and Brazil and involve building new facilities, modernizing existing installations or acquiring sites already in operation.

Issuance details

- Size: \$425 million
- Issue date: August 11, 2020
- Maturity date: August 13, 2050
- Interest rate: 3.33%
- Type of project: Renewable energy
- Evaluation of the reference framework: robust, transparent, and aligned with *Green Bond Principles* according to Sustainalytics

Outcomes

- Installed power of **786 MW**
- **968,000** tonnes of CO2 emissions avoided (annualized value)



A building that stands out: The 95 St. Clair Avenue West building in Toronto²⁸

In 2020, Desjardins' flagship building in Toronto, located at 95 St. Clair Avenue West, won the international *Outstanding Building of the Year* prize (TOBYMD) in the 250,000 to 499,999 square feet category, awarded by the Building Owners and Managers Association (BOMA). This is the latest in a long line of honours showered on this building.

About the building

- Location: Midtown Toronto
- Area: 22,800 m² (245,000 sf)
- Height: 51 m (167 ft)

Transaction details

- Year acquired: 1994
- Partners: Colliers International Real Estate Management
- Sponsor category: Insurers

The building's ESG features

The introduction of energy efficiency measures, use of best environmental practices and multiple health and wellness programs to deliver a first-class tenant experience are among the factors that make the building at 95 St. Clair Avenue West a standout when it comes to ESG criteria.

- Tenant satisfaction rate: **89%**
- Reduction in the building's electricity consumption: **29%** over four years
- Reduction in the building's energy consumption: **13%** over four years
- Roof R value improved and heat islands reduced
- Community vegetable garden on site and roof used for beekeeping
- Rotating art exhibits



²⁸ Data gathered on the 2021 Sustainability Report from Colliers Canada Real Estate Management Services.

A premium asset: The Rivière-du-Moulin wind farm

The Rivière-du-Moulin wind farm is one of the largest renewable energy production facilities in Canada; its 175 turbines have an installed capacity of 350 MW. The turbines are scattered over a 155 km² area in the Charlevoix and Fjord-du-Saguenay RCMs. The energy they produce is sold to Hydro-Québec under a 20-year fixed-price power purchase agreement. The site is operated and maintained by the North American subsidiary of EDF Renewables, a strong, experienced partner whose Canadian facilities represent an installed renewable energy capacity of 2.6 GW. The Innu and Huron-Wendat nations are minority partners in the project.

The wind farm's ESG features

- Installed renewable energy capacity of 350 MW
- Solid partner for purchasing the energy produced under a long-term agreement
- 2020 production volume able to supply nearly 44,500 homes²⁹
- Desjardins-EDF collaboration with various community stakeholders
- Amounts returned to the community each year in the form of donations and sponsorships
- Local economic outcomes are estimated to be more than \$2 million

Transaction details

- Acquisition date: 2015
- Partners: EDF Renewables, Manulife, Industrial Alliance, Innu and Huron-Wendat First Nations, Fjord-du-Saguenay and Charlevoix RCMs
- Governance: Desjardins representatives hold three of seven seats on the co-owners Committee



29 Average of a single-family home with no air conditioning or pool and an air-conditioned single-family home with pool (i.e., (22 MWh + 29 MWh)/2 = 25.5 MWh)

New in 2020

ESG criteria assessment grid

DGAM's Responsible Investment team has developed an operational framework for analyzing ESG criteria based on what SASB sees as the predominant issues in each industry, and the issues that are a priority for DGAM. The framework includes a quantitative analysis of questions with a substantial scope, such as the number of tons of CO2 emitted, complemented by a qualitative analysis, for example, the strategy for employee engagement. The tool can give a company a score of 0 to 10, attesting to its practices with respect to ESG issues. This process gives us an in-depth perspective on each industry and its issues, and fuels analyses while considering the information obtained in dialogues with companies. Our grid allows us to include issues that are a priority for DGAM and specific to the Canadian situation. For example, we get a "Canadian" view by incorporating such aspects as reconciliation with First Nations. The grid is also designed to guarantee our assessments' objectivity to a third party. This rigorous, exhaustive process allows DGAM to shine for integrating ESG criteria from a responsible investment perspective.

Integration of the evaluation process for Canada's provinces

In 2020, for the first time, DGAM incorporated an ESG component into its annual analysis of the 10 Canadian provinces. The analysis identifies environmental, social and governance factors that could have an impact on the value of our sovereign bond investments. The criteria are shaping our opinion on the maturity of government practices on certain issues, including climate change, freshwater management, social inequalities, demographics, civic engagement, and crime severity.

