



2018 Social and Cooperative Responsibility Report

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Our approach

Robust reporting | GRI 102-40 | 102-42 | 102-43 | 102-44 | 102-46 | 102-47

Ensuring transparency and creating value for society and our members and clients

Our Social and Cooperative Responsibility Report illustrates how environmental, social and governance (ESG) criteria are gradually being integrated into everything we do at Desjardins. Prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards, this non-financial report highlights our commitment to meeting the ever-changing needs of our members and clients and acting in accordance with our cooperative values. Our focus on personal and community development is our way of driving sustainable and responsible economic growth.

We monitor global developments in non-financial reporting closely, and 2018 marks our 15th year publishing this report. In 2007, we adopted the GRI methodology to ensure transparent, robust and comparable non-financial reporting. GRI is a global standard for the finance sector. By publishing this report along with our financial results, we're moving towards integrated reporting, as endorsed by the International Integrated Reporting Council. Because climate change is our environmental priority, we've integrated the reporting recommendations of the Task Force on Climate-related Financial Disclosures. We comply with the reporting requirements of

CDP (formerly the Carbon Disclosure Project), and our greenhouse gas (GHG) emissions have been independently audited by PricewaterhouseCoopers LLP (PwC) as part of a limited assurance engagement for Scope 1, 2 and 3 GHG emissions. To learn more, read [PwC's report](#).

At Desjardins, social responsibility goes hand in hand with our mission and cooperative values. It's an integral part of our strategic plan that helps us enrich the lives of people and their communities, create value and drive performance for our members and clients.



Stakeholder survey

A unique consultation

In 2017, we conducted a materiality analysis on our sustainable development priorities according to GRI standards, which is still topical in 2018. We surveyed 1,700 stakeholders to get a comprehensive look at their concerns regarding sustainable development. We started by analyzing and discussing topics internally to narrow it down to 20 focus areas, which were then organized according to the results from each stakeholder group.

The online survey was sent to:

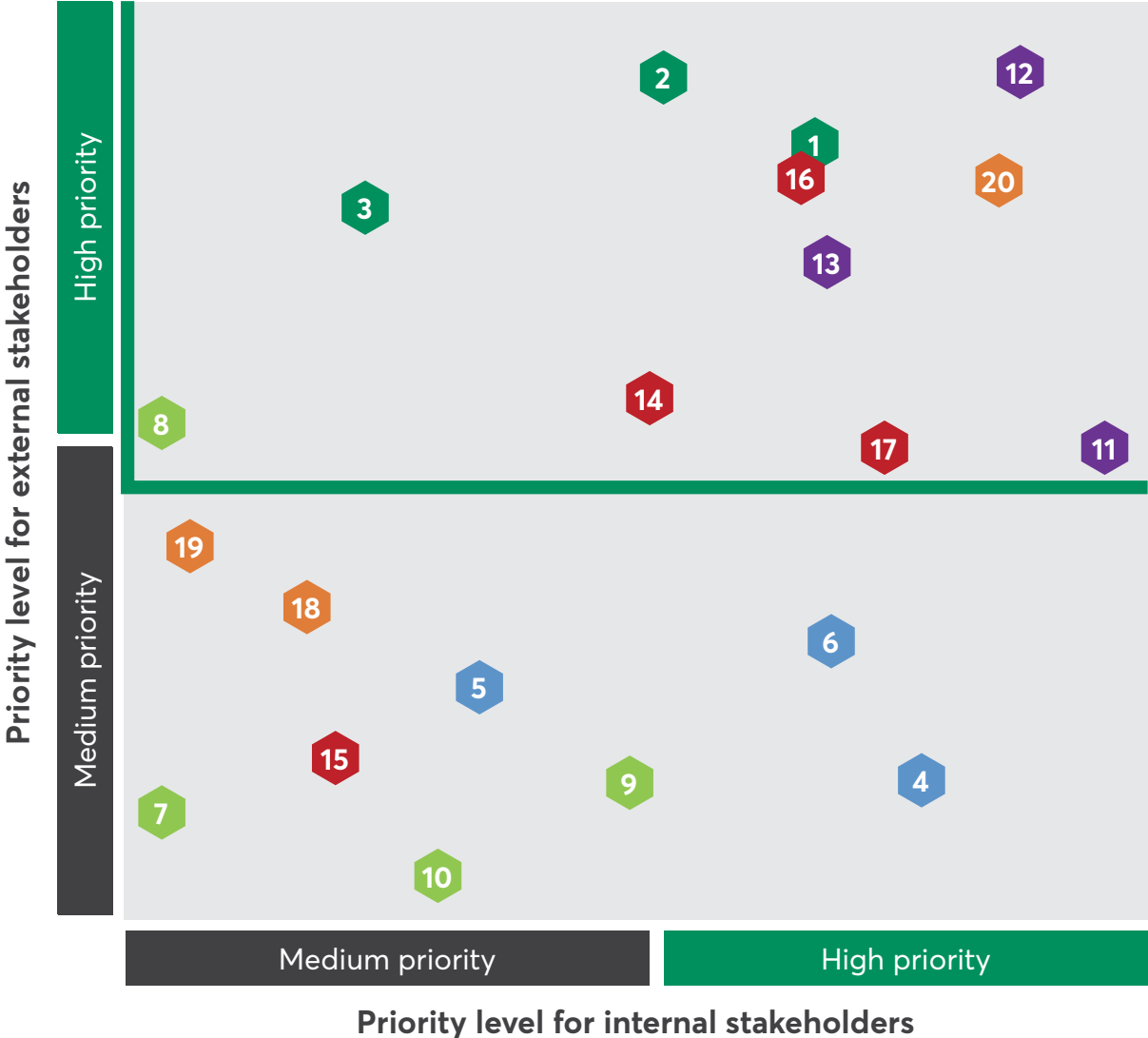
The survey confirmed that our priorities are in line with stakeholders' overall expectations and strengthen our leadership position in the energy transition and the fight against climate change. We plan to conduct a stakeholder survey at least every 4 years and use the results in our Social and Cooperative Responsibility Report.

In 2018, we created the ESG Steering Committee comprising senior managers from the business sectors and support functions to review issues from an ESG standpoint and advise Desjardins Group's senior management and Board of Directors. The committee is supported by a team of ESG experts. We also continued our dialogue with stakeholders. For instance, we surveyed members through AccèsD on data protection, and we surveyed local caisse chairs and general managers on a Desjardins-wide ban on certain single-use plastic products.

1,005 employees	500 officers (including members of our Youth Advisory Board)	157 caisse general managers and business centre managers	15 business community representatives	11 civil society organizations	4 government representatives	4 board members	4 senior executives
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Our approach

Materiality analysis



- Products and services**
 - 1. Cooperative and financial education of members and clients
 - 2. Socially responsible products and services
 - 3. Environmentally responsible products and services
- Workplace relations**
 - 4. Employee skills development and training
 - 5. Equality and diversity in the workplace
 - 6. An inspiring, motivating and secure work environment
- Environment**
 - 7. Alternative transportation
 - 8. Climate change
 - 9. Energy efficiency
 - 10. Environmentally-friendly waste management
- Member/client relations**
 - 11. A distinctive member/client experience
 - 12. Privacy protection
 - 13. Effective governance
- Community relations**
 - 14. Individual and collective entrepreneurship
 - 15. A greener and more unified economy
 - 16. Economic value for communities
 - 17. Community commitment and investment
- Structure and processes**
 - 18. Responsible supply chain
 - 19. ESG risks
 - 20. Ethics, integrity and compliance

Our approach

Social and cooperative responsibility

Overview

The table below lists the key sustainable development indicators for our 20 focus areas, based on the results of the stakeholder survey. It provides an overview of Desjardins's performance in all 20 areas. Details for each topic are presented throughout the report.

Focus area	Indicator	2018	2017
Products and services			
Cooperative and financial education of members and clients	Investments in cooperation and financial education (in \$M)	7	8
Socially responsible products and services	Number of people who received assistance through the Desjardins Mutual Assistance Fund	22,203	19,242
Environmentally responsible products and services	Number of Green Program products and services, including SocieTerra funds and responsible investment ETFs	28	18
Workplace relations			
Employee skills development and training	Proportion of payroll invested in training and skills development (as a %)	2.90	2.65
Equality and diversity in the workplace	Female representation in executive roles (as a %)	59.0	57.5
An inspiring, motivating and secure work environment	Permanent employee retention rate (as a %)	93.9	94.6
Environment			
Alternative transportation	Number of employees in the Alternative Transportation Program	8,827	8,386
Climate change	Total GHG emissions (in metric tons of CO ₂ equivalent)	59,290	46,019
	Carbon footprint (in metric tons of CO ₂ equivalent/m ²)	0.0282	0.0216
Energy efficiency	Energy intensity (in gigajoules/m ²)	0.88	0.88
Environmentally-friendly waste management	Recycling/recovery/composting ratio (as a %)	62.76	62.01
Member/client relations			
A distinctive member/client experience	Number of members and clients involved in the net promoter score	370,000	308,000
Privacy protection	Proportion of employees trained on data protection (as a %)	93.0	96.0
Effective governance	Director representation index in terms of the age and gender of members (as a %)	92.6	92.0
Community relations			
Individual and collective entrepreneurship	Investments to support entrepreneurship (in \$M)	5.0	4.3
A greener and more unified economy	Investments and financing to support the renewable energy sector (in \$B)	2.33	2.15
	Number of non-profit organizations that are Desjardins members	46,450	41,713
Economic value for communities	Redistributions to members and the community (in \$M)	389	320
Community commitment and investment	Ratio of member and community redistributions to surplus earnings before member dividends (as a %)	16.7	14.9
Structure and processes			
Responsible supply chain	Value of purchases from suppliers that have been evaluated based on sustainable development criteria (in \$M)	800.0	720.4
Environmental, social and governance (ESG) risks	Volume of assets subject to positive or negative ESG screening* (in \$B)	93.5	90.3
Ethics, integrity and compliance	Proportion of employees and directors trained on conflict of interest management (as a %)	84.2	50.6

* Desjardins assets and assets managed by Desjardins for third parties.

UN Sustainable Development Goals and Paris Agreement

Our contribution

Cooperatives and mutuals around the world have committed to supporting the UN Sustainable Development Goals.

This report also presents:

- Our contribution to achieving these objectives, which include eradicating poverty, reducing inequality and protecting the planet
- Our contribution to the Paris Agreement to reduce our carbon footprint and adapt to climate change
- Our new products, services, activities and commitments that reflect the pride we take in enriching the lives of people and communities

Note to readers

The letters M and B stand for millions and billions, e.g., \$5M means \$5 million and \$2B means \$2 billion



This report is primarily for our members and clients and their communities. As such, the information is organized by their areas of interest and their sustainable development concerns.

Desjardins Group highlights

(As of December 31, 2018)

Over
7 million
members and clients

3,779
directors

More than
46,200
employees

\$389 million
given back to
members and
communities

Our first-ever
**climate-related
disclosure**

\$100 million
fund for community
development

17.3%
Tier 1A capital ratio

**\$2,326
million**
in surplus earnings

**\$295.5
billion**
in assets



Guy Cormier

President and CEO of
Desjardins Group

Doing what's best for our members and clients: Always the right choice

As President of Desjardins Group, I'm very proud of our 2018 results and achievements. Our membership has grown, especially among young people. Our satisfaction ratings—as measured by our net promoter scores—are up. And our ongoing efforts to build a strong member/client culture are driving up a number of other indicators.

Our entire cooperative financial group is committed to doing what's best for our members and clients, and that's a game changer. We're updating our management and business practices so members and clients get the advice, products and services they need to achieve optimal financial health.

At the same time, we're working hard to make it even easier for members and clients to do business with us. Our innovative apps, products and services make their lives easier, and we're helping them do more on their own. Meanwhile, we're giving our frontline employees the tools they need to better assist members and clients at major life events.

We're changing the way we pay member dividends as well. Starting in 2019, more weight will be given to the business relationship members have with all of Desjardins.

One big nationwide team

I'm also proud of the way we brought our State Farm agents into the Desjardins fold. When they joined us in early 2015, we were able to create our new Desjardins agent network much faster than we anticipated.

Throughout this transition, agents across the country maintained their longstanding business relationships with clients and kept their trust. We can't thank them enough.

Now that we're one big team, we're one of Canada's leading property and casualty insurers.

And thanks to everyone in the Ontario caisses, in our business sectors and support functions and at Aviso Wealth, Desjardins is now a major player in the Canadian financial services industry.

Well-deserved financial results laying the groundwork for the future

Our outstanding financial results are a direct result of our commitment to doing what's best for our members and clients. In 2018, our operating income grew 7.2% to \$16,576 million, while our surplus earnings rose \$175 million to \$2,326 million.

Thanks to this strong performance, we're investing more in talent acquisition, employee training, service upgrades and our digital shift—all things that will help us better serve our members and clients.

Growing a responsible, sustainable economy

Our financial strength also enables us to do more to grow a responsible, sustainable economy—one of our strategic priorities. It allows us to expand our financial literacy programs and launch and support more initiatives that will have a lasting impact on our communities.

All across Canada, we're also doing more to support entrepreneurs and community initiatives. We're doing it through our Desjardins Business centres, Desjardins Capital Management Inc., our Créavenir and Desjardins Microcredit to Businesses programs, and our \$100 million fund.

We're also doing it through new initiatives like the Momentum Fund, which provides financial assistance to grow local businesses and create and keep good local jobs.

At the same time, we're supporting the transition to clean energy by incorporating environmental, social and governance criteria into all our business decisions.

Message from the President and CEO

And because more and more members and clients want to effect social and environmental change through their financial choices, last year we doubled the number of responsible investment (RI) funds we offer. We now have Canada's largest RI fund lineup, with 22 different products.

But to tackle climate change effectively, we need to join forces with others. In partnership with Hydro-Québec and AddEnergie, we're installing 200 new charging stations across our caisse network by 2021—just one way we're encouraging the use of electric vehicles in Quebec and Ontario.

Finally, we're following the recommendations of the Task Force on Climate-related Financial Disclosures and including a climate-related disclosure in our social and cooperative responsibility report starting this year.

Modern, people-focused democratic governance

I'm also very proud of all the work we've done to update our governance structure. In 2018, we instituted a number of changes based on the decisions we made at our 23rd Congress.

With these changes, we'll have a modern, people-focused governance structure. A governance structure that makes us more agile as an organization and strengthens our ties with members, clients and communities. A governance structure that empowers everyone at Desjardins to do what's best for our members and clients.

In today's increasingly complex world, we're bombarded with information on all sides. That's why we're updating the role of director. All our boards of directors now have enhanced group profiles, and directors must complete mandatory training to ensure boards have the requisite skills to fully grasp the challenges they face. These changes will also help us carry out initiatives that are meaningful for our members, clients and communities.

In addition to taking part in our existing decision-making bodies, caisse directors and general managers will also participate in the new community collaboration groups and Desjardins Collaboration Forum to inform the organization's decisions on priorities, products, services and community involvement.

Acknowledgments

Our new bylaws introduce term limits for caisse board chairs. I'd therefore like to thank all the chairs who will be leaving their posts at their caisses' next annual general meetings. I also want to thank all the members of the boards of supervision, which were eliminated in 2018. Thank you for your service.

I'd like to thank all our employees and elected officers as well. Your hard work and commitment to doing what's best for our members and clients is really paying off.

Together in 2019, we'll continue to build a strong member/client culture, showcase our cooperative difference and harness the full potential of our cooperative group.



Guy Cormier
President and CEO
of Desjardins Group

1. Members and clients



The Desjardins Foundation helped over
188,000 young people
stay in school and succeed academically

More than
75,000 young adults
took the Personal Finance: I'm in Charge![®] classroom course

We sponsored a number of initiatives that encourage
young people to start their own business

SUSTAINABLE
DEVELOPMENT
GOALS

1 NO
POVERTY



8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



1.0 Members and clients

Doing what's best for our members and clients

At Desjardins, we're committed to doing what's best for our members and clients. We help them take charge of their finances by offering financial education programs and personalized support.

We also use innovation and the shift to digital to enhance the member/client experience while continuing to build personal relationships and become more simple, modern and people-focused.

We're here for everyone. That includes young people, entrepreneurs and immigrants in communities large and small. We believe it's a privilege to help people from all walks of life achieve their goals.

1.1 Innovations that make life easier

Delivering a better online experience

Members and clients deserve an outstanding experience on our web and mobile platforms. They've told us they want to do more online, and they're using our online services more and more all the time. We regularly review our website architecture to improve navigation and provide a seamless experience on the web and mobile versions of our sites.



Silver Award for the AccèsD Assistant

We won the Silver Award for our AccèsD Assistant in an international competition organized by the European Financial Management Association. The competition recognizes innovation in financial services marketing and distribution.

Open an account online

Individuals and businesses can now open an account online in both the web and mobile versions of AccèsD and AccèsD Affaires without stepping foot in a caisse.

Renew a mortgage from the comfort of home

Desjardins members can now renew their mortgage 100% online and get phone support if they need help.

Get non-sufficient funds (NSF) alerts

Members can sign up to get alerts when they don't have enough funds to cover a preauthorized payment so they can avoid NSF fees.

View insurance information anytime

With the updated Desjardins Mobile Services app, clients can see all their Desjardins home and auto insurance products and get an insurance quote.

Get paid in a flash with Interac

Business members can now accept payments online with Interac. It's great for things like collecting rent and getting paid for professional services.

These time-saving innovations also save members and clients trips to the caisse, which helps lower greenhouse gas emissions.

1. Members and clients



Sending severe weather alerts with Radar™

With Radar™, a new free feature in the Desjardins Insurance Home-Auto app, users can get personalized weather alerts. Most weather apps give local forecasts, but Radar™ lets users know if there's a risk of severe weather within 500 metres of one of their pre-selected addresses. Users just choose which weather events they want to get alerts for, such as hail, heavy rain, high winds, tornadoes and hurricanes. Extreme weather is becoming more common with climate change, so we're helping protect people and their property.



Desjardins Insurance/The Personal app rated #1 mobile insurance strategy

The Desjardins Insurance/The Personal mobile app tied for first in the Mobile Insurance Strategy category and came in second in the Mobile Insurance App category in PTOLEMUS's North American rankings.

Focusing on more than just financial health

Here are just a couple of our innovative health solutions.

Financial Health and Well-being Zone

The Financial Health and Well-being Zone on www.desjardinslifeinsurance.com was specially designed to help members and clients take charge of their health. It features quizzes, tips and advice to help them plan a prosperous future, reduce financial anxiety and improve their overall wellness. It also offers financial advice tailored to member and client needs, as well as health tips from our partners—the Canadian Cancer Society and the Heart and Stroke Foundation.

Enhanced critical illness coverage

Cancer rates are on the rise. That's why our critical illness insurance now covers all forms of cancer to help patients pay the bills.

1.2 Exclusive services and advantages

Exclusive advantages for members

For personal members

Our members enjoy all kinds of exclusive perks we call Desjardins Member Advantages.

- About 20 discounts, rebates and exclusive rates on financial products and services for individuals, including many for young people.
- About 30 exclusive offers and privileges valid for goods, services and major events like the Festival d'été de Québec and the Grand défi Pierre Lavoie, with more added all the time.
- Member events and activities put on regularly throughout the caisse network.
- 4 assistance services: Identity Theft Assistance, Estate Assistance, Travel Assistance and Roadside Assistance® for members under 25. These services are just another example of our cooperative commitment to member well-being.

© Desjardins Roadside Assistance is a registered trademark of Desjardins Financial Security Life Assurance Company used with permission by Desjardins General Insurance Inc. This program is administered by Assistel Inc.

For business members

Our business members have access to 15 exclusive advantages to help them manage their business. That's on top of our advantages for personal members. They're tailored to businesses of all sizes and include a welcome kit and special offers for payment, financing, insurance and savings solutions.

1.3 Support for cooperation and education

Financial and cooperative education [Management approach](#) | [GRI 103-1](#) | [103-2](#) | [103-3](#)

Financial education has always been central to Desjardins's mission and critically important for members and clients. We help design and deliver financial and cooperative education programs for individuals and communities. Some of these programs are developed and presented in partnership with education and consumer protection advocates in Quebec and Ontario.

In 2018, Desjardins invested \$7 million in programs to foster healthy financial habits, financial wellness and financial literacy.

We have a financial education policy that informs our education initiatives, guides our financial education efforts and incorporates financial education into our business practices. Mechanisms are also in place to ensure these programs are updated regularly.

We evaluate participant satisfaction with our financial education programs like Personal Finance: I'm in Charge®. It is however difficult to measure the long-term effects of our programs on the financial health of individuals and businesses.

For students and young people

Supporting students | [GRI FS16](#)

[Desjardins Foundation](#)

Helping young people stay in school and pursue an education

The Desjardins Foundation is the philanthropic arm of Desjardins. Its mission is to help young people stay in school and succeed academically. The Desjardins Foundation:

- Awards scholarships
- Gives grants to support special projects benefiting young people
- Provides direct assistance to young people through partner organizations
- Gives parents tools to support their children throughout their schooling

In 2018, the Desjardins Foundation:

Awarded \$2.4 million to help young people succeed

Supported over 188,000 young people in Quebec and Ontario

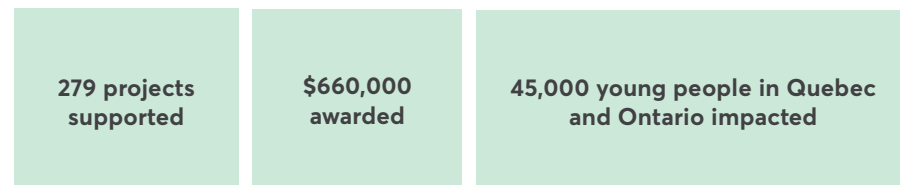


1. Members and clients

#DesjardinsFoundation Prizes

Through the #DesjardinsFoundation Prizes, we award school and community leaders grants of up to \$3,000 for projects benefiting preschool, elementary and high school students. Desjardins employees and directors vote on the winning projects.

In 2018:



As an extra incentive, schools with a school caisse can win an additional \$1,000 by submitting a project with a financial education component.

Scholarships

In 2018, the Desjardins Foundation handed out 446 scholarships totalling \$874,500 to Desjardins caisse members in Quebec and Ontario who are pursuing a post-secondary education.

The winners are all students who stand out in one or more of the following categories:

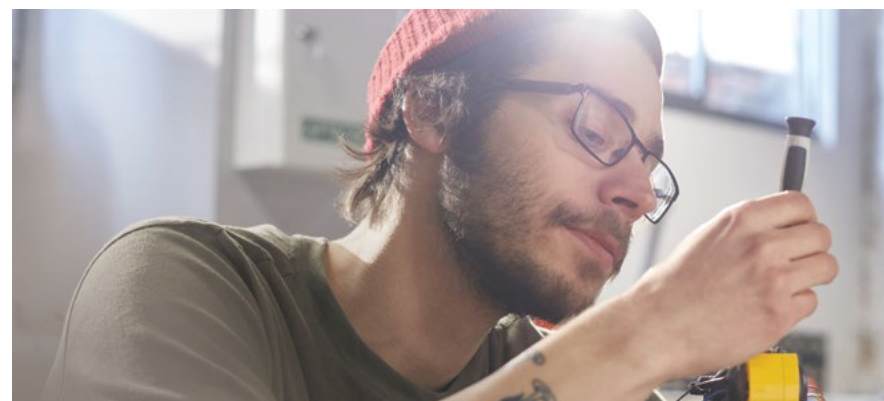
- **Obstacles overcome:** We encourage students who have had to overcome obstacles on their academic journey.
- **Community involvement:** We recognize young people who are active in their school and community.
- **Financial need:** We support students who truly need financial assistance to continue their education.

These scholarships are our way of recognizing the winners and rewarding them for their hard work.

Other partnerships

The Desjardins Foundation awarded \$900,000 to 29 partner organizations that work to keep youth in school and help them succeed academically. These organizations worked directly with 72,000 young people in 2018. With our financial assistance, these partner organizations also provide tools and support to parents of school-aged children. 71,000 parents received support to help their children throughout their academic journey.

- The Desjardins Foundation provided financial support for the new Alloprof Parents website (available in French only), which offers a whole host of tools for parents who want to help their child succeed academically.
- It co-created with Alloprof Parents the keep-your-cool school kit, which gives parents tools to support their children throughout their schooling.
- It produced a pamphlet for young people entering the labour market that contains information on labour laws and tips on achieving a work-school balance. The pamphlet was developed in conjunction with our partners at Édulcoi and the Instances régionales de concertation sur la persévérance scolaire et la réussite éducative.



Introducing programming to 5- to 12-year-olds with Code MTL

Desjardins has teamed up with Code MTL, an initiative of the Fondation de la Commission scolaire de Montréal that works to improve digital literacy among students ages 5 to 12 through visual programming. Code MTL uses Scratch educational software, which has been used by 15 million children around the globe to create and share 40 million programming projects. Scratch was developed by the renowned Massachusetts Institute of Technology in collaboration with Montreal's Playful Invention Company.

1. Members and clients

Teaching young people about money

School caisse | GRI FS16

Since 1907, Desjardins has been working with parents and schools to educate children about saving. Together we teach elementary students the basics of saving, the economy and cooperation.

In 2018, 94,778 children in 1,466 schools were members of a school caisse.

The 2018 numbers for www.schoolcaisse.com speak for themselves:

66,470 unique visitors	521,900 page views	9,148 new online enrolments
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The site is full of activities, videos and games to:

- Help children become independent, responsible and capable
- Spark their interest in cooperative values
- Foster their awareness of the importance of sound financial management
- Get parents involved in their child's financial education

The site also features Calculo, a tool that has helped nearly 16,000 young people set savings goals.

For the 2017–2018 school year, we paid \$265,939 in youth dividends to 25,757 eligible school caisse members ages 5 to 12 in Quebec and 5 to 14 in Ontario.

Learning with Charly & Max Get Involved! | GRI FS16

Charly & Max Get Involved! is a fun interactive game designed for kids ages 6 to 11. Children learn basic cooperative and financial concepts through:

- A 50-episode web series
- Quizzes
- Surveys
- Apps

5,618 visitors played the game in 2018. More than a third of them played regularly, spending an average of 7 minutes per visit.

Student caisse and Finance Lab: By high schoolers, for high schoolers | GRI FS16

Student caisses are like mini Desjardins caisses in high schools and are managed by student volunteers. The program is currently operating in 45 high schools in Quebec.

We've launched a new model that better serves the needs and goals of young people. Finance Labs are associations set up in high schools that operate like cooperatives. They're governed by boards of directors that the members—the students of the school—elect at an annual meeting. Students at participating schools can:

- Learn about mobile payments in a secure setting
- Start up business projects at school and get technical and financial support
- Experience what it's like to be part of a democratically managed business

As of December 31, 2018, 22 Finance Labs were in operation or being set up across Quebec. Nearly 16,000 students had used Finance Lab services, and over 100 had served as a director.



1. Members and clients

A new way to save with My Savings Plan

My Savings Plan encourages about 1 million 13- to 30-year-olds to save. Young people set savings goals, determine how quickly they want to achieve them and schedule regular transfers. If their financial situation changes, they can always adjust their transfers online or on their mobile device. They can also get personalized advice however is most convenient for them (at a caisse, online, by phone, etc.). They get a competitive daily interest rate, an annual bonus and an additional bonus if they meet their savings goal. If something comes up that derails their plan, they can get their savings back, including any bonuses earned.

Financial literacy for young adults

Getting that first job is a big milestone for teens and young adults. As money becomes a priority, they need a solid financial education to get them on the road to financial independence. In 2017, we launched a campaign and advisory approach for young people 15 to 17 and worked with VRAK TV to produce educational content about managing finances, starting a post-secondary education and entering the labour market.

Preparing for the future with Personal Finance: I'm in Charge® | GRI FS16

Personal Finance: I'm in Charge® is a distinctive, highly successful financial education program for 16- to 25-year-olds and newcomers to Canada. It addresses such pressing issues as high debt levels and peer pressure to spend. The program has 17 modules on topics relevant to young people. It's put on by Desjardins-accredited trainers through a partnership between community organizations, schools and local caisses.

The program also teaches young people how to incorporate social and environmental considerations into their personal finance decisions with a game called Le Responsable created by Équiterre and Caisse d'économie solidaire Desjardins.

2018 by the numbers:

Over \$3 million invested by the Fédération des caisses Desjardins du Québec and caisses

75,854 participants, for a total of over 200,000 since 2013

228 participating caisses in Quebec and Ontario

98 community and school partners, including 4 CEGEPs



For adults

Helping young adults manage their finances

At Desjardins, we want to help young adults on their financial journey. That's why we launched Basics + Fun + Dreams, a campaign that helps 18- to 30-year-olds set priorities based on their needs, wants and goals. We also have a campaign to impress upon them the importance of meeting with a financial security advisor, especially at major life events.



The coolest financial institution

According to Leger's 2018 Youth Study, millennials think Desjardins is the coolest financial institution in Quebec! We've worked hard in recent years to communicate more effectively with young people and offer products and services tailored to their needs.

1. Members and clients

Invest in the stock market with Broker@ge 18-30

Broker@ge 18-30 is an exclusive offer by Desjardins Online Brokerage (Disnat) that teaches 18- to 30-year-olds, especially those interested in investing in the stock market, about the importance of managing their finances. In 2018, 2,000 young people across Canada attended more than 40 seminars at universities and other locations. Over 11,500 young people have taken advantage of this exclusive offer since it was introduced in January 2016.

Personal finance newsletters | GRI FS16

Nearly 1.5 million personal and business members receive a personalized Desjardins newsletter each month. These newsletters direct readers to www.desjardins.com for personal finance advice and action plans. The 128 participating caisses and Desjardins Business centres can include local information in their newsletters for members.

› To subscribe to the newsletter or check out our personal finance advice, visit <https://www.desjardins.com/coopme>.

Boosting investment IQs with the investment learning centre

To further the financial education of our members and clients and help them make informed decisions about their investments, Disnat holds more than 250 educational events each year. Videos, a calendar of events and other information are available in the online learning centre. These events are part of our commitment to helping our members and clients become better investors.

Personalized videos on group retirement savings

Informational videos are available on the Desjardins group retirement savings plan site. These videos are the first of their kind in the industry to feature member-specific information. Plan members get personalized recommendations on topics like setting retirement goals, determining their investor profile and increasing their contributions.

Educating policyholders about risk prevention

On www.desjardins.com, we regularly post blog entries with helpful information on home, auto and business insurance.

These blogs are the most recent initiative in our longstanding effort to educate policyholders about risk prevention so they can protect their property. We also have web pages where they can read about:

- Prevention tips
- The Tenant Challenge
- Home, auto and business insurance

Learning more about our cooperative difference at the Desjardins Corner

The Desjardins Corner in the Complexe Desjardins in Montreal showcases our cooperative financial group and highlights our values, global reach and commitment to financial education and communities at home and abroad. It offers visitors an interactive, multimedia experience featuring inspiring personal stories of innovation and creativity. Since it opened in 2014, over 39,250 visitors from all over the world have come for guided tours, talks, workshops, and special events, including 10,500 visitors in 2018 alone.



1. Members and clients



For entrepreneurs

Tips and tools | GRI FS16

With our vast network of experienced directors, we're able to help entrepreneurs set up governance bodies, such as boards of directors and advisory committees. Approximately 90 out of more than 250 potential directors are already active with partner businesses. We also regularly post governance articles on social media.

We provide all kinds of assistance to entrepreneurs. In addition to supporting programs at the École d'Entrepreneurship de Beauce, in 2018 we offered a 2-day boot camp for over 200 members and clients. We also foster entrepreneurship by connecting business owners who face similar challenges.

Entrepreneurs have access to decision-making tools in the [Tools and Tips for Your Company](#) section on www.desjardins.com. These include interactive business and marketing plans, the Billing and Expense Tracker and more than 60 fact sheets on the business stages. Entrepreneurs can use the tracker to prepare quotes and invoices, create a product catalogue and securely send information to their accountant and others.

New entrepreneur members get exclusive financial offers and online tools included with their welcome kit. Our experts are also happy to help them with the day-to-day management of their business. Whatever the size of their business or the stage it's in (start-up, growth or transfer), entrepreneurs can get expert advice in the [Your Business](#) section of www.desjardins.com.

While they're there, they can also get information and advice on transferring a business and doing business abroad.

For instance, we've put together a French-language guide titled *Entreprendre et conquérir le marché français* to help entrepreneurs and investors looking to do business in France. It covers the French banking system, reviews some economic, legal and tax differences, and contains a wealth of information for Quebec-based entrepreneurs.

The Desjardins International Gateway is a service available to help businesses in all industries go global. It relies on a network of partners from around the world with some 30 years of experience.

Encouraging young people to go into business

Helping local immigrant entrepreneurs

We've teamed up with the Regroupement des jeunes chambres de commerce du Québec (RJCCQ) for the provincial government's Immigrant Entrepreneurs in Regions of Quebec program. Desjardins and the Quebec government are each investing \$400,000 in this RJCCQ initiative, which aims to pilot a number of trade missions across Quebec to help young immigrant entrepreneurs get up and running so they can help grow their local economies.

Cultivating young entrepreneurs

We joined forces with 2 other finance leaders to launch Devenir Entrepreneur, a major campaign that aims to inspire young people to start a business and help them get their business off the ground.

The initiative's website, www.devenirentrepreneur.com/en, is a great resource for anyone who wants to know more about starting their own business, and it also has a section designed especially for elementary and high school teachers.

1. Members and clients

Introducing entrepreneurship to young people

Fondation Montréal inc. supports Montreal's most promising entrepreneurs by providing grants and access to a network of high-level business people and experienced business community volunteers. Desjardins sponsors the Soirée mtl inc. benefit gala, which showcases young entrepreneurs and gives them a chance to rub elbows with influential members of the business community.

We also work with Place aux jeunes en région, an organization that helps young people settle in outlying regions and helps local business members recruit talent. The organization puts together exploratory missions so potential candidates can visit local businesses and learn about entrepreneurship.

Mentoring young entrepreneurs

We've signed on as a partner of the Adopt Inc. program for a third straight year. The program is open to all Quebec entrepreneurs who have started their own business and are between the ages of 18 and 39. Participants must be working full time at their own business and be a majority shareholder. Adopt Inc. is an initiative allowing young entrepreneurs to fully focus on developing their business for a year, during which they have access to financial support, coaching, training and a boot camp offered by Desjardins at the École d'Entrepreneurship de Beauce.

Financing young entrepreneurs

The Créavenir program helps entrepreneurs 18 to 35 who have trouble accessing traditional financing.

Supporting the next generation of farmers | GRI FS7

At Desjardins, we understand the importance of lending a helping hand to a new generation of local farmers. That's why we're active in the Fonds coopératif d'aide à la relève agricole, a fund that helps young cooperative farmers get financial and professional support and improve their skills.

For immigrants

Helping newcomers get on their feet | GRI FS14

With Desjardins.com

The newcomers section of www.desjardins.com has information to help immigrants understand the Canadian financial system and get settled, whether they're permanent residents or temporary residents like international students.



1. Members and clients

Teams and locations serving immigrants

Newcomers face all kinds of challenges when they get to Canada, like finding a job and housing. Money can be tight, and they may need a lot of support. That's where our newcomer support team and caisse network service centres come in. We also have 13 caisses and service centres that cater to cultural communities (Italian, Lithuanian, Portuguese and Ukrainian). And with the Desjardins Microcredit to Businesses program, we help newcomers who want to start or grow a business.