Appendix - Dialogues conducted in 2020

Company Name	Stock Symbol	Discussed Themes
407 international		<ul style="list-style-type: none"> • ESG reporting • Climate change • Diversity & inclusion
AbbVie	ABBV	<ul style="list-style-type: none"> • Diversity • Compensation • Board structure & audit • Climate change • Ethical business management
Aecon Group Inc.	ARE	<ul style="list-style-type: none"> • Ecological transition & resilience • ESG reporting
Air Canada	AC	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Climate change • Customer relations
Alamos Gold, Inc.	AGI	<ul style="list-style-type: none"> • ESG reporting • Controversy • Health & safety
Alimentation Couche-Tard Inc.	ATD.B	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Health & safety • Supply chain
Allied Properties Real Estate Investment Trust	AP.UN	<ul style="list-style-type: none"> • ESG reporting • Stakeholder relations • Board structure & audit
AltaGas	ALA	<ul style="list-style-type: none"> • ESG reporting
Altus Group Limited	AIF	<ul style="list-style-type: none"> • ESG reporting

Company Name	Stock Symbol	Discussed Themes
Aritzia, Inc.	ATZ	<ul style="list-style-type: none"> • ESG reporting • Climate change • Supply chain
ATCO Ltd.	ACO.X	<ul style="list-style-type: none"> • ESG reporting
ATS Automation Tooling Systems Inc.	ATA	<ul style="list-style-type: none"> • ESG reporting • Waste • Health & safety • Lifecycle management
B2Gold Corp.	BTO	<ul style="list-style-type: none"> • Ecological transition & resilience • ESG reporting • Stakeholder relations
Ballard Power Systems Inc.	BLDP	<ul style="list-style-type: none"> • Ecological transition & resilience • ESG reporting • Employee relations • Lifecycle management
Bank of America	BAC	<ul style="list-style-type: none"> • Ecological transition & resilience
Bank of Montreal	BMO	<ul style="list-style-type: none"> • Ecological transition & resilience • Lifecycle management
BCE Inc.	BCE	<ul style="list-style-type: none"> • Employee relations • Diversity & inclusion
Biogen	BIIB	<ul style="list-style-type: none"> • Diversity & inclusion • Employee management • Ethical business management
Boyd Group Services, Inc.	BYD	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Board structure & audit
Brookfield Renewable Partners LP	BEP.UN	<ul style="list-style-type: none"> • Ecological transition & resilience • ESG reporting
Bruce Power		<ul style="list-style-type: none"> • ESG reporting
BC Ferries		<ul style="list-style-type: none"> • Ecological transition & resilience • Stakeholder relations

Company Name	Stock Symbol	Discussed Themes
Cameco Corporation	CCO	<ul style="list-style-type: none"> • Employee relations • Stakeholder relations • Climate change • Board structure & audit
Canadian Apartment Properties Real Estate Investment Trust	CAR.UN	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Customer relations • Board structure & audit • Diversity & inclusion
Canadian National Railway Company	CNR	<ul style="list-style-type: none"> • Climate change • Health & safety
Canadian Pacific Railway Limited	CP	<ul style="list-style-type: none"> • ESG reporting • Climate change • Health & safety
Canadian Tire Corp. Ltd.	CTC.A	<ul style="list-style-type: none"> • Employee relations • Climate change • Supply chain
Canadian Western Bank	CWB	<ul style="list-style-type: none"> • ESG reporting
Canopy Growth	WEED	<ul style="list-style-type: none"> • ESG reporting
Cargojet Inc.	CJT	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Climate change • Supply chain • Diversity & inclusion • Cybersecurity
CCL Industries Inc.	CCL.B	<ul style="list-style-type: none"> • ESG reporting • Waste • Employee relations • Supply chain