Offers for newcomers

A number of advantages, including no service charges for one year for eligible newcomers	Access to an unsecured credit card for newcomers with no credit history in Canada	The ability to open an account while in their home country
The option to transfer funds to their account before they get here	Access to Visitors to Canada Insurance for newcomers awaiting provincial health insurance and visa holders with no insurance	Driving experience recognized when applying for auto insurance (for drivers from eligible countries)

Quebec Immigration and Integration Fair

For the seventh year in a row, Desjardins took part in the Quebec Immigration and Integration Fair. As a featured exhibitor at this event, we provided visitors with information on all our products and services, helped them open accounts and offered virtual reality tours of some of our service centres.

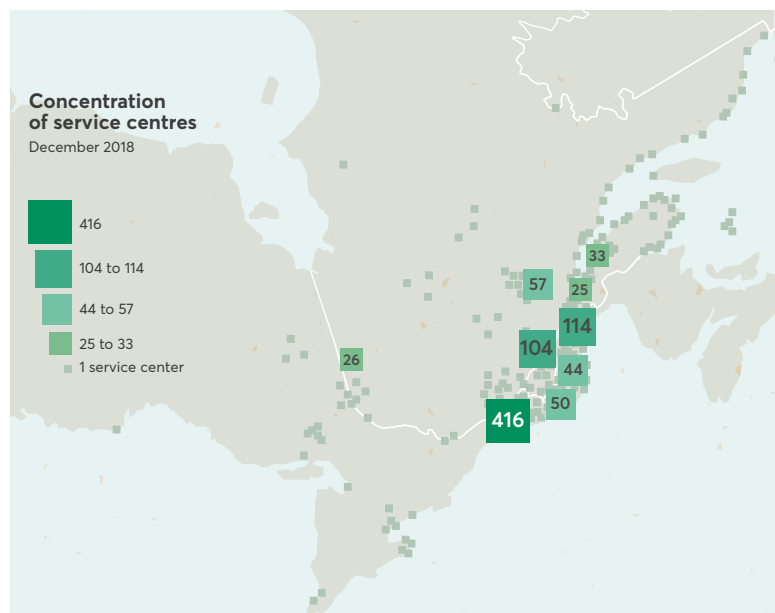
Welcoming international students at Montreal-Trudeau airport

The Bureau de coopération interuniversitaire chose our financial institution to welcome international students arriving in Canada to attend university or college.

1. Members and clients

1.4 Accessible services and experts | GRI 102-4 | 102-7

In Quebec and Ontario

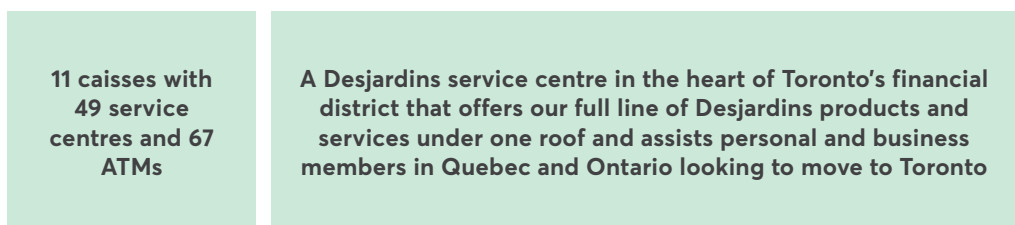


In Quebec and Ontario, members have access to:



Desjardins has more locations than any other financial institution in Quebec, especially in outlying areas with low population densities where we're often the only financial institution with a brick-and-mortar location.

In Ontario, centre caisse network includes:



Members also have access to 25 points of service and 30 free ATMs through our agreement with Caisse populaire Alliance.

Quebec and Ontario members and clients have access to thousands of employees and advisors in our life and health insurance, property and casualty insurance, securities and wealth management subsidiaries.

We're constantly rethinking the way we operate to meet our members' ever-changing needs. In 2018, members logged in to our AccèsD web and mobile solutions over 529 million times, up 18% compared to 2017. Teller and ATM transactions dropped by 7.6% and 6.8%, respectively.

We're also currently upgrading our ATMs. The new machines feature touch screens and accept envelope-free deposits for a simpler, more user-friendly experience.

1. Members and clients



As of December 31, 2018, 229 caisses offered telephone service every day of the week. And in 2018, we extended our telephone service hours to take calls from 6:00 a.m. to midnight, 7 days a week. Our members can get information and advice about banking and investing and make an appointment with a caisse advisor. Many caisses have also extended their hours and are now open on weekends to accommodate their members' schedules. What's more, our Online Business Centre is now open weekends from 8:30 a.m. to 4:30 p.m.

Other ways we're making it easier to access our products and services | GRI FS14

- Virtually all our ATMs are accessible to those with visual impairments and reduced mobility. Members can already use their voice to make deposits and withdrawals at our new ATMs, and additional transactions will become available throughout 2019.
- Members who can't use an ATM due to a permanent disability are eligible for ATM rates even if they complete their transactions at the teller.
- We offer solidarity-based financing products and related budget counselling and education services to those in need.
- All new digital content on our mobile sites and apps meets W3C's level AA WCAG 2.0 standards for web content accessibility.

Meeting all kinds of needs

Desjardins 360^d

Desjardins 360^d is the only concept of its kind in North America. These Desjardins locations cater to young members and workers ages 18 to 30 on the campuses of Concordia University, Université de Montréal, Université du Québec à Montréal, Université du Québec à Trois-Rivières, Université Laval and Université du Québec à Chicoutimi. These hip, friendly financial service centres work with caisses to serve young members, no matter which caisse they belong to.



Mobile branches

Our mobile branches are another innovative way members can do business with Desjardins. We've transformed 2 buses into modern, welcoming financial service centres on wheels. Members and clients can walk right in and speak with an advisor, complete teller transactions and use the ATM.

We use these retail-inspired branches in a variety of settings primarily for business development purposes. Mobile branches can also be used as a temporary caisse in the event of a closure due to a natural disaster or other emergency. And the mobile branches are eco-friendly. They're powered by built-in solar panels and run on biodiesel.



1. Members and clients

Signature Service

Signature Service assists members who have sophisticated financial needs. In 2018, we added 5 more locations to our existing network of 11 Signature Service centres. The new locations are Est de Montréal, Patriotes, Est de l'Outaouais, Ouest de l'Outaouais and Laval-Laurentides.

Desjardins – Montréal Centre-ville, Desjardins Financial Centre – Lumincité and Desjardins – West Island of Montreal

Anyone can walk into these Desjardins locations for expert advice on achieving their financial goals. They all have convenient Saturday and Sunday hours and cater to members of cultural communities and newcomers who live and work in the area.



In the rest of Canada | GRI 102-7

Outside Quebec and Ontario, we rely on our life and health insurance, property and casualty insurance, and securities subsidiaries as well as the cooperative community and the caisses in Manitoba and New Brunswick to offer our members and clients financial products and services tailored to their needs.

- Thousands of advisors and representatives in our affiliate networks offer our products and services to individuals and businesses. These networks include Desjardins Financial Security Independent Network, Desjardins Financial Security Investments and over 450 Desjardins (formerly State Farm) agents who have taken on the Desjardins Insurance name.
- 70 points of service and 118 ATMs in Manitoba and New Brunswick through our partners Caisse Financial Group (Manitoba) and UNI Financial Cooperation (New Brunswick).

We've also penned an agreement with the provincial credit union centrals and CUMIS to create Aviso Wealth, one of Canada's largest wealth management firms. By merging Qtrade Canada Inc. and Northwest & Ethical Investments with Credential Financial Inc., Desjardins is strengthening its ties with Canada's network of credit unions and pursuing its nationwide expansion.

Desjardins also has a 96% interest in Collabria, a subsidiary that provides payment and credit card solutions to credit unions across Canada. There are over 300 credit unions in Canada, and for many of them, issuing credit cards in-house is not an option. Collabria is a new player that provides custom payment solutions to help credit unions take control of their operations and improve member service. In 2018, over 200 credit unions joined Collabria and signed up for credit card services—a concrete example of intercooperation.

In Florida



Desjardins Bank serves Desjardins caisse members and Canadians in Florida and across the United States. Our members can use Desjardins Bank whether they're permanent residents, snow birds or just visitors.

Desjardins Bank's head office and 3 service centres are in areas popular with Canadians: Hallandale Beach, Pompano Beach, Lauderhill and Boynton Beach. Desjardins Bank provides quality service in English and French at these locations.

In Europe



Our Desjardins Representative Office (Europe) supports our growth in both the personal and business markets. In 2018, it helped 2,140 individuals and businesses access banking and financial products in Canada, up 51% compared to 2017.

1. Members and clients

On social media

Social media is the best way to communicate with many of our members and clients. Desjardins manages vibrant, active online communities.



New Desjardins Business Facebook page to make the everyday lives of entrepreneurs easier and help them achieve their business goals with handy tools, expert advice and testimonials



11 million views on YouTube:
www.youtube.com/user/mouvementdesjardins



94,000 followers on LinkedIn:
www.linkedin.com/company/desjardins



26,000 followers on Twitter:
twitter.com/desjardinscoop



11,000 followers on Instagram:
instagram.com/desjardinscoop

Over 305,000 Facebook followers
www.facebook.com/desjardins

All caisses use Facebook to communicate with their members and get their input. Each week, over 2 million people view Desjardins's Facebook posts.



1.5 Enhancing the member/client experience

Member/client experience [Management approach](#) | [GRI 103-1](#) | [103-2](#) | [103-3](#)

We're a cooperative financial group serving individuals and communities, so we're keenly focused on member and client satisfaction. It's a priority for us no matter where our members and clients do business with us or use our services, whether in Quebec, Ontario or anywhere else in Canada or around the world.

At Desjardins, we're committed to doing what's best for our members and clients. We make sure our service meets or exceeds their expectations. We have a number of initiatives in place to ensure we deliver quality service and a distinctive experience.

Member feedback mechanisms

Moments of truth and feedback loops

Moments of truth are key service interactions. When we measure these moments, we encourage members and clients to share their concerns and expectations and be contacted by a manager if they so desire. We use this feedback to improve our service. In 2018, we set up a number of feedback loops in AccèsD platforms and client relations centres.

Mystery clients

One way we continuously assess our service is through mystery clients—real consumers who rate the service they receive at Desjardins caisses.

Usability tests

We regularly carry out usability tests with our members and clients. These tests give us quick feedback on online initiatives before they're rolled out.

Desjardins Web Panel

We ask members and clients who've expressed an interest in sharing their views and experiences to take part in Desjardins Web Panels. Participants get a say in product and service development and help us better understand their needs and expectations.

Focus groups

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

Online communities

We use online communities to get qualitative data on member/client needs, expectations and behaviours. Each online community has between 25 and 50 people who complete a workbook over the course of several days to encourage personal reflection and group discussion.

Dissatisfaction management

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

1. Members and clients

Internet and social media

We have a dedicated social media team that handles complaints and negative feedback posted on social media sites like Facebook and Twitter. The AccèsD team handles all other complaints, negative feedback and suggestions we receive online.

Complaint handling

Caisse network

The Member Services team handles unresolved banking complaints originating in Desjardins caisses, Desjardins Business centres and client care centres. The team also helps review Level 1 dissatisfactions from across the organization to compile a master list of irritants in order to recommend improvements.

Subsidiaries

Complaints are handled in accordance with each Desjardins subsidiary's internal directives.

Ombudsman

The Desjardins Group Ombudsman is the final in-house arbiter of complaints. They offer an independent avenue to adjudicate unresolved complaints. The Ombudsman impartially hears both parties, reviews the documentation available and recommends ways we can improve our products and services.

We use a rigorous methodology called the Net Promoter System to continuously improve our member and client experience. This internationally-recognized methodology is used around the globe to identify sources of satisfaction and dissatisfaction and prioritize improvements to the member and client experience.

Satisfaction surveys | GRI PR5

In 2018, we measured over 30 moments of truth. We had statistics from previous years for most of them so we could assess the effectiveness of our initiatives. We also surveyed 370,000 members and clients to determine our net promoter score.

Member and client feedback revealed that our main strength is the service our advisors and agents provide.

We're always encouraging colleagues to share best practices to offer consistent service across the organization.

Training on sound day-to-day business practices is now available to caisse network employees and the teams that support them. In 2018, 3,902 employees completed this training, which stems from Desjardins Group's *Sound Commercial Practices Policy*, which was adopted in 2017 to meet Autorité des marchés financiers requirements.



The Personal ranked highest in customer satisfaction

Group home and auto insurer
The Personal was rated highest in customer satisfaction in Quebec by J.D. Power.

1.6 Protecting data

Member and client privacy and data protection [Management approach](#) | [GRI 418](#) | [103-1](#) | [103-2](#) | [103-3](#)

As a financial group, we have a duty to protect the confidentiality of our members' and clients' information in both our physical and online business environments. In 2018, we consulted 31,000 members via AccèsD and held 4 focus groups on the topic.

Member and client privacy is protected by our *Privacy Policy* and *Code of Professional Conduct*. Failure to comply with these governance documents can result in disciplinary action up to and including dismissal.

The *Privacy Policy* sets out our principles and guidelines for the collection, retention, use, communication, storage and destruction of personal information. It also requires a privacy compliance program to be put in place. Each Desjardins component must appoint a regulatory compliance officer and train employees on the importance of protecting personal information.

Privacy complaints are subject to a different regulatory framework than other complaints. Each Desjardins component must comply with applicable regulations and review and handle legitimate complaints using a process tailored to its line of business and operations.

Our Chief Privacy Officer is responsible for ensuring sound privacy governance. The Chief Information Security Officer ensures that actions are aligned with the IT risk appetite framework.

The privacy compliance program encompasses regulatory risk monitoring so that the compliance sector can report on the adequacy, effectiveness and application of the control mechanisms in place.

The Chief Compliance Officer also reviews changes to the compliance program and compares it against the target to ensure we're making continuous, consistent improvements.

The Desjardins Group Monitoring Office provides an independent assessment of the design and effectiveness of the compliance management framework.

Desjardins has instituted a formal mechanism for reporting to senior management and various decision-making bodies to ensure oversight of compliance issues.

1. Members and clients

Raising employee awareness of data protection | GRI PR10

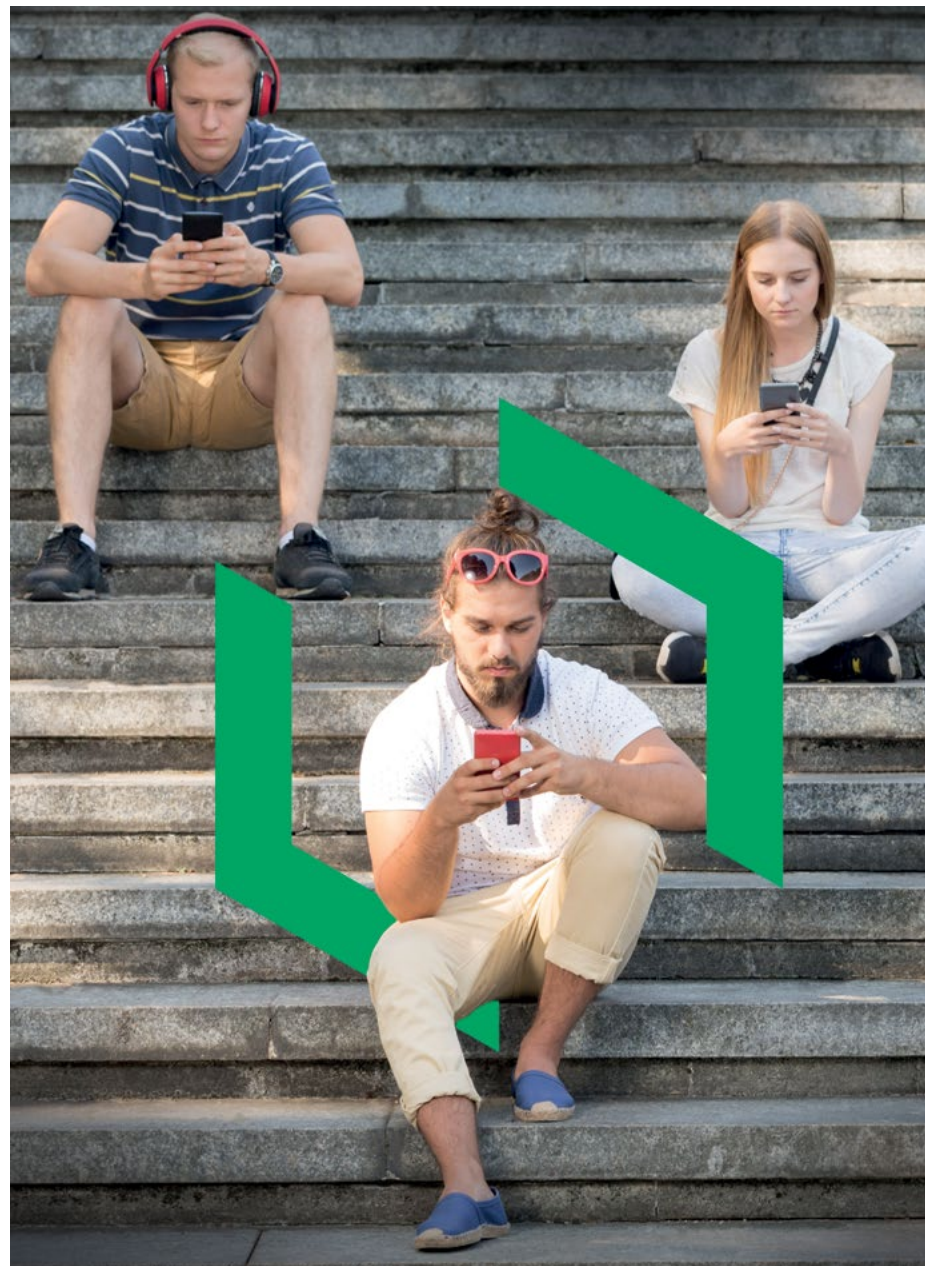
We offer 3 training courses—The Protection of Personal Information within Desjardins Group, Information Security and Identifying Phishing Emails—so all our employees and directors can help reduce the risk of information being lost, stolen or leaked. We also hold training workshops for certain teams. Since these courses were instituted, 93% of Desjardins employees have completed one or more of them.

We also use our internal portals to regularly remind employees and directors of how important it is to protect our members' and clients' personal information. We provide quick reference guides and links to useful information to help them comply with our regulatory requirements.

Additional security and cybersecurity measures

Here are some of our other security and cybersecurity initiatives:

- Cybersecurity is a major strategic concern for organizations around the globe. That's why Desjardins, National Bank, Deloitte and RHEA Group created CyberEco, a global hub of cybersecurity expertise. CyberEco will help us on many fronts in the fight against cybercrime and will enhance our prevention initiatives.
- For the first time ever, we opened up our Security and Fraud Forum to businesses to complement the [Cybersecurity Kit](#) we created in 2017.



2. Our co-op and its governance



**People-
focused**
governance

**Developing
communities**
with 2 crowdsourcing
platforms

#2 on the
list of Quebec's
most influential brands

**SUSTAINABLE
DEVELOPMENT
GOALS**

1 NO
POVERTY



8 DECENT WORK AND
ECONOMIC GROWTH



2.0 Our co-op and its governance

Doing what's best for our members and clients means **showing our cooperative nature**

If we're going to do what's best for you, our members and clients, we need to start by getting to know you and your needs. This responsibility falls to both the employees who serve you and the directors who represent you on your caisse's board.

We've strengthened our ties with communities and shown our cooperative difference by creating new advisory boards and supporting collaborative initiatives that spur local and regional development.

2.1 Purpose and values

Our purpose

Enriching the lives of people and communities

Our values

Drawing on the values and principles of the International Co-operative Alliance, we've adopted the following values:



2.2 Governance

Management approach | GRI 102-18 | 103-1 | 103-2 | 103-3

The purpose of our corporate governance practices is to enable us to carry out our mission, which is to contribute to improving the economic and social well-being of people and communities. The Federation develops and implements a governance structure that takes into account our cooperative nature, our social responsibility objectives, the complexity of our activities, and Autorité des marchés financiers (AMF) guidelines. This structure covers the activities of the Federation, the Desjardins Security Fund, the Fédération des caisses populaires de l'Ontario Inc., the Desjardins subsidiaries and the caisses. As certain components are subject to specific regulations, it complies with rules established by the Canadian Securities Administrators and the Office of the Superintendent of Financial Institutions, as well as industry best practices.

Our objective is to have effective and efficient governance, based on strong values, that takes into account the long-term interests of the organization, members and clients, and that helps us fulfill our mission.

The Federation has a governance policy in place to ensure sound governance. The governance structure consists of documents and processes, reporting mechanisms, and an independent audit, all of which take into account applicable legislative and regulatory requirements, including AMF guidelines.

The Federation's Board of Directors is responsible for implementing and assessing its governance structure. This structure is consistent with the complexity of our activities, our risk profile, our ownership and organizational structures, and our available resources. It also outlines the division of responsibilities between the Board, its commissions and committees, and senior management.

2.3 A modern and people-focused democratic governance structure

In 2018, we made major changes to simplify the democratic governance structures of the Federation and the caisses. All caisses are now involved in the process for electing Federation directors and Desjardins's President and CEO. We also created local and group mechanisms to promote collaboration between member representatives. Legislation governing Desjardins was also modernized to make it more agile and better aligned with the financial sector's overall requirements.

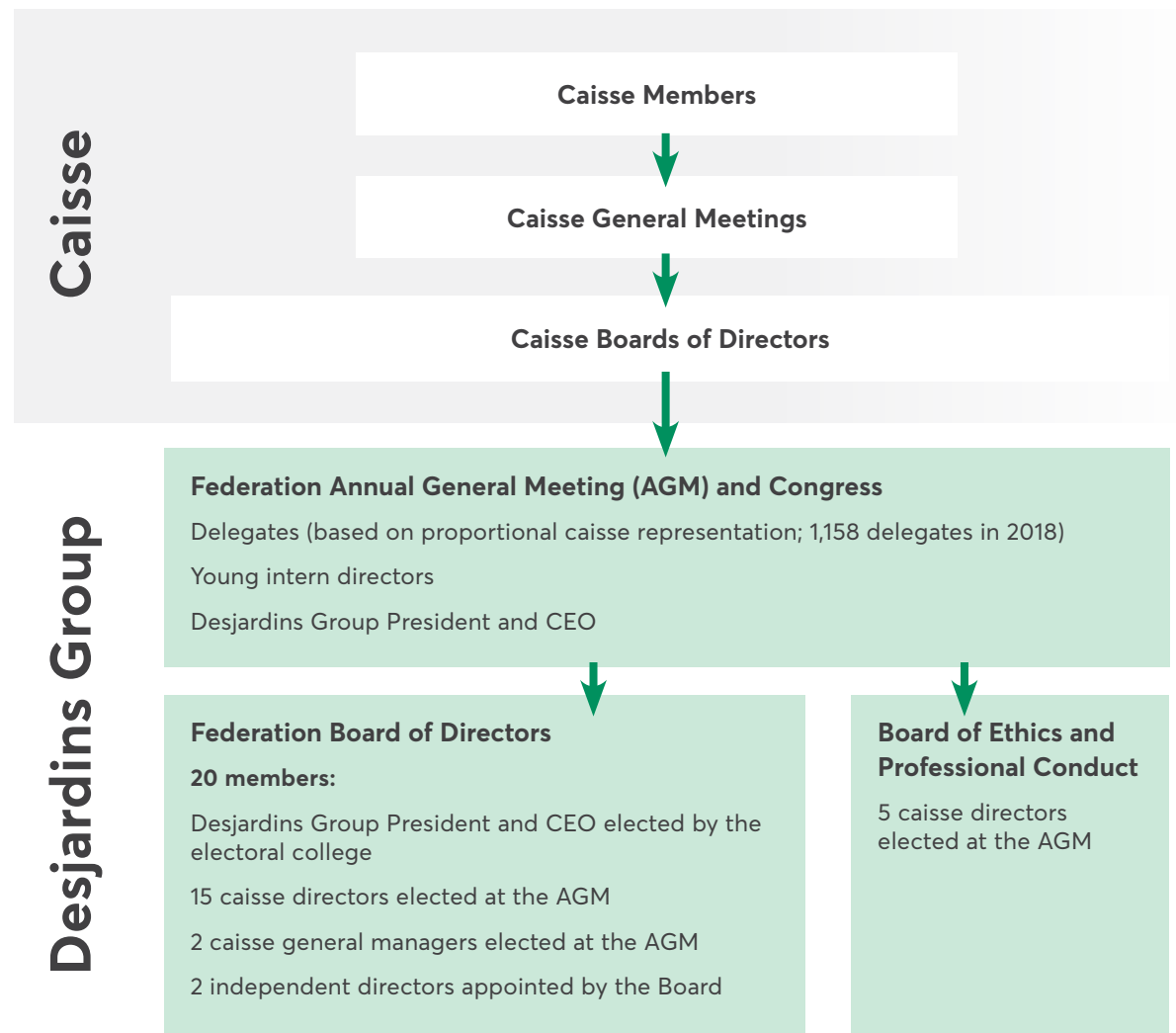
Last year:

- We gave caisse delegates the opportunity to elect members of the Federation's Board of Directors and Board of Ethics and Professional Conduct, under the supervision of an independent election committee.
- We introduced a new group profile for caisses, the Federation and subsidiaries to ensure members of the various boards are representative of their communities and have the necessary collective skills and integrity to fulfill their duties.

- We abolished the boards of supervision in caisses and transferred their responsibilities to caisse board committees.
- We adopted mandatory training for caisse directors.
- We set term limits for caisse chairs.

To learn more: See the Governance section of Desjardins Group's annual report.

Overview of caisse and Federation democratic structures



Community collaboration groups

These groups bring together caisses in a specific area whose members share a social and economic connection.

Each caisse is represented by either its chair or another director appointed each year by the caisse. The group must also have at least one young director or young intern director.

Desjardins Collaboration Forum

The Desjardins Collaboration Forum is made up of the directors from each community collaboration group; caisse general managers; one young director or young intern director appointed by each community collaboration group; the members of the Board of Directors and the Board of Ethics and Professional Conduct; and the Desjardins Group President and CEO.

Electoral college

The electoral college elects the Desjardins Group President and CEO. It comprises the chair of each caisse or the director who acts on their behalf in the community collaboration group and the Desjardins Collaboration Forum.

Each vote is weighted according to the number of members in each caisse.

Election Committee

The Election Committee comprises 5 directors appointed by the Board to ensure the integrity of the electoral process.

2. Our co-op and its governance

Member of a democratic organization

Desjardins is a democratic organization run by our members under the “one member, one vote” principle at the caisse level and the principle of proportional representation on Federation governing bodies. We’re committed to staying connected with our members and equipping caisses with new technology to generate greater member participation in caisse cooperative life and governance.

› **To learn more:**

<https://www.desjardins.com/ca/about-us/desjardins/governance-democracy/how-cooperatives-work/index.jsp>

Changes to member dividends

At the 23rd Congress held in 2017, there was a consensus-building activity on individual member dividends. Delegates agreed to make dividends fairer, more straightforward and representative of the member’s entire business volume with Desjardins. The first wave of changes to how member dividends are calculated will apply to the 2018 dividend payments.

Youth Advisory Board

Our Youth Advisory Board, which was created in late 2016, is made up of 4 caisse members, 4 caisse directors and 4 Desjardins employees, all between the ages of 18 and 35. Its mandate is to give our Board and Management Committee insight into the priorities of young adults. By giving our young members, directors and employees a voice, the Youth Advisory Board helps us improve the way we serve and meet the needs of young people.



Young Intern Director Program

Our Young Intern Director Program provides an opportunity for young people between the ages of 18 and 30 to:

- Represent their community by sitting on their caisse’s board of directors
- Play an active role on the board, without voting rights
- Contribute to the democratic life of Canada’s leading cooperative financial group

As of December 31, 2018, we had 169 young intern directors in Quebec and Ontario.

› **To learn more:**

<https://www.desjardins.com/ca/about-us/careers/students-interns-recent-graduates/young-intern-officer-program/index.jsp>

2. Our co-op and its governance

Bolstering financial stability with capital shares

In 2018, our members purchased \$267 million in Federation capital shares, for a total of over \$4.8 billion since their inception. These shares contribute to our financial stability. In line with the principles supported by the International Co-operative Alliance and the values of our founder Alphonse Desjardins, who stressed the importance of adequate capitalization for each caisse, we focus first and foremost on strengthening our capital base. This approach has proven successful time and again.

Financial stability in numbers

(in millions of dollars and as a percentage)

	2018	2017	2016
Total income	\$17,310	\$17,153	\$15,248
Equity	25,649	24,773	23,293
Tier 1A capital ratio	17.3%	18.0%	17.3%
Total capital ratio	17.6%	18.4%	17.9%
Breakdown of membership shares:			
Caisse-issued permanent shares	\$497	\$750	\$1,026
Caisse-issued qualifying shares	25	25	25
Caisse-issued surplus shares	57	82	106
Federation-issued capital shares	4,771	4,504	4,135
	\$5,350	\$5,361	\$5,292

2.4 Concrete advantages for cooperatives

At Desjardins, we firmly believe in the importance of cooperatives and mutuals. We actively contribute to their growth through our day-to-day operations and community development initiatives. As a cooperative institution, we understand the challenges facing other cooperatives and mutuals.

Supporting cooperative entrepreneurs

The Caisse d'économie solidaire Desjardins, which has developed unique expertise in collective entrepreneurship in Quebec, now provides the caisses and Desjardins Business centres with advisory services for cooperatives. As of December 31, 2018, the Caisse d'économie solidaire Desjardins had 3,000 cooperative members.

With these new services, the Caisse d'économie solidaire Desjardins is available to help the caisses and Desjardins Business centres tailor offers to cooperatives, for instance by designing custom financing packages.

As part of Co-op Week, we published a series of articles on cooperation and released videos showcasing 5 up-and-coming Quebec cooperatives that are putting a modern and innovative spin on collaborative work, video games, craft brewing and optometry.



2. Our co-op and its governance

Supporting the cooperative movement

We share our expertise in cooperation and provide financial support to numerous national and international industry-specific groups that:

- Promote cooperation
- Are dedicated to developing the cooperative model
- Foster cooperative education

We support these groups through significant investments in technology and human resources. We also share our expertise with hundreds of visitors from around the world who are interested in the cooperative model.

Annual financial support for cooperative organizations across Canada and abroad ^{[1] [2]}

	Member	Member of the board (or a committee)	Financial contribution (in \$)		
			2018	2017	2016
International Co-operative Alliance		X	- ^[3]	- ^[3]	105,395
Conseil québécois de la coopération et de la mutualité	X	X	874,623	936,775	876,776
Conseil de la coopération de l'Ontario	X	X	48,500	67,601	67,602
Co-operatives and Mutuals Canada	X	X	362,484	417,316	407,010
International Confederation of Popular Banks	X	X	157,607	147,970	151,371
Filene Research Institute	X		-	65,300	32,680
Crédit industriel et commercial (subsidiary of Crédit Mutuel)		X	N/A	N/A	N/A
Fondation pour l'éducation à la coopération et à la mutualité		X	23,925	30,865	34,384
European Association of Co-operative Banks	X	X	63,458	55,822	56,767
International Cooperative and Mutual Insurance Federation	X	X	116,000	209,423	123,910
International Raiffeisen Union	X		11,224	9,395	10,362

¹ Amounts shown don't include financial contributions from caisses to these cooperatives or to other local and regional cooperatives.

² Amounts are converted to Canadian dollars using the exchange rate in effect at the time the payment was made.

³ Amount included in our contribution to Co-operatives and Mutuals Canada.



We also contribute financially to a partnership agreement for the development of cooperatives that was signed between Quebec's Ministère de l'Économie et de l'Innovation and the Conseil québécois de la coopération et de la mutualité.

2.5 Support for local communities

Management approach | [GRI 413](#) | [103-1](#) | [103-2](#) | [103-3](#)

At Desjardins, our purpose is to enrich the lives of people and communities.

The cooperative business model is a powerful force for community development, and its values of solidarity, self-help and support for entrepreneurship make it an ideal fit for local communities.

We're firmly rooted in Quebec and are pleased to partner with local, regional, national and international organizations. Our network of partners and socio-economic and environmental leaders puts us at the forefront of the community development and shared prosperity movement.

The AMF has designated Desjardins as a domestic systemically important financial institution in Quebec. Domestic systemic importance is assessed with reference to the impact that the distress or insolvency of a financial institution could have on the domestic economy.

At Desjardins, we help build vibrant communities in many ways, including:

- Funding long-term community development projects
- Supporting community organizations through director and employee involvement
- Financing projects involving individual and group entrepreneurs
- Offering products and services tailored to individual and community needs
- Promoting financial literacy and inclusion in Canada and abroad
- Making crowdsourcing platforms, like the Desjardins Community Zone and La Ruche, available to individual and group project developers

To reaffirm our role as a socio-economic leader, we created a \$100 million fund for 2017 through 2019. The fund can be used to support development projects that benefit people, communities and regions. Part of the fund also targets national initiatives.

Our insurance subsidiaries also do their part for community development by supporting health and road safety initiatives.

We evaluate our community engagement strategies every year and adjust them as required. We track the number of entrepreneurs we support, the number of individuals who have completed projects or received training and our investments in cooperative organizations and group projects. We also evaluate participation levels and the number of individuals affected by these projects.

We collect and analyze feedback from our community partners. Finally, we tally contributions made by members to their local caisse's Community Development Fund.

To learn more: See [GRI 413-1](#), [205-2](#), [FS13](#), [FS14](#), [FS16](#), [203-2](#)

2. Our co-op and its governance



Serving sparsely populated regions | GRI FS13

In 2018, we operated a total of 989 points of service, including caisse head offices and service centres. In Quebec, 240 of these points of service—26.4% of the total—were located in low-density areas (with fewer than 2,000 residents). As a comparison, the big banks operated 1.5% of their branches in these areas. Members and clients who live in these areas can also access our financial and insurance products and services online and by phone.

Consulting with local communities and taking part in development programs | GRI 413-1

We reach out to local communities to get their feedback on any potential changes in our distribution network. We do this by holding information sessions for members and meetings with local partners. We strive to be better listeners and transparent communicators to foster an open dialogue between members and their caisse.

While we're committed to remaining the most accessible financial institution, we need to keep market trends and consumer behaviour in mind.

We also need to make sure our services are accessible to all members. We work with communities to identify solutions that address local and regional needs.

Staying close to our members

At Desjardins, we take steps to ensure members in remote regions and members with reduced mobility have access to our services. Here are a few examples:

- Support for transportation to get to a point of service (public transit, on-demand service, shuttle, reimbursement of fares, etc.)
- ATM and AccèsD (online banking) training
- Scheduled visits to communities with a reduced mobility population (basic transactions)
- Installation of information terminals in accessible spaces in the community
- Personalized support through the mobile branch, a bus where members can speak to an advisor and use the ATM

Desjardins and the Fédération québécoise des municipalités (FQM) have teamed up for a 12-month, third-party pilot project involving standalone ATMs. This joint initiative will provide ready access to cash to the residents of at least 5 municipalities as of May 2019. In addition to funding the pilot project, Desjardins will provide technical and logistics expertise for the FQM.

To learn more: See section 4.

2. Our co-op and its governance

Supporting joint action on local and regional development

We've partnered with the Table de concertation sur le développement local et régional, a board set up by the Fédération québécoise des municipalités (FQM), to help elected municipal officers and regional county municipalities with economic, social and cultural development. The board hosts free online meetings on economic development, giving participants the opportunity to learn from specialists, stay up to date on developments in their field and explore new ways to improve their efficiency.

Developing communities with the Desjardins Community Zone and La Ruche

At Desjardins, we're exploring how crowdsourcing platforms can be used to bring us closer to our members, to bring our members closer to each other and to support community development. The Desjardins Community Zone and La Ruche have both done well and are now working together to offer even better solutions for project developer needs.