Company Name	Stock Symbol	Discussed Themes
Centerra Gold Inc.	CG	<ul style="list-style-type: none"> • ESG reporting • Controversy • Water • Ethical business management
CGI Inc.	GIB.A	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Board structure & audit • Diversity • Compensation
Citizens	CFG	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience
Cogeco Inc.	CGO	<ul style="list-style-type: none"> • Employee relations • Climate change • Board structure & audit • Diversity & inclusion • Cybersecurity
Cominar Real Estate Investment Trust	CUF.UN	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Customer relations • Diversity & inclusion
Constellation Software Inc.	CSU	<ul style="list-style-type: none"> • ESG reporting • Board structure & audit
Crombie Real Estate Investment Trust	CRR.UN	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Customer relations
CT Real Estate Investment Trust	CRT.UN	<ul style="list-style-type: none"> • ESG reporting
CVS Caremark	CVS	<ul style="list-style-type: none"> • Diversity & inclusion • Employee management • Employee relations

Company Name	Stock Symbol	Discussed Themes
Dollarama Inc.	DOL	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Supply chain • Board structure & audit
Dollar General	DG	<ul style="list-style-type: none"> • ESG reporting • Human rights • Employee relations
Dollar Tree	DLTR	<ul style="list-style-type: none"> • Diversity & inclusion • Climate change • Human rights • Products responsibility • Employee relations
Dream Global Real Estate Investment Trust	DIR.UN	<ul style="list-style-type: none"> • ESG reporting • Stakeholder relations and first nations
Dream Impact Trust	MPCT.UN	<ul style="list-style-type: none"> • ESG reporting • Ethical business management
DTE	DTE	<ul style="list-style-type: none"> • Ecological transition & resilience
Dundee Precious Metals Inc.	DPM	<ul style="list-style-type: none"> • ESG reporting • Health & safety • Water
Eldorado Gold Corporation	ELD	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience • Stakeholder relations • Controversy
Element Fleet Management Corp.	EFN	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience • Stakeholder relations
Empire Company Limited	EMP.A	<ul style="list-style-type: none"> • ESG reporting • Board structure & audit
EPCOR Utilities, Inc.	EPCOR	<ul style="list-style-type: none"> • ESG reporting

Company Name	Stock Symbol	Discussed Themes
Equinox Gold Corp.	EQX	<ul style="list-style-type: none"> • ESG reporting • Stakeholder relations • Customer relations
Estée Lauder	EL	<ul style="list-style-type: none"> • Ecological transition & resilience • Board structure & audit • Lifecycle management • Human rights
Finning International Inc.	FTT	<ul style="list-style-type: none"> • Employee relations • Climate change • Lifecycle management • Compensation
Fortis Inc.	FTS	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience
General Motors Financial of Canada Ltd.	GM	<ul style="list-style-type: none"> • Health & safety • Supply chain • Customer relations • Lobbying & political contributions
George Weston Limited	WN	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Ethical business management
GFL Environmental, Inc.	GFL	<ul style="list-style-type: none"> • ESG reporting • Waste
Gibson Energy Inc.	GEI	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience
Gouvernement Alberta		<ul style="list-style-type: none"> • Ecological transition & resilience
Gouvernement Québec		<ul style="list-style-type: none"> • Climate change
Gouvernement Ontario		<ul style="list-style-type: none"> • Climate change
Granite Real Estate Investment Trust	GRT.UN	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Board structure & audit • Customer relations • Diversity & inclusion

Company Name	Stock Symbol	Discussed Themes
Greater Toronto Airports Authority		<ul style="list-style-type: none"> • ESG reporting • Health & safety • Cybersecurity
H&R Real Estate Investment Trust	HR.UN	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Board structure & audit • Diversity & inclusion
Heroux-Devtek, Inc.	HRX	<ul style="list-style-type: none"> • ESG reporting • Health & safety • Diversity
HudBay Minerals Inc.	HBM	<ul style="list-style-type: none"> • Stakeholder relations • Controversy
iA Financial Corporation Inc.	IAG	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Diversity & inclusion
IAMGOLD Corporation	IMG	<ul style="list-style-type: none"> • Stakeholder relations • Health & safety
Intact Financial Corporation	IFC	<ul style="list-style-type: none"> • ESG reporting • Climate change • Customer relations
InterRent Real Estate Investment Trust	IIP.UN	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience • Customer relations • Diversity & inclusion • Compensation
Johnson & Johnson	JNJ	<ul style="list-style-type: none"> • Ethical business management
Killam Apartment REIT	KMP.UN	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience • Diversity & inclusion
Kinaxis, Inc.	KXS	<ul style="list-style-type: none"> • ESG reporting • Climate change