Since it was launched, the Desjardins Community Zone has connected more than 60 group project developers with local residents, organizations and businesses interested in supporting them. To date, it has facilitated 34 initiatives that address local issues or support economic development. The Desjardins Foundation and 10 caisses in Montreal, Quebec City and the Eastern Townships are currently involved.

La Ruche provides local project developers and entrepreneurs with a crowdfunding platform and support from a group of business people involved in the community. In 2018, we stepped up our partnership to help La Ruche provide more support in the 5 regions where it operates: Quebec City, Montreal, Mauricie, Bas-Saint-Laurent and the Eastern Townships. La Ruche has raised over \$3 million for more than 200 projects.

Helping non-profits

Approximately 46,450 non-profit organizations (NPOs) are members of Desjardins. We support social economy cooperatives, mutuals and NPOs, whose purpose is not to turn a profit but rather to meet the needs of their members or the community.



Desjardins ranks #2 on the list of Quebec's most influential brands

– Ipsos-Infopresse index

Desjardins was the only financial institution to reach the top 10 most popular brands in Quebec.



Caisse Desjardins de la Nouvelle-Acadie recognized for excellence

In 2018, Caisse Desjardins de la Nouvelle-Acadie was awarded a Gold Level Canada Award for Excellence. The award is given to businesses that meet the strictest management standards and have a proven track record for performance. The managers and employees of Caisse Desjardins de la Nouvelle-Acadie have earned the highest distinction awarded in Canada by always doing what's best for their members and clients. The year before, the caisse earned a Prix performance Québec.

2.6 Preserving and celebrating art and history



Alphonse Desjardins Historical Society

The history of Desjardins and its founders attracts tourists, cooperatives from around the world, schools and our own directors, managers and employees. In 2018, the Maison Alphonse-Desjardins museum welcomed 8,460 visitors. The historical archives conservation centre, located in the Desjardins Building in Old Lévis, attracted 3,177 visitors. The visitor satisfaction rate for both sites, which celebrate our organization's heritage, was 99%. With new features and 7 themed activities, visitors are treated to an unforgettable experience—all year long and for free!

In 2018, the Alphonse Desjardins Historical Society adopted a directive and rules on managing museum collections, educational priorities and the Société des musées du Québec's *Code of Ethics for Museums*, as part of 2 applications submitted to Quebec's Ministère de la Culture et des Communications for accreditation for museum activities geared towards the general public.

Fostering artistic creation

We're committed to supporting the arts and artists and have amassed a sizeable art collection. Our collection—which turned 40 in 2018—includes some 2,500 pieces (paintings, engravings, drawings, photos, sculptures, etc.). We proudly display these pieces in our main places of business to inspire employees and increase their exposure to art.

Through our annual art acquisition program, we support homegrown talent by buying their work. To generate more attention, we host temporary exhibits in our workplaces and loan out some of the pieces to museums. As part of this initiative, one of our paintings by Paul-Émile Borduas made its way to the Musée d'art contemporain de Baie-Saint-Paul for a feature exhibit, and then to the Musée des beaux-arts de Sherbrooke and Rivière-du-Loup's Musée du Bas-Saint-Laurent.

3. Employees



One of
**Canada's Top
100 Employers**

One of
**Canada's Top
Family-Friendly
Employers**

One of
**Canada's Top
Employers for
Young People**

**SUSTAINABLE
DEVELOPMENT
GOALS**

4 QUALITY
EDUCATION



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



3.0 Employees

Together, we're doing what's best for our members and clients

With 46,216 employees, Desjardins is the largest private employer in Quebec. But that doesn't mean we're immune from current labour shortages and the heightened competition for workers. As part of our efforts to attract and retain talented employees, we've developed innovative hiring campaigns.

At Desjardins, we offer distinctive career paths, training opportunities and employee benefits. We're an inclusive and dynamic cooperative financial group that recognizes the importance of individuals and diversity. Our strong values resonate with employees and the community.

3.1 The #1 private employer in Quebec

Choosing Desjardins

When you work at Desjardins, you're working for one of the best employers in Canada, which has many advantages:

- Job opportunities in 20 different fields across Canada and abroad
- Great benefits and competitive pay
- A flexible work environment that promotes work/life balance
- Working with an employer that's committed to sustainable development
- Learning opportunities through training and skills development

We're an inspiring employer, with innovative management practices that encourage employees to take charge of their career. Employees are given many opportunities to grow and advance. In 2018, 74% of our vacant positions were filled by internal candidates, who took advantage of these opportunities to move within the organization.



One of
Canada's Top 100 Employers
for the eighth year in a row – MediaCorp Canada



One of
Canada's Top Family-Friendly Employers
– MediaCorp Canada



One of
Canada's Top Employers for Young People
– MediaCorp Canada

3. Employees

Attracting talent with the Desjardins Career Zone

A new Career Zone was opened in Lévis, joining its counterpart at the Complexe Desjardins in Montreal. The Career Zone acts as a gateway for external candidates.

In 2018, the Talent Acquisition team recruited 2,611 candidates, which contributed to our goal of setting the industry standard for talent acquisition and management.

Reaching out to IT talent

Desjardins brought on 9 interns who dove straight into the action and brought their innovative spirit to the Desjardins Digital team. In 4 months, they produced 2 prototypes: an application that streamlines the recruiting process and a virtual visit of the Desjardins Digital facilities. We're currently using both of these solutions.

We also partnered with Academos to launch the "T'es-tu game?" campaign, which raises awareness of IT career opportunities for young people. Companion videos, quizzes, articles and other activities are available online.

Celebrating team achievements

The Desjardins Recognition Program celebrates outstanding team achievements across the organization. It's a source of inspiration, engagement and pride. Each year, we have a call for nominations, followed by a recognition event that showcases team successes.



Encouraging Desjardins behaviours with BRAVO!

Our employees can use the BRAVO! application to highlight the positive behaviours of their colleagues. The program reinforces behaviours that add value for the organization and provides a simple, efficient way for employees to express their gratitude to their coworkers. In 2018, employees sent out 158,159 BRAVOs.



One of the École de technologie supérieure's

Top Employers for Interns

– "Large corporations and public services" category



Legal Affairs Division named the 2018 Best Canadian Legal Department

– International Legal Alliance Summit & Awards

3. Employees

3.2 Labour/management relations

Management approach | GRI 401 | 103-1 | 103-2 | 103-3

With the current labour shortages, we're working hard to attract and retain top talent within the organization. We understand that employee well-being is essential to retention and job satisfaction. We also know that a good employer/employee relationship is key. Our management practices focus on ongoing dialogue—a shared responsibility—between managers and employees.

This ongoing dialogue is a cornerstone of our approach to performance management. In addition to meetings held at the beginning, middle and end of the year to set goals and review performance, this dialogue allows managers and employees to discuss and address individual and organizational needs.

The President and CEO holds regular online meetings to create proximity with our 46,216 employees and managers. These meetings are an opportunity to share our vision and expectations, discuss challenges and explain how they're being handled, and give employees a better understanding of what's happening.

About 20% of our workforce is unionized, and we have good relations with the unions that represent them.

The Workplace Relations Administrative Department has processes in place to deal with any grievances or complaints in accordance with labour laws. There's also a process for handing employee complaints in the event of a dispute.

Occupational health and safety

At Desjardins, occupational health and safety are fundamental to performance. We're committed to offering a safe and secure work environment. We enforce required safety measures, including those mandated by provincial and federal laws and regulations.

The group insurance plan is a key part of our compensation package. It provides employees, their spouses and their children with short- and long-term financial security that grows and evolves with their needs. They also have access to the Health is Cool 360° website, which features prevention and research tools, health tips on a variety of topics and information about the health and wellness programs we offer.

Finally, the Fast Track Prevention program helps caisse network employees respond to attacks, assaults, theft and other emergencies. Each caisse has a security and fraud officer who can support employees in these situations. We have teams dedicated to protecting our employees, keeping our workplaces safe and coordinating emergency response operations. Documentation on emergency measures is readily available to employees.

Since 2018, our approach to employee engagement has been based on ongoing dialogue with all employees.

Everyone is encouraged to express their point of view using OfficeVibe, an interactive and confidential platform that lets employees give feedback on their experience working for Desjardins. Managers can get regular readings on their teams and use the results to improve the employee experience.

3. Employees

Reinventing our hiring campaigns

In response to the labour shortage, we've redoubled our hiring efforts and diversified our approach to finding employees. Several business sectors stepped up to give us an advantage in the talent war. These initiatives have helped us build on our recruiting efforts both in and outside major cities in Quebec and improve employee opportunities and member/client services. Here are just a few recent initiatives:

- The mobile branch drove out to university campuses, helping us recruit 40 students.
- The one-stop hiring gateway helped us fill 90 positions in its first month.
- We met 120 candidates at the Trois-Rivières open house day.
- We launched international IT hiring missions.



The retention rate for permanent employees is 93.9%, which reflects our engaging and dynamic work environment.

New employees hires and employee turnover | GRI 401-1

Permanent employees^[1]

External hires	2018 (#)	2018 (%)	2017 (#)	2017 (%)	2016 (#)	2016 (%)
By age group						
Under 30	1,970	45.6	1,305	42.2	1,045	40.5
30-44	1,732	40.1	1,333	43.2	1,079	41.9
45-54	486	11.3	355	11.5	353	13.7
55+	127	2.9	97	3.1	101	3.9
By gender						
Men	1,854	43.0	1,384	44.8	1,198	46.5
Women	2,461	57.0	1,706	55.2	1,380	53.5
By location						
Quebec	3,649	84.6	2,640	85.4	2,063	80.0
Ontario	591	13.7	403	13.1	448	17.4
Other provinces	75	1.7	47	1.5	67	2.6
Outside Canada	0	0.0	N/A		N/A	

Permanent employee departures

	2018 (%)	2017 (%)	2016 (%)
Resignation rate	6.1	5.4	5.1
Retirement rate	3.3	3.4	3.1
Involuntary departure rate	2.3	1.7	1.8
Turnover ratio	11.6	10.4	10.1

Breakdown of permanent employee departures (turnover)

	2018 (#)	2018 (%)	2017 (#)	2017 (%)	2016 (#)	2016 (%)
By age group						
Under 30	1,130	23.4	928	21.7	681	17.7
30-44	1,576	32.7	1,354	31.7	1,159	30.1
45-54	568	11.8	493	11.5	565	14.7
55+	1,544	32.0	1,497	35.1	1,441	37.5
By gender						
Men	1,638	34.0	1,412	33.1	1,256	32.7
Women	3,180	66.0	2,860	66.9	2,590	67.3
By location						
Quebec	4,171	86.6	3,721	87.1	3,409	88.6
Ontario	584	12.1	493	11.5	390	10.2
Other provinces	63	1.3	58	1.4	47	1.2

¹ Excludes approximately 2% of the workforce

3. Employees

Employee benefits | GRI 401-2

At Desjardins, we're committed to improving our employees' financial stability and quality of life by offering full-time permanent employees:

- Life insurance
- Health insurance including drug and vision care coverage, plus dental insurance
- Competitive benefits for major life events, such as the birth or adoption of a child
- Wellness initiatives, including:
 - Partial reimbursement of fitness expenses
 - Flu shots
 - A personalized health platform offering online and telephone services to address health-related concerns
- Access to reduced-fee group RRSPs with a wide range of investment solutions
- A defined benefit pension plan

Note: Part-time employees have access to most of these benefits, prorated according to time worked.

Flexible work arrangements

Various options are available to help our employees achieve work/life balance, including:

- Flexible work schedules (compressed work week, option to work remotely, etc.)
- Several types of leave, including staggered compensation for an extended absence

Options may vary by individual needs, job requirements and working conditions.

We have workplaces across Canada, with our main offices located in the following cities: Lévis, Montreal (downtown and Anjou), Quebec City, Aurora, Calgary, Gaspé, Granby, Mississauga, Ottawa-Gatineau, Toronto, Trois-Rivières, Vancouver and Winnipeg.

The caisse network spans a vast geographical area, and the number of employees at any location varies by customer volume. [GRI 102-4](#)

Prioritizing employee health

Every year, we invest heavily in employee health and well-being. In 2018, we spent approximately \$7 million on illness prevention and health promotion programs and initiatives, including:

- A personalized support program for employees on disability leave made possible by a partnership between the Federation, Desjardins Financial Security and various rehabilitation centres
- The Health is Cool 360° website to provide employees and retirees with answers to health-related questions and information on how to prevent and deal with illness
- An employee assistance program that provides help and tools for employees and members of their immediate family
- A variety of tools to make workstations more ergonomic

We also organize activities to encourage healthy lifestyles. In 2018:

- 2,069 people (employees, directors and their family members) took the Health Challenge
- 15.5% of employees got a seasonal flu shot
- 33.0% of employees received a partial reimbursement of fitness expenses
- 800 managers had a full health check-up at a specialized clinic

Consulting a health professional via smartphone

In 2018, we launched a telemedicine pilot project with 4,000 employees. This service gives employees 24/7 access to health professionals for non-urgent problems (colds, drug interactions, skin or eye problems, etc.). Employees can also use it for specialist referrals and prescriptions/refills.



HALEO named the winning project in the Health and Wellness category

by the Ordre des conseillers en ressources humaines agréés

HALEO is a comprehensive program developed during the 2016 Cooperathon to help people suffering from sleep disorders.

3. Employees

3.3 Training and education

Management approach | GRI 404 | 103-1 | 103-2 | 103-3

Desjardins directors, managers and employees can improve their skills through ongoing training, which equips them to make the best decisions for members and clients. We fully comply with Quebec's *Act to Promote Workforce Skills Development and Recognition*, which requires large companies to invest at least 1% of their payroll in employee training every year.

For many years, we've invested more than 2.5% of our payroll in staff training and development. The sustained interest that our employees show is a clear indicator that these measures are worthwhile. These investments are allocated within the organization based on our challenges and priorities.

New tools such as Office 365 also make it easier to collaborate and share best practices.

In 2018, thousands of employees and more than 3,100 directors chose to improve their skills.

Average hours of training

In 2018, we invested nearly \$90.5 million—or 2.90% of our total payroll—in over a million hours of staff training and development activities, in large part through the Desjardins Cooperative Institute.

Skills development program | GRI 404-2

Updating skills to reflect our priorities and values

At Desjardins, we encourage our employees and managers to develop skills that align with our strategic priorities and cooperative values. Our skills development program has 3 components: job-specific training (provided by the business sectors), leadership development and cross-sector training (both provided by the Desjardins Cooperative Institute).

Other career resources

Our career services team has developed the following resources for Desjardins employees:

- Career advice to help employees evaluate their job situation and how to put their talents to good use, regardless of where they are in their careers
- Resumé writing (one-on-one or in groups)
- Job interview coaching to help employees showcase their strengths (one-on-one or in groups)

3. Employees

Continuing education

We offer support in many forms to employees who wish to further their education at recognized educational institutions:

- Flexible work schedules
- 100% paid training time when training is a job requirement and 50% paid training time when training is necessary for the development of a person identified as a succession candidate
- Reimbursement of tuition fees and the cost of required textbooks and materials
- Monetary recognition for additional education
- Unpaid leave (up to 12 months) during which employees can complete their studies

Planning for the future

With the caisses' support, we offer paid internship programs to CEGEP and university graduates. These programs give participants the opportunity to acquire skills and knowledge specific to the financial sector. In 2018, we hired 251 interns. It's a win-win for everyone: interns get valuable on-the-job experience and our teams get additional help.

Intensive retirement planning sessions are available to members of the Desjardins Group Pension Plan who are 50 or older and their spouses. 1,344 people participated in this program in 2018.



3. Employees

3.4 Diversity and equal opportunity

Management approach | GRI 405 | 103-1 | 103-2 | 103-3

At Desjardins, we believe in the value created through diversity and the inclusion of people of all genders, ages, backgrounds, cultures, experiences, abilities and sexual orientations.

That's why we're reaffirming our commitment to building a Desjardins that reflects the richness of our society and celebrates the many faces of human diversity.

To diversify and enrich our human capital, we're making more room in the organization for young people, women in decision-making roles, members of cultural communities, people with disabilities and members of the LGBT community.

Our commitment to a diversified workforce is clearly reflected in our hiring policies and practices.

We also support initiatives and participate in public events catering to people from all walks of life:

- Fondation Émergence programs
- Action main-d'oeuvre specialized services, to hire people with autism
- Women in Leadership program with Effet A
- Partnership with Catalyst
- Quebec Immigration and Integration Fair
- Networking event with Syrian refugees hosted by the Chamber of Commerce of Metropolitan Montreal
- Pride at Work Canada and Pride Montreal

Elsewhere in Canada, particularly in Aurora and Mississauga, we have about a dozen employee networking groups that organize activities promoting cultural, gender and sexual orientation diversity.

Caisses have an enhanced group profile that allows each board of director to set diversity and representation targets based on its reality and needs. One of the dimensions covered by this profile is diversity—in age, in gender and in background. The Young Intern Director Program also supports diversity. In addition, the caisses have adopted a voluntary policy to promote gender parity on caisse governing bodies.

We joined the 30% Club Canada to act as a gender parity leader and role model for other Canadian organizations. In January 2019, we decided to raise our goals from a 30% gender balance by 2020 to 50% by 2024. We're determined to achieve gender parity in upper management roles throughout the organization and in director roles at the local caisse and Federation levels.

3. Employees

Diversity initiatives

Lesbian, gay, bisexual and transgender (LGBT) community

In 2018, we celebrated diversity with the theme United and Proud.

During Pride Week, the Complexe Desjardins proudly added the rainbow flag to its logo. We hosted 2 Pride at Work networking receptions that brought together nearly 700 members of the Montreal and Quebec City business communities, with representatives from around 80 Pride at Work Canada member businesses. It was an opportunity to discuss and plan for a future where everyone can achieve their full potential at work.

Our message of inclusion and support culminated during the Montreal Pride Parade, with 200 of our employees and their allies marching in the Desjardins contingent.