Company Name	Stock Symbol	Discussed Themes
Kinross Gold Corporation	K	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Controversy • Water
Kirkland Lake Gold Ltd.	KL	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Stakeholder relations • Controversy • Board structure & audit
Laurentian Bank of Canada	LB	<ul style="list-style-type: none"> • Climate change • Compensation • Cybersecurity
Lightspeed POS, Inc.	LSPD	<ul style="list-style-type: none"> • ESG reporting • Diversity & inclusion • Cybersecurity • Compensation
Loblaw Companies Limited	L	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Human rights • Supply chain • Diversity & inclusion • Ethical business management
Lowe's	LOW	<ul style="list-style-type: none"> • Ecological transition & resilience
Lundin Mining Corporation	LUN	<ul style="list-style-type: none"> • ESG reporting • Stakeholder relations • Board structure & audit
LVMH	MC	<ul style="list-style-type: none"> • Supply chain
M&T	MTB	<ul style="list-style-type: none"> • ESG reporting • Board structure & audit

Company Name	Stock Symbol	Discussed Themes
Manulife Financial Corp.	MFC	<ul style="list-style-type: none"> • Board structure & audit • Cybersecurity
Maple Leaf Foods Inc.	MFI	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Climate change • Board structure & audit
McDonald's	MCD	<ul style="list-style-type: none"> • ESG reporting • Diversity & inclusion
Metro Inc.	MRU	<ul style="list-style-type: none"> • Waste • Diversity • Cybersecurity
Mines Agnico Eagle Ltée	AEM	<ul style="list-style-type: none"> • Waste • Employee relations • Human rights • Stakeholder relations
Minto Apartment Real Estate Investment Trust	MI.UN	<ul style="list-style-type: none"> • ESG reporting • Climate change • Diversity & inclusion
Morneau Shepell Inc.	LWRK	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Stakeholder relations • Cybersecurity
National Bank of Canada	NA	<ul style="list-style-type: none"> • Ecological transition & resilience • Diversity • Cybersecurity
NavCan		<ul style="list-style-type: none"> • ESG reporting • Diversity & inclusion • Cybersecurity

Company Name	Stock Symbol	Discussed Themes
Newmont Corporation	NGT	<ul style="list-style-type: none"> • ESG reporting • Human rights • Board structure & audit • Water • Compensation
NFI Group Inc.	NFI	<ul style="list-style-type: none"> • Ecological transition & resilience • Employee relations • Lifecycle management
Northland Power Inc.	NPI	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience
NovaGold Resources Inc.	NG	<ul style="list-style-type: none"> • ESG reporting • Stakeholder relations • Water
Nutrien Ltd.	NTR	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience • Human rights • Supply chain
NuVista Energy Ltd.	NVA	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience • Diversity & inclusion
Open Text Corporation	OTEX	<ul style="list-style-type: none"> • ESG reporting • Board structure & audit • Diversity & inclusion • Compensation
Osisko Gold Royalties Ltd.	OR	<ul style="list-style-type: none"> • ESG reporting • Stakeholder relations • Board structure & audit
Parkland Corporation	PKI	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience
Pembina Pipeline Corporation	PPL	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience

Company Name	Stock Symbol	Discussed Themes
Pfizer	PFE	<ul style="list-style-type: none"> • Anti-competitive practices • Ethical business management
Premium Brands Holdings Corporation	PBH	<ul style="list-style-type: none"> • ESG reporting • Diversity & inclusion
Public Service Enterprise Group	PEG	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience • COVID-19
Quadreal		<ul style="list-style-type: none"> • ESG reporting • Climate change
Quebecor, Inc.	QBR.B	<ul style="list-style-type: none"> • ESG reporting • Cybersecurity
Recipe Unlimited Corporation	RECP	<ul style="list-style-type: none"> • ESG reporting
Régime de retraite des enseignantes et des enseignants de l'Ontario		<ul style="list-style-type: none"> • ESG reporting • Climate change • Diversity
Restaurant Brands International, Inc.	QSR	<ul style="list-style-type: none"> • Diversity & inclusion
RioCan Real Estate Investment Trust	REI.UN	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience • Employee relations
Ritchie Bros. Auctioneers Incorporated	RBA	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Cybersecurity
Rogers Communications Inc.	RCI.B	<ul style="list-style-type: none"> • Employee relations • Customer relations
Royal Bank of Canada	RY	<ul style="list-style-type: none"> • Cybersecurity
Sandstorm Gold Ltd.	SSL	<ul style="list-style-type: none"> • ESG reporting