Newcomers

The Workplace Training Integration Program gives qualified immigrants in the Montreal area the opportunity to receive training and gain valuable on-the-job experience. The program is sponsored by the City of Montreal, the Quebec government, the Chamber of Commerce of Metropolitan Montreal and 4 of Montreal's biggest employers, including Desjardins. It helps qualified newcomers looking for their first work experience in Quebec. In 2018, we personally welcomed 13 program participants.

Desjardins is also a key partner of the "Un emploi en sol Québécois" program sponsored by the Fédération des chambres de commerce du Québec. This program was created to help newcomers find work outside major metropolitan areas. In 2018, we met with more than 50 candidates and hired 3.

Women

We partnered with Effet A to create a unique and innovative professional development program that helps women in professional and first-level management roles advance in our organization. In addition to the Effet A 100-day challenge, participants follow a skills development path that reflects Desjardins's needs and realities. In 2017–2018, 30 professionals and first-level managers participated. There are now 60 women participating in the 2018–2019 cohort, with about half from the caisse network.



Gold-level parity certification

– Women in Governance

3. Employees

Breakdown of caisse directors and employees | GRI 405-1

Caisse director representation (%)		2018 (%)	2017 (%)	2016 (%)
By gender	W	44.0	43.6	42.0
	M	56.0	56.4	58.0
By age group	Under 35	17.2	16.6	16.0
	35-49	22.5	21.8	21.0
	50+	60.3	61.6	63.0

In 2018, the director representation index by gender and age was 92.6%. This index weights gender and age equally.

Employee diversity by gender (%)		2018 ¹ (%)	2017 (%)	2016 (%)
Upper management	W	31.3	26.5	25.5
	M	68.7	73.5	74.5
	Total	100	100	100
Managers	W	59.0	57.5	59.2
	M	41.0	42.5	40.8
	Total	100	100	100
Employees	W	68.7	69.5	70.6
	M	31.3	30.5	29.4
	Total	100	100	100

Employee diversity by age group (%)		2018 ¹ (%)	2017 (%)	2016 (%)
Upper management	Under 30	0.2	0.3	0.2
	30-44	18.1	9.4	9.3
	45-54	49.9	51.5	52.8
	55+	31.8	38.8	37.7
	Total	100	100	100
Managers	Under 30	3.0	2.2	3.0
	30-44	43.4	39.5	39.5
	45-54	38.2	41.6	41.3
	55+	15.4	16.7	16.2
	Total	100	100	100
Employees	Under 30	19.8	18.7	18.5
	30-44	39.2	38.3	37.8
	45-54	24.3	26.7	27.8
	55+	16.7	16.3	15.9
	Total	100	100	100

1. In 2018, the definition of upper management was expanded to include directors.

Representation of cultural communities (%)	2018 ¹ (%)	2017 (%)	2016 (%)
Entire caisse network			
Upper management	4.1	4.2	4.2
Managers	5.2	4.5	4.6
Employees	6.7	7.8	7.6
Total	6.6	7.5	7.3
Caisse network – Greater Montreal			
Upper management	6.3	6.5	7.2
Managers	11.1	8.3	10.3
Employees	14.2	17.1	16.6
Total	13.8	16.3	16.0

1. Excluding self-identification data from employees hired in the past year.

3. Employees

3.5 Anti-corruption

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

At Desjardins, we have a framework in place to ensure sound management of operational risk, in line with industry best practices and regulatory requirements such as those set out in the *Financial Crime Risk Management Guideline* published by the Autorité des marchés financiers (AMF). The framework includes a process for preventing fraud and misconduct as well as management mechanisms for examining any situations or activities potentially linked to financial crime.

Code of Professional Conduct

Managers use operational risk management tools to identify, assess and mitigate significant risks, including those related to internal and external fraud. The Desjardins *Code of Professional Conduct* (the "Code") is a key tool in the fight against financial crime. As part of training on the Code, directors and employees are reminded of their responsibilities and duties, including the requirement to act with discretion, diligence, honesty and loyalty at all times. The same Code applies to all Desjardins entities. All employees are required to read it and sign it every year. After the revised version of the *Act Respecting Financial Services Cooperatives* was released, we updated the Code in 2018 to reflect its underlying principles and requirements for professional conduct.

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

Reporting mechanism

For violations of our regulatory framework and Code, we have an external reporting mechanism that can be used anonymously and confidentially. It meets regulatory requirements in terms of accounting, internal accounting controls, audit, governance, ethics and professional conduct, including the AMF's *Regulation 52-110 Respecting Audit Committees*.

Policies

The following Desjardins policies support the fight against corruption:

- *Policy on Security and Credit Checks for Employment*
- *Policy Governing the Integrity and Competency of Desjardins Caisse Directors in Quebec*
- *Policy Governing the Integrity of Directors, applicable to the Fédération des caisses populaires de l'Ontario and to Ontario caisses populaires*
- *Conflict of Interest Management Policy*
- *Desjardins Group Policy on Reporting Regulatory Violations*
- *Anti-Money Laundering and Anti-Terrorist Financing Regulatory Compliance Policy*
- *Policy on Compliance with International Anti-Tax Evasion Regulations*
- *Policy on Operational Risk Management*

3. Employees

Anti-money laundering and anti-tax evasion

We have a Chief Anti-Money Laundering Officer, who is responsible for ensuring sound management of risks associated with money laundering, terrorist financing and international economic sanctions and other measures. We adjust our compliance program, policies, procedures and training regularly to reflect regulatory changes and emerging trends. These measures help prevent, detect and disclose transactions associated with money laundering and terrorist financing.

We provide the following training on anti-money laundering and anti-terrorist financing regulations:

- Flag the Money
- Flag the Money: It's My Business Every Day
- Unusual Operation Notification
- The Role of the Compliance Officer and How to Approve Unusual Operation Notifications and Suspicious Transaction Reports

We also have a Chief Anti-Tax Evasion Officer. We've developed a program to ensure compliance with regulatory requirements, including the intergovernmental agreement between Canada and the United States, pursuant to the *Foreign Account Tax Compliance Act*, and the *Common Reporting Standard* developed by the Organization for Economic Co-operation and Development, which Canada participates in, along with more than 110 other tax jurisdictions.

Our Anti-Tax Evasion 101 course teaches employees about our compliance program in this area, and about the new requirements and responsibilities applicable to Desjardins.

These initiatives foster a healthy regulatory compliance approach.

Our anti-money laundering, anti-terrorist financing and anti-tax evasion compliance programs include oversight of regulatory risks, which allows the compliance function to provide an opinion on the adequacy, application and effectiveness of control mechanisms. Our Chief Anti-Money Laundering Officer and Chief Anti-Tax Evasion Officer also evaluate the maturity of our compliance programs and benchmark them against our targets to ensure ongoing improvement.

The Desjardins Group Monitoring Office provides an independent assessment of the design and effectiveness of the compliance management framework.

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

Lastly, we've set up a formal reporting process for senior management and various decision-making bodies to verify compliance and risk management issues.

3. Employees

Anti-corruption communication and training | GRI 205-2

The annual obligation to sign the *Code of Professional Conduct* reminds directors and employees of their responsibilities and duties, including the requirement to act with discretion, diligence, honesty and loyalty at all times.

In 2018, 6,899 employees and directors took the Measure Your Professional Conduct Quotient training course, for a total of 37,618 participants since the course was launched in 2013.

In July 2017, we introduced a new training course on managing conflicts of interest. So far, 42,098 of our employees and directors (or 84.2%) have taken the course, including 15,770 employees and directors in 2018.

2018 statistics for mandatory anti-money laundering training:

- 14,080 employees took the Flag the Money and Flag the Money: It's My Business Every Day training courses

2018 statistics for anti-tax evasion training:

- 3,890 employees took the Anti-Tax Evasion 101 training course

Desjardins and National Bank fund a research chair in cybersecurity

We invested \$500,000 through the Institute for Data Valorization in a new cybersecurity research chair at the Université de Montréal School of Criminology. This money will fund masters and doctoral scholarships, practicums and 2 public conferences attended by renowned international researchers. The investment is part of our commitment to support youth in academia and serves to nurture talent in critical tech sectors.

4. Communities



252 initiatives

benefiting members,
communities and regions
with the

**\$100 million
fund**

The Cooperathon:

**innovative
solutions**

to support the
UN's Sustainable
Development Goals

Unparalleled
**support
for youth**

**SUSTAINABLE
DEVELOPMENT
GOALS**

1 NO
POVERTY



8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



4.0 Communities

Doing what's best for our members and clients means **supporting socio-economic development**

For nearly 120 years, we've been a modernizing force in Quebec. We're a driver of socio-economic development, creating good jobs, supporting transformational community projects, helping businesses grow and encouraging people to shop local. These are just some of the ways our cooperative financial group enriches the lives of people and communities and creates a shared prosperity.

4.1 Concrete advantages for communities

Indirect economic impacts

Management approach | [GRI 203](#) | [103-1](#) | [103-2](#) | [103-3](#)

At Desjardins, we help build stronger communities across Canada and around the world by growing local economies, supporting businesses, creating good jobs and training directors.

Growing local economies

We have a huge network of decentralized regional operations. This decentralized structure is enshrined in a formal policy to help grow and support vibrant communities. Our subsidiaries also provide good jobs all across Canada.

Supporting businesses and creating jobs

We help grow businesses and keep jobs in both rural and urban communities through our wide range of products and services and through:

- The Desjardins caisses, Desjardins Business centres and complementary networks like Desjardins 360^d
- Desjardins Capital Management Inc., a fund manager specializing in development and venture capital
- Our solidarity-based financing programs—Créavenir and Desjardins Microcredit to Businesses
- Our partnerships with Place aux jeunes en région, Réseau des carrefours jeunesse-emploi du Québec and Adopt Inc.

4. Communities

Training directors

We train our 3,779 directors on how to make an impact in the community and make the best decisions for their caisse's future. The management and governance skills they learn help them become better citizens and better professionals. This training strengthens our democratic processes and helps to build stronger communities. Starting in May 2019, all directors will have to complete a mandatory training path.

Développement international Desjardins

Développement international Desjardins (DID) is our biggest component operating outside North America. It works on the ground to strengthen local financial institutions and the inclusive finance industry at home and in developing and emerging countries. DID helps improve financial inclusion and access to financial services for everyone.

A report on the indirect economic impacts of our operations can be found in our annual report.

Capital to help regions and cooperatives grow | GRI 203-2

Desjardins Capital Management Inc.'s investments benefit many regional economies. In addition to creating and keeping local jobs, these investments:

- Encourage entrepreneurship in younger generations
- Boost productivity and help businesses expand to new markets
- Promote the emergence of industry leaders across business sectors
- Keep homegrown businesses from leaving

Desjardins Capital Management Inc. has developed innovative partnership solutions to help local SMEs and Quebec cooperatives achieve their full potential. It also lends its support and expertise to specialized businesses that work with tech startups.

As of December 31, 2018, we've committed \$1.1 billion to 467 businesses, cooperatives and funds, helping to create or keep some 58,000 jobs. 359 of these businesses are based somewhere other than Montreal or Quebec City and have received support totalling \$735 million. We've also provided \$196 million in support to 22 cooperatives. And since 2014, we've committed over \$94.2 million to regional county municipalities in economic decline.



**Desjardins
Economic Studies
team ranked Best
Overall Forecaster
– Canada by
FocusEconomics
for the second
straight year**

4. Communities

Funds associated with Desjardins Capital Management Inc. include:

- Capital régional et coopératif Desjardins, a public fund with over 108,000 shareholders
- The Transatlantic Fund, which helps French businesses break into the North American market—starting in Quebec—and helps Quebec businesses move into the European market—starting in France
- Desjardins – Innovatech, which supports tech innovation
- Société en commandite Essor et Coopération, an organization created with the Conseil québécois de la coopération et de la mutualité to support cooperative development
- Desjardins Capital SME, which supports business growth, expansion and acquisition
- Fonds Relève Québec, a fund that provides business transfer support for new business owners
- Fonds Prêt à Entreprendre, a fund that provides financial and technical support for new business owners
- Fonds d'investissement pour la relève agricole, a fund that provides support to young people with plans to start, expand or take over a farming business

Desjardins Capital Management Inc.'s economic impact in Quebec

Development capital investments at cost	\$1,045.4 million
Investments at cost in cooperatives or other businesses located in resource regions	\$304.7 million
Development capital investments at cost in regional county municipalities in economic decline (since 2014)	\$94.2 million

We simplified the purchasing process for Capital régional et coopératif Desjardins shares. Existing shareholders now have the ability to buy shares online without going to their caisse. We also have an alert system so everyone interested in these shares gets communications at the same time.

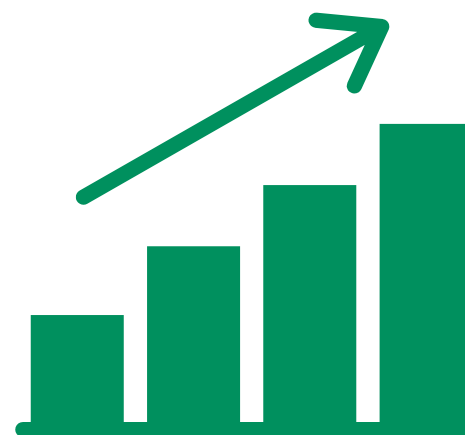
Here to support business development with all-new funds | GRI 203-2

The Momentum Fund: Growing local businesses

This fund provides up to \$10,000 in non-repayable funding to small and medium businesses in the commercial, industrial and agricultural spaces. It helps grow local businesses and create and keep good local jobs.

The Transatlantic Fund: Helping businesses expand to Europe and North America

We've teamed up with Export Development Canada, Siparex and Bpifrance to launch the Transatlantic Fund to help businesses expand to Europe and North America. This \$120 million fund is co-managed by Siparex and Desjardins Capital Management Inc. and is used for joint investments in French and Quebec small and medium businesses.



4. Communities

Helping people in difficulty

Desjardins Disaster Relief Fund | GRI 203-2

The Desjardins Disaster Relief Fund provides emergency financial support to members and clients affected by disasters not covered by their insurance. The fund has an annual budget of 1% of the net income of Desjardins General Insurance Group, up to \$1 million. It's available to help:

- Desjardins General Insurance and The Personal policyholders
- Desjardins members in Quebec

In addition to the assistance provided by this fund, we also provide financial support to communities recovering from accidents or natural disasters. When the St. Charles River overflowed its banks in Quebec City in January 2018, Desjardins donated \$50,000 to the Canadian Red Cross to help the dozens of evacuated families.

Here for Ottawa area families affected by the September 21, 2018 tornado

We offered financial relief to members and clients affected by the twister, including postponing payment dates up to 6 months for many products and services (mortgages, personal loans, credit cards, Accord D financing plans and insurance policies), providing emergency loans to cover the cost of cleaning and securing the premises, and making special arrangements with businesses. The day after the tornado, Desjardins was the only insurer on the ground with a claims team. We also donated \$50,000 to the Canadian Red Cross.



Education as accident prevention | GRI 203-2

Desjardins General Insurance Group promotes a range of activities and educational programs aimed at reducing the number of deaths and injuries that occur every year and helping communities deal with these events.

- Road safety studies published regularly
- National Teen Driver Safety Week, which aims to reduce car accidents—the leading cause of death among 16- to 19-year-olds
- Road safety education and awareness campaigns on topics such as distracted driving, impaired driving and wildlife collisions
- Launch of the Drug Impaired Driving Learning Centre website with the Traffic Injury Research Centre
- The Wildlife Roadsharing Resource Centre to educate Canadians about wildlife-vehicle collisions
- Parachute Canada's Vision Zero Summit, a program created in Sweden in 1997 to promote road safety strategies and reduce injuries, property damage and death

4.2 Building a responsible, sustainable economy

Economic performance

Management approach | [GRI 201](#) | [103-1](#) | [103-2](#) | [103-3](#)

Our economic performance is an integral part of our operations. We measure it in terms of our returns, financial strength and contributions to building a responsible, sustainable economy.

We encourage economic development that respects both people and the environment and that benefits both present and future generations.

Desjardins caisses have always been engines of economic and social development, spreading financial literacy to help individuals and communities take charge of their futures.

At Desjardins, our ongoing mission is to enrich the lives of members and communities. We've developed tools and programs to help us fulfill our mission nationwide, and caisses can tailor them to their local communities.

Support for partner organizations and transformational projects

Desjardins has 271 caisses, all of which are firmly rooted in their communities by their cooperative nature. They maintain partnerships with many community development stakeholders, such as municipalities, chambers of commerce and community organizations. These close relationships keep us informed of community needs and involved in transformational projects. To strengthen these ties, we've created community collaboration groups to guide caisses' community involvement.

Over 95% of caisses have Community Development Funds, which are funded with surplus earnings by a vote of caisse members at their annual general meetings. The funds support transformational projects that will positively impact communities.

We also use traditional and social media to spread the word about these projects, secure buy-in and get people involved. Through our close relationships with governments, municipalities and Canadian socio-economic development organizations, we help identify key issues and shape development initiatives.

We contribute directly to local economies through our Shared Services Centre and our decentralized operating model. Community needs drive how and when we get involved.

What's more, the Desjardins Economic Studies team prepares regional and topical overviews and analysis of the credit and savings markets in Quebec, Ontario and all of Canada. This information is available to caisse directors.

Our quarterly financial reports are an opportunity to review a wide range of indicators across all our business lines. This gives our directors, employees, members, clients and investors the information they need to make informed decisions.

4. Communities

Economic value generated and distributed | GRI 201-1

Desjardins (in millions of \$)	2018	2017	2016
Operating income	\$16,576	\$15,465	\$14,129
Total income	17,310	17,153	15,248
Non-interest expense	7,485	7,400	7,251
Salaries	2,836	2,808	2,909
Benefits	571	644	639
Member dividends	253	202	144
Remuneration on shares	425	212	158
Income taxes	536	536	460
Indirect taxes	1,447	1,358	1,326
Donations and sponsorships	94	82	82
Reserves and undistributed surplus earnings	19,569	18,067	16,581

Shared Services Centre: Decentralizing administrative operations | GRI 203-2

On January 1, 2015, we created Desjardins Shared Services Group, a company that brings together all 1,300 employees providing administrative services to the caisse network. We chose our 22 Shared Services Centre locations, including the one in Ontario, based on our goals of:

- Decentralizing operations to outlying regions
- Spreading operations evenly across Quebec's 3 main regions (Western, Central and Eastern Quebec)

The Shared Services Centre was fully operational in late 2015. By consolidating their administrative operations, caisses can now focus on business development and service delivery for members and clients.

Creating jobs where they're needed | GRI 203-2

One way we support regional development is by decentralizing some of our operations. That's why we operate AccèsD call centres in the following cities:

- Granby: About 230 employees work out of the Carrefour de la coopération, which is also home to Caisse Desjardins Granby-Haute-Yamaska
- Trois-Rivières: About 500 employees work in 2 call centres serving individuals and businesses
- Gaspé: About 100 employees handle government-backed student loans at a student advisory centre

Donations and sponsorships | GRI 201-1

At Desjardins, we demonstrate our commitment to sustainable community development through our investments. In 2018, we committed \$94.4 million in donations, sponsorships, philanthropic partnerships and scholarships, including \$37.4 million from caisse Community Development Funds (CDFs).

Financial contributions – Federation, caisse, component and CDF donations and sponsorships (in millions of \$)

	2018	2017	2016
Cooperation	\$3.9	\$3.8	\$3.1
Culture	14.0	10.4	7.4
Economic development	11.9	15.1	18.7
Education	27.0	19.7	18.4
Humanitarian work and community service	11.8	12.1	11.4
Prestige	4.4	4.7	5.2
Health and healthy living	21.4	16.4	17.3
Total	\$94.4	\$82.2	\$81.5

4. Communities

Supporting thousands of initiatives through our Community Development Funds | GRI 201-1

Our Community Development Funds (CDFs) are just one way caisse members show their generosity. At each caisse's general meeting, members can decide to give up a portion of their individual dividends and allocate it to their CDF, which is managed by the caisse's board of directors. By contributing to their CDF, caisse members are helping to support transformational projects in their communities.

Amounts given back by CDFs

2018	\$37.4 million
2017	\$38.3 million
2016	\$33.1 million

Initiatives supported through our CDFs in 2018

We post videos on our website of some of the initiatives we support. It's an inspiring collection of stories and proof of the great work that our caisses and members are doing in their communities.

› **To watch the videos:**

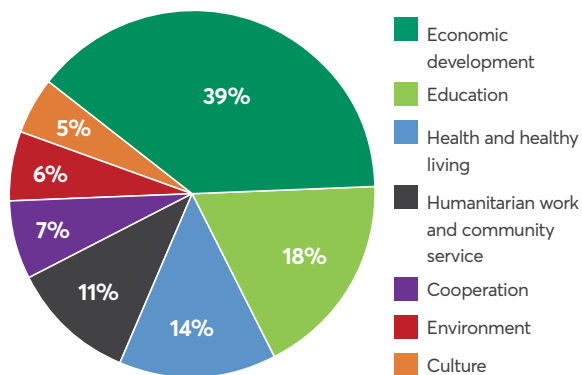
<https://www.desjardins.com/ca/co-opme/desjardins-difference/being-member-contributing-endeavours/index.jsp>

\$100 million fund | GRI 201-1

We created the \$100 million fund to strengthen our socio-economic leadership and do more. We use the fund to invest in initiatives aligned with our socio-economic mission of supporting entrepreneurship, education, social responsibility, sustainable development and community involvement.

In 2018, we invested nearly \$53 million to support some 252 initiatives benefiting members, communities and regions.

Initiatives by sector



The fund has supported:

- The Guilde des développeurs de jeux vidéo indépendants du Québec
- A new tech incubator coming to Matane
- Créateurs de saveurs des Cantons-de-l'Est
- Accredited training for Entrepreneuriat Québec's entrepreneur coaches
- Cétal, a social economy enterprise that employs people with disabilities
- The Bourse du carbone Scol'ERE carbon exchange



4. Communities

Incubating new ideas with the Desjardins Lab

The Desjardins Lab explores ways we can stay current and in step with our members. Through its initiatives and the Cooperathon startup impact track, the Desjardins Lab supported some 20 startups in 2018, while 7,000 members of the public attended our Desjardins Lab meet-ups.

The Desjardins Lab seeks out opportunities for mentoring, training, outreach, internships and careers in Montreal's startup scene for individuals who are underrepresented in the tech sector. It also takes an inclusive approach that recognizes the contributions of women in tech.

The Cooperathon: Innovation that benefits people and communities

The Cooperathon is the brainchild of the Desjardins Lab and its partners. It's a way for citizen-driven startup-type projects to get off the ground and quickly move into the validation phase. As the largest open innovation competition in Canada, it aims to have maximum social impact. Over the 25 days of the Cooperathon, participants have the opportunity to network with innovators and entrepreneurs to champion a cause they care about.

The third annual Cooperathon featured 134 projects by 1,445 participants from 148 cities. The projects fell into one of 4 categories: finance, health, education, and energy and the environment in partnership with Hydro-Québec. Participants developed innovative solutions to support the UN's Sustainable Development Goals. The event showcases the importance of diversity and inclusion as a source of innovation.

In 2018, we hosted the first-ever Data Cup at the Cooperathon. This open data competition attracted 340 participants from the data, startup and artificial intelligence communities.

Last year, we also held the first-ever Cooperathon in France, which attracted nearly 260 participants.



Desjardins Lab crowned Corporate Champion of the Year by the jury and the public at the Startup Community Awards Gala

4.3 Volunteer and fundraising activities

We've always been here for people and communities. By pooling their time, money and resources, our organization, our 46,216 employees and managers, and our 3,779 directors form a powerful driver of sustainability. Our engagement and generosity are defining characteristics of our cooperative nature, which is a huge source of pride for us.

Whether it's a scoreboard at the local arena, the oncology department of a university hospital or a school auditorium, we're proud to put our name and brand on things that improve people's lives. We'd like to thank our employees, managers, directors, members and clients for making these projects and initiatives a reality.

4. Communities

Making a difference with the Desjardins Cares and Shares Campaign | GRI 201-1

Our employees, directors and retirees showed their generosity once again by participating in the 2018 Desjardins Cares and Shares campaign to raise funds for the United Way, the Canadian Red Cross and the Desjardins Foundation. Our 2018 campaign raised \$5 million, 16% more than the year before, including \$1,216,000 for the Desjardins Foundation. The money donated to the foundation will be used to help young people stay in school and pursue a post-secondary education, with a reinvestment in 2019 of \$1,124,000 in Quebec and \$92,000 in Ontario.

Supporting young people | GRI 201-1

We're all committed to supporting youth

We highlight our support for young people through our We're All Committed to Supporting Youth campaign. We post videos about inspiring young people who receive support from Desjardins through the Desjardins Foundation and through our sponsorship of the Réseau des Centres de Formation en Entreprise et Récupération, the Jeux du Québec and Forces Avenir. In addition to showcasing our commitment to young people in the areas of education, employment, entrepreneurship, health, healthy living, and community involvement, the campaign shows how doing business with Desjardins supports youth.

Coming together during Co-op Week

We put together a number of events to support young people during Co-op Week 2018. 4,000 Desjardins volunteers shared their expertise and lent a helping hand at 200 events benefiting 160 youth organizations in Quebec and Ontario.

Our employees gave to the 20th annual Gift of Reading program, a book drive for underprivileged children. The program supports childhood literacy to help keep kids in school. We collected around 1,300 books in Quebec and Ontario. They will be distributed to 750 participating schools, early childhood centres, daycares and community organizations.

Teams also helped sick and underprivileged children by donating to a toy and food drive and volunteering at Breakfast Clubs.

And some of our IT employees gave fun presentations about the tech field to students in grades 3 through 6.

Recognizing youth civic engagement

We teamed up with COOPSCO to hold a contest to recognize the civic engagement of young student members involved in community organizations in Quebec and Ontario. In its second year, the contest attracted over 250 entries in 2018—twice as many as the year before. The 5 winners each received a \$1,500 scholarship. We also donated \$1,000 to each winner's community organization.

Lévis to Montreal race

For the second straight year, a group of Desjardins employees organized a 275-kilometre relay race between our Lévis and Montreal offices. For 30 hours, runners handed off the proverbial baton, only stopping to drop off the funds collected. Thanks to our runners, we were able to support educational programs for elementary and high school students. Runners raised over \$50,000 for 16 schools.

Climbing Kilimanjaro

12 employees climbed Kilimanjaro to support 2 causes near and dear to their hearts: youth education (Desjardins Foundation) and Montreal heritage (Château Ramezay). They raised nearly \$165,000, including \$115,000 for the Desjardins Foundation. The money will help fund programs in 47 schools and organizations in Quebec and Ontario through the #DesjardinsFoundation Prizes.



Ipsos-Infopresse award for social responsibility

Finalist in all categories: Commitment – Trust – Innovation – Presence

4. Communities

Desjardins Endowment Funds

Desjardins Endowment Funds are a long-term investment in causes that matter to donors. Through these funds, the Desjardins Foundation promotes philanthropic action by enabling members and clients to plan donations and maximize their impact on their communities.

To date, 111 donors have set up a Desjardins Endowment Fund:

- \$10 million under management
- 60 beneficiary organizations
- \$650,000 given back to the community in 2018

Programs to get employees volunteering | GRI 201-1

We recognize employees who volunteer in order to improve employee engagement and encourage community involvement. Here are a few of our programs.

Operation Red Nose

In Quebec, we've been the lead sponsor of Operation Red Nose since it was first created 35 years ago. Desjardins General Insurance is the campaign's official insurer, providing insurance for facilities, equipment and vehicles. Operation Red Nose helps organizations dedicated to youth issues and amateur sports in Quebec every year through its road safety campaign. In 2018:

- 73,150 drivers across Canada took a free ride
- 50,440 Canadians volunteered as designated drivers for at least one night, keeping the roads safe for everyone during the holiday season

Desjardins General Insurance Group Outreach Program

Desjardins General Insurance Group (DGIG) created the Outreach Program in March 2015. When individual employees or teams do at least 40 hours of volunteer work for an eligible organization during the year, DGIG donates \$500 to the organization. And if employees participate in a fundraiser for an eligible organization, DGIG matches the funds raised, up to \$100 for an individual or \$250 for a team.

In 2018, 235 new volunteers signed up for the program, bringing the total to 1,222. Together, they volunteered 4,456 hours and raised \$24,700 for dozens of organizations. Through this program, DGIG hopes to encourage community involvement and behaviours that are aligned with its values.

A healthier future for underprivileged children

For 16 years, the Full-Service Brokerage team has supported the Montreal Canadiens Children's Foundation, which helps organizations that encourage underprivileged children across Quebec to make healthy lifestyle choices. In 2017-2018, the team raised more than \$603,000 through a number of fundraisers, for a total of \$6.4 million to date.

Accès Desjardins Division's volunteer matching program

For over 10 years, the Citoyen coopératif program has been matching organizations with employees who want to give back, whether by donating money, volunteering their time or giving blood. The program:

- Engages employees by encouraging them to give back
- Helps create change in local communities
- Shows Desjardins's commitment to volunteerism

In 2018, the program gave back \$85,000 to the community, and over the past 5 years, employees have volunteered nearly 4,500 times through the program.

Support program for Développement international Desjardins partners

In 2018, experts volunteered the equivalent of nearly 420 days of work to provide support to Développement international Desjardins partners. They shared their knowledge in the fields of credit management, governance, communications, manager training and internal controls. Many are Desjardins retirees who enjoy sharing their knowledge and expertise with financial cooperatives in developing and emerging countries.

4.4 Responsible procurement

Procurement practices and supplier assessment

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

At Desjardins, procurement is more than simply acquiring goods and services—it's a strategy that's based on the "total cost of ownership" principle. We incorporate our procurement process into the rest of our operations and use it as a way to make a positive contribution to our business strategies.

We purchase products and services primarily from suppliers in Canada. The effects of our purchases and purchasing requirements are felt throughout our supply chain, from suppliers to their subcontractors and partners. Given our purchasing volume and the number of partners we do business with, we are in a position to influence our suppliers and encourage them to adopt sustainable practices. Because we're a service business, our purchases and supply chain support operations and aren't typically turned into products. Our supply chain is stable, with the exception of providers used for one-time initiatives.

Under our procurement policy, a dedicated procurement team handles all purchases, including products regularly used throughout the caisse network. Our approach is based on social responsibility, business reciprocity and Desjardins's codes and policies.

Supplier relationships

We strive to build respectful and collaborative business relationships with our suppliers based on industry best practices. We ensure that they understand and share our sustainability efforts and approach. Our contracts include strict ethical principles.

Quebec finance industry leader in responsible procurement

Desjardins is the only financial institution that was a founding member of ECPAR (Espace québécois de concertation sur les pratiques d'approvisionnement responsable), a Quebec-based group dedicated to building partnerships to establish responsible procurement practices. As an ECPAR member, we developed a standardized system to assess our suppliers against social responsibility criteria. This assessment is included in our overall assessment of suppliers and their offers to encourage business partners to follow best practices.

To better communicate our sustainability expectations to suppliers, we have a [Supplier Centre on our website](#) with a section on responsible procurement. We also published the *Desjardins Group Supplier Code of Conduct*, which sets out our expectations in the areas of ethics, governance, human rights, workplace health and safety, the environment, overall performance and continuous improvement.

In 2017, we set up an internal committee on responsible procurement charged with launching initiatives that make a difference. It published a guide on responsible procurement to promote sound purchasing behaviours across Desjardins. It has also worked to include more social economy enterprises in our procurement processes and specific sustainability criteria for the procurement of certain key products. These measures are part of our annual responsible procurement plan.

4. Communities

We have also:

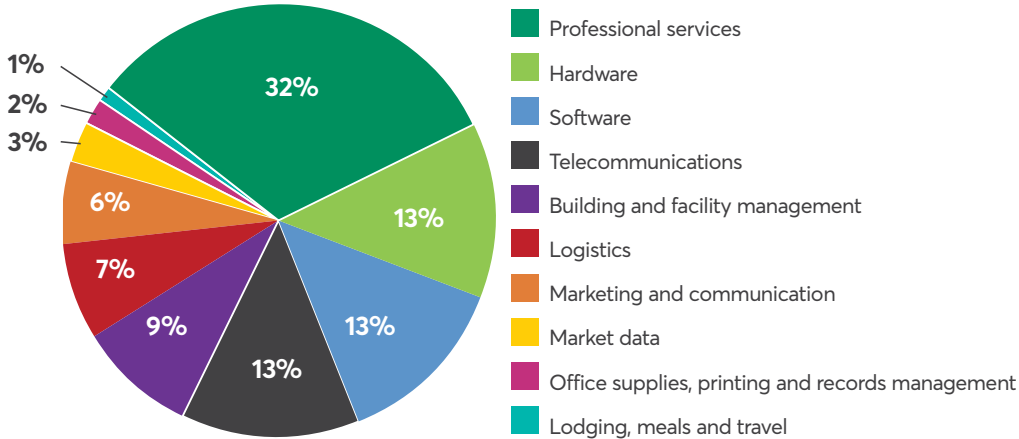
- Instituted building management procurement mechanisms at our main worksites. These include responsible procurement rules and assessment of products' health and environmental claims.
- Signed a statement of commitment to the L'économie sociale : j'achète! initiative of the Conseil d'économie sociale de l'île de Montréal and set an annual internal target for this commitment.
- Announced that the whole organization will stop buying certain single-use plastics (water bottles, cups, coffee stirrers and straws).

We standardized our approach to responsible procurement as part of our ongoing efforts to better incorporate social responsibility practices into our process. This gives us better control over our social responsibility performance.

Share of spending on local suppliers | GRI 204-1

In 2018, we purchased \$1.7 billion in products and services from nearly 2,500 suppliers, most of whom are based in Canada.

2018 supplier assessment (excluding claims and the caisse network)



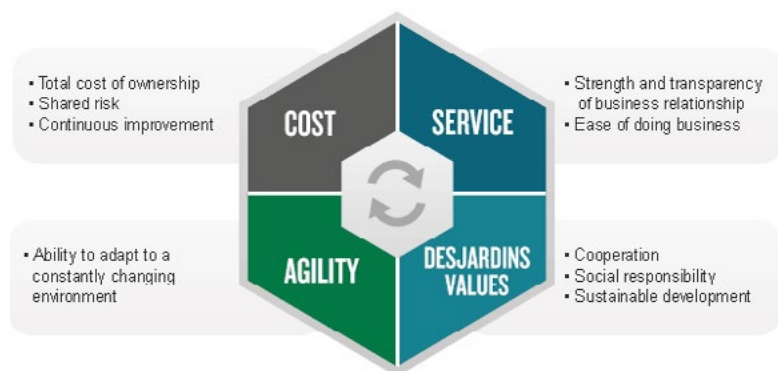
Desjardins named a provincial role model for responsible procurement best practices by the Ministère de l'Économie et de l'Innovation du Québec

4. Communities

supplier assessment

As part of our strategic procurement process, we assess the overall performance of our suppliers using 4 main criteria:

1. Cost
2. Service
3. Agility
4. Desjardins values



In 2015, we began improving our responsible procurement practices. Our procurement sector created a 2015–2018 social and cooperative responsibility action plan to better incorporate sustainable development and cooperative principles into our purchasing practices.

In 2016, we standardized our supplier sustainability assessments. All our suppliers now answer a questionnaire that covers 4 areas:

- Responsible management
- Environmental performance
- Social performance
- Economic performance

Based on the answers, we assign each supplier a social responsibility score. We consider this score in their overall assessment, which is based on our cooperative, sustainability and business reciprocity values.

In 2018, we assessed the sustainability of 208 suppliers and purchased over \$800 million in products and services from them. Since standardizing this process in 2016, we've assessed nearly 200 businesses a year using our standard sustainability criteria.

GRI 308-1 | 414-1

	2018	2017
Percentage of suppliers assessed	8% (208 out of 2,494)	6% (150 out of 2,500)
Percentage of products and services purchased from assessed suppliers	47% (\$800 million out of \$1.7 billion)	42% (\$720 million out of \$1.7 billion)

5. Responsible finance



Gradual incorporation of **environmental, social and governance (ESG)** factors into all our activities

Nearly **700 jobs** created or maintained through our solidarity-based financing programs

11 new responsible investment products

SUSTAINABLE
DEVELOPMENT
GOALS

1 NO
POVERTY



10 REDUCED
INEQUALITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



5.0 Responsible finance

Doing what's best for our members and clients means **growing the responsible finance sector**

At Desjardins, we actively contribute to the environmentally and socially responsible finance sector, chiefly through our solidarity-based financing programs and our green products and services. We support our members and clients, so that they can contribute to the economic vitality of their communities and the fight against climate change. As a pioneer in responsible investment, we offer our members and clients a concrete way to affect social and environmental change through their financial choices.

For a year now, we've been gradually incorporating environmental, social and governance (ESG) factors into all our activities, including wealth management, life and health insurance, property and casualty insurance, business financing and development capital.

5.1 Responsible finance for all needs

Responsible products

Management approach | [GRI 103-1](#) | [103-2](#) | [103-3](#)

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

We do this by providing products and services that meet our members' and clients' needs, and by thoroughly considering ESG factors when making business decisions. Our mission and cooperative values are reflected in our commitment to promoting sound personal financial habits and providing socially responsible products that contribute to sustainable economic growth. We offer responsible investment products that are both Canadian and international in scope.

Our sustainable development policy and the recommendations of our ESG Steering Committee provide a framework for promoting sustainable development and implementing the necessary business and management practices. We create and distribute exclusive green and socially responsible products, including our Green Homes Program, a line of responsible investment products, discounts on home and auto insurance and the Green option auto loan.

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

At Desjardins, we believe that solidarity-based financing is a source of sustainable prosperity. To this end, we build strategic partnerships with numerous community organizations to offer these types of financing programs. These programs provide guidance, financial education and personalized support adapted to the needs of the financially vulnerable. They also provide loans to entrepreneurs who don't qualify for traditional financing.

5. Responsible finance

Environmental, social and governance factors

Desjardins pioneered the responsible investment movement in Canada. Today, we are a leading proponent of the approach across the country. Responsible investment means integrating ESG factors into our investment selection and management decisions. We take a long-term view and invest in companies with a focus on sustainable development. Our responsible investment products include SocieTerra portfolios and funds, Priority Terra guaranteed investments, and our line of responsible investment exchange-traded funds. According to our responsible investment policies, securities are selected and managed in our funds and portfolios mainly using the following strategy:

- We screen out investments in companies associated with negative environmental or social impacts or side effects.
- We incorporate extra-financial ESG criteria in the selection and management of companies we invest in.
- We use shareholder engagement to incite change.
- We form coalitions with other institutional investors to lobby for improvements in corporate policy, industry standards, and national and international regulations.

In 2018, we conducted our first assessment of the carbon and ESG risks associated with our business financing, so that we could begin developing a responsible financing strategy.

We've also gradually begun integrating new authorization criteria that take ESG factors into consideration into all our business decisions. In concrete terms, this means that before making a business decision, our teams look at whether the partner:

- Has consulted with the affected communities, including First Nations communities
- Has a comprehensive plan to substantially reduce their carbon footprint and manage the risks posed by climate change
- Has compensation and workplace health and safety policies in place

We developed analysis and training tools, as well as a community of practice where professionals can become familiar with ESG concerns. This approach will be used for all our activities, including wealth management, life and health insurance, property and casualty insurance, business financing and development capital.

Finally, we reaffirmed our general commitment to the *Principles for Responsible Investment* and announced that both Desjardins Financial Security and Desjardins General Insurance Group would be signing the *Principles for Sustainable Insurance*. These frameworks are internationally recognized United Nations initiatives. We will decide whether to sign the updated *Principles for Responsible Banking* in 2019.

The Desjardins Group Management Committee tracks sales of our Green Program products on a quarterly basis. In 2018, we expanded our line of green products to 28. The growing popularity of our responsible financial products and services clearly shows that they meet the needs of our members and clients. We continually review and enhance our offer to ensure that it remains both relevant and accessible.

5. Responsible finance

Policies with specific environmental and social components | GRI FS1

We have internal policies on:

- Sustainable development
- Financial education
- Regional development
- Community involvement for the caisses
- Regional decentralization
- Automobile use
- Business travel
- Courtesy vehicles
- Procurement
- Disposition of property
- Exercise of proxy voting rights
- Responsible investment
- Standards for caisse Community Development Funds

We also have:

- A supplier code of conduct
- A Desjardins-wide code of professional conduct



Solidarity-based financing programs | GRI FS7

We've entered into strategic partnerships with community organizations to continue expanding our solidarity-based financing activities throughout Quebec.

In 2018, we invested \$12.6 million in these programs.

Desjardins Mutual Assistance Fund

The Desjardins Mutual Assistance Fund provides individuals experiencing financial hardship with budget counselling and emergency loans. It allows them to address their short-term budget problems, so they can make lasting changes to their spending and budgeting habits. This successful program is a partnership between Desjardins and a number of community organizations specializing in financial education and budget counselling.

Desjardins Mutual Assistance Fund

	2018	2017	2016
Caisse participation rate	76.0%	71.0%	65.0%
Number of people supported	10,528	8,431	7,719
Number of loans extended	683	634	693
Total amount financed	\$453,782	\$418,943	\$415,133

In 2018, the Desjardins Mutual Assistance Fund provided financial guidance and support for 22,203 people. This figure includes everyone who took part in individual or group financial education activities, including participants' dependents.

➤ **To learn more:**

www.desjardins.com/mutualassistance

5. Responsible finance

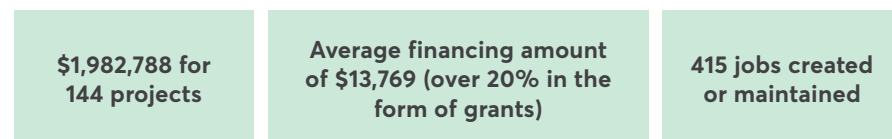
Créavenir

Créavenir was launched in 2007. It's a financing program that supports young entrepreneurs looking to start up a business. They can use the loan as working capital for their business, and no guarantee is required. The program also has a financial education component, and mentoring is provided by local partners with business startup expertise. We're gradually offering this product across Quebec.

Créavenir is open to caisse members between the ages of 18 and 35 who have a public company or cooperative that:

- Isn't off the ground yet
- Has been in business for less than 3 years

2018 RESULTS



This financing helped young entrepreneurs attract \$16.2 million in investments for their businesses.

Créavenir

	2018	2017	2016
Caisse participation rate	67.0%	53.5%	44.0%
Total loans	\$1,599,997	\$1,262,047	\$933,334
Total grants	\$382,791	\$345,669	\$215,266

> To learn more:

www.desjardins.com/creavenir

Desjardins Microcredit to Businesses

Desjardins Microcredit to Businesses is a program providing micro-entrepreneurs and self-employed workers with the support they need to consolidate their businesses or get them off the ground. Launched in 2004, the program includes financial coaching services provided by members of the MicroEntreprendre network, in addition to financing from participating caisses. It's available to help:

- Micro-entrepreneurs and self-employed workers who have little or no access to traditional credit
- Newcomers to Canada who need support financing a startup

2018 RESULTS



This financing helped businesses attract \$5 million in investments.

Desjardins Microcredit to Businesses

	2018	2017	2016
Caisse participation rate	62.0%	49.0%	43.0%
Total loans	\$832,572	\$563,257	\$503,174

> To learn more:

www.desjardins.com/microcredit

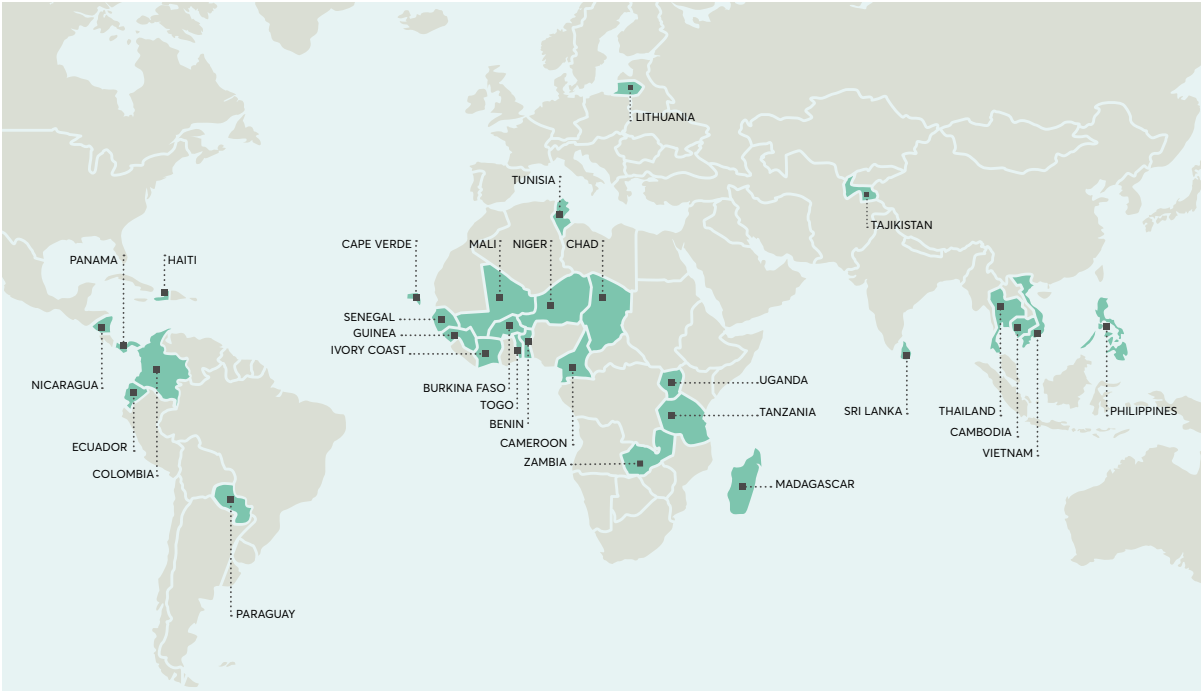
In 2018, we invested \$5 million to support entrepreneurs. This amount included donations, sponsorships and partnerships, as well as commitments through our Créavenir and Microcredit to Businesses programs.

5. Responsible finance

Inclusive finance offered worldwide | GRI FS7

For nearly 50 years, Développement international Desjardins (DID) has been sharing Desjardins Group’s experience and expertise with developing and emerging countries. Through its work, DID aims to promote universal access to diversified and secure financial services and to support the development of individual and community assets. Operating in some 30 countries around the world, DID offers its partners a full range of specialized solutions that cover all facets of inclusive finance (small business financing, financial services for farmers, savings, technology, governance, gender parity, etc.).

DID is an agent of change, and as such, promotes better use of natural resources, environmentally responsible agricultural practices, and measures to mitigate climate risks. With a team of over 100 employees, DID is now recognized as a global leader in its field. It takes an approach that puts local communities in charge of their own development, helping to bring financial inclusion to disadvantaged communities across the globe. DID is also a proud promoter and worldwide ambassador of Desjardins’s cooperative model.



Contribution to the development of financial cooperatives in emerging countries¹

	2018	2017	2016	2015
Number of members or clients from partner institutions	- ²	10,857,818	11,458,831	10,931,386
Savings volume at these institutions	- ²	\$6,900 million	\$6,581 million	\$6,506 million
Outstanding credit volume	- ²	\$6,525 million	\$6,673 million	\$6,632 million

¹ This data includes institutions with which DID conducted financing or investment activities via its investment subsidiary, as well as institutions that received technical support.
² Data for 2018 will not be collected and compiled until June 30, 2019, which, for many of the financial institutions involved, is the regulatory deadline to file their audited results.

5. Responsible finance

Providing secure financial services to people in need

The inclusive finance institutions that DID works with have a total of 2,974 points of service, many of them located in rural or marginalized areas. This network gives 10.9 million families and business owners access to secure and diversified financial services. DID's ultimate goal is to make quality financial services available to everyone.

Here are some of the ways it's working to do this:

- Chip cards and biometrics, to ensure secure identification, even in areas with low literacy rates
- Mobile technology, so that loan officers can travel to remote locations to meet with people who are unable to get to a caisse

Supporting entrepreneurs in developing countries

Small and very small businesses drive innovation, job creation and socio-economic development. In developing and emerging countries, limited access to financing hinders the creation and growth of these businesses. This is why DID has undertaken numerous projects to make services more accessible to entrepreneurs:

- In Haiti and Benin, DID supported the implementation of new "cooperative" entrepreneur financial centres, inspired by Desjardins Business centres.
- A financial centre for entrepreneurs was also built in Sri Lanka.
- Strong results from the AEP-Youth program, which supports startups from young entrepreneurs in rural Cameroon, led to the project being extended.
- In Burkina Faso, a project proved that financial services play a key role in getting farmers in developing countries to adopt new agricultural technologies and practices.



5.2 Effective and innovative responsible finance

More reasons to invest in a green home | GRI FS8

We encourage our members and clients to invest in environmentally friendly homes. With our Green Homes Program, those who purchase a new build or make green renovations are eligible for a wide range of advantages, including:

- Cash back on their mortgage
- Discounts, free services, competitive rates and much more

Green discounts for drivers | GRI FS8

With our Green option auto loan, members and clients can buy a new hybrid or electric car at a competitive fixed rate and, depending on the province, may qualify for a discount on their car insurance. More than 55 new hybrid and electric models are eligible for the exclusive financing rate.



Loans to help businesses go green | GRI FS8

Designed to help businesses upgrade their equipment, buildings and vehicle fleet, the Desjardins Energy-Efficiency Loan is being updated to better meet entrepreneurs' needs. Since 2014, our business members have saved more than \$4 million thanks to the Desjardins Energy-Efficiency Loan.

Potential savings generated through the Desjardins Energy-Efficiency Loan

	Total
Electricity (in kWh)	21,712,791
Natural gas (in m ³)	1,799,219
Oil (in litres)	461,553
Propane (in litres)	446,000
Gas (in litres)	489,031
Diesel (in litres)	878,132
Greenhouse gas equivalent (in metric tons of CO ₂ equivalent)	8,952
Savings (in thousands of \$)	4,021

Environmentally-conscious insurance | GRI FS8

We offer eco-friendly insurance products to Quebec-based business owners who care about the environment. We also offer discounts for certain types of environmentally friendly commercial vehicles and buildings.

5. Responsible finance

Growing the renewable energy sector

We contribute to the development of renewable energy through our investments and financing. As at December 31, 2018, our investments and financing in this sector totalled \$2.33 billion.

Financing for large businesses

We provide financing support to major corporations for renewable energy and clean tech projects. As at December 31, 2018, the total financing volume was \$1.23 billion. We've set objectives to increase this volume.

Infrastructure portfolio

Together with the Desjardins Group Pension Plan, we have an infrastructure portfolio valued at approximately \$2.6 billion as of December 31, 2018. We've invested nearly \$1.1 billion in the renewable energy industry, representing a significant portion (42%) of our infrastructure portfolio. Our 48 renewable energy assets are held jointly with strategic partners.

We're also in the process of acquiring 4 new renewable energy assets in Canada to grow the infrastructure portion of our investments and invest in the expansion of renewable energy sources:

- 3 hydroelectric power plants in British Columbia, generating around 70 megawatts
- A windfarm in Alberta, generating around 200 megawatts

This will bring our portfolio to a total of 52 renewable assets.



5.3 Responsible investment

New responsible investment products

In 2018, we doubled our responsible investment lineup by adding 11 new products.

We introduced 3 new SocieTerra funds and innovated in the Canadian market by launching a new line of 8 exchange-traded funds that provide reduced exposure to climate change risk factors, with 7 low-CO₂ funds and 1 fund that entirely excludes the traditional energy sector (coal, gas, oil).

These new products were designed for investors who want to grow their investments and contribute to sustainable development, the fight against climate change and the well-being of people and communities.

5. Responsible finance

Shareholder engagement

[Management approach](#) | [GRI 103-1](#) | [103-2](#) | [103-3](#)

We offer distinctive responsible investment savings products. Shareholder engagement is a fundamental part of our responsible investing strategy. This approach allows us to interact directly with companies selected for our investment portfolio and open a dialogue that brings about improvements in the ways they manage environmental, social and governance (ESG) issues.

This is one way that we can influence businesses, encouraging them to make their operations more sustainable, for the benefit of Canada and the rest of the world.

Our SocieTerra funds and portfolios and our responsible investment exchange-traded funds seek to influence targeted companies whose shares they hold by initiating dialogue, submitting shareholder proposals and exercising shareholder voting rights at annual general meetings.

For companies to qualify for our responsible investment products, they must undergo 2 types of analysis: one using financial criteria, and another more thorough analysis using ESG criteria.

Several Desjardins entities, namely Desjardins Investments, Desjardins Global Asset Management (DGAM), Développement international Desjardins (DID), the Caisse d'économie solidaire Desjardins and the Desjardins Group Pension Plan, have signed the United Nations' *Principles of Responsible Investment*. DID is also a member of the Global Impact Investing Network and a founding member of the Canada Forum for Impact Investment and Development. DGAM also participates in the Environmental and Social Committee of the Canadian Coalition for Good Governance, the pre-eminent corporate governance organization in Canada.

A public report is produced each year.

5. Responsible finance

SocieTerra funds and portfolios | GRI FS8

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

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

SocieTerra funds and portfolios – Assets under management as at December 31 (in millions of dollars)¹

	2018	2017	2016
Desjardins SocieTerra Canadian Bond Fund	1.9	1.7	2.0
Desjardins SocieTerra Environmental Bond Fund	49.7	42.5	0.8
Desjardins SocieTerra Canadian Equity Fund	0.5	0	– ²
Desjardins SocieTerra