Company Name	Stock Symbol	Discussed Themes
Santos	STO	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience
Saputo Inc.	SAP	<ul style="list-style-type: none"> • ESG reporting • Waste • Climate change • Supply chain • Diversity & inclusion • Compensation
Shaw Communications Inc.	SJR.B	<ul style="list-style-type: none"> • Employee relations • Climate change • Diversity
Shopify, Inc.	SHOP	<ul style="list-style-type: none"> • Employee relations • Diversity • Cybersecurity • Compensation
Sienna Senior Living Inc.	SIA	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Stakeholder relations • Customer relations
SmartCentres Real Estate Investment Trust	SRU-UN	<ul style="list-style-type: none"> • ESG reporting • Board structure & audit • Diversity & inclusion
SNC-Lavalin Group Inc.	SNC	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Controversy • Compensation • Potential of excluded sectors
Stantec Inc.	STN	<ul style="list-style-type: none"> • Employee relations

Company Name	Stock Symbol	Discussed Themes
Summit Industrial Income REIT	SMU.UN	<ul style="list-style-type: none"> • ESG reporting • Diversity & inclusion • Compensation
Sun Life Financial Inc.	SLF	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Customer relations • Board structure & audit • Cybersecurity
TC Energy Corporation	TRP	<ul style="list-style-type: none"> • Stakeholder relations • Climate change
TELUS Corporation	T	<ul style="list-style-type: none"> • ESG reporting • Stakeholder relations • Climate change • Customer relations • Diversity & inclusion
Teranga Gold Corporation	TGZ	<ul style="list-style-type: none"> • Stakeholder relations • Health & safety
Terranet		<ul style="list-style-type: none"> • ESG reporting
TFI International Inc.	TFII	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Board structure & audit
The Bank of Nova Scotia	BNS	<ul style="list-style-type: none"> • ESG reporting • Human rights • Customer relations • Diversity & inclusion • Cybersecurity
The North West Company Inc.	NWC	<ul style="list-style-type: none"> • Board structure & audit
The Toronto-Dominion Bank	TD	<ul style="list-style-type: none"> • ESG reporting • Diversity & inclusion
TJX	TJX	<ul style="list-style-type: none"> • Employee management • Compensation

Company Name	Stock Symbol	Discussed Themes
TMX Group Ltd.	X	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Executive compensation
Torex Gold Resources Inc.	TXG	<ul style="list-style-type: none"> • Stakeholder relations • Health & safety
Toromont Industries Ltd.	TIH	<ul style="list-style-type: none"> • ESG reporting • Employee relations • Climate change
Toronto Hydro Corporation		<ul style="list-style-type: none"> • ESG reporting
Tourmaline Oil Corp.	TOU	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience
Transcontinental Inc.	TCL.A	<ul style="list-style-type: none"> • Employee relations • Lifecycle management
Truist	BB&T	<ul style="list-style-type: none"> • ESG reporting • Ecological transition & resilience • Employee management • Diversity & inclusion
Universal Health Services	UHS	<ul style="list-style-type: none"> • ESG reporting • Diversity & inclusion • Board structure & audit
Verizon	VZ	<ul style="list-style-type: none"> • Diversity & inclusion • Customer relations
Walgreens	WBA	<ul style="list-style-type: none"> • Climate change
Walmart	WMT	<ul style="list-style-type: none"> • Products responsibility • ESG reporting
Waste Connections, Inc.	WCN	<ul style="list-style-type: none"> • Ecological transition & resilience • Waste • Employee relations
Well Health Technologies	WELL	<ul style="list-style-type: none"> • ESG reporting • Cybersecurity

Company Name	Stock Symbol	Discussed Themes
West Fraser Timber Co. Ltd.	WFG	<ul style="list-style-type: none"> Stakeholder relations Lifecycle management
Whitecap Resources Inc.	WCP	<ul style="list-style-type: none"> ESG reporting Climate change Diversity & inclusion
Woodside Petroleum	WPL	<ul style="list-style-type: none"> ESG reporting Ecological transition & resilience Lobbying & political contributions
WSP Global Inc.	WSP	<ul style="list-style-type: none"> Ecological transition & resilience Employee relations
Xebec Adsorption Inc.	XBC	<ul style="list-style-type: none"> Ecological transition & resilience ESG reporting Diversity
Yamana Gold Inc.	YRI	<ul style="list-style-type: none"> Health & safety Board structure & audit

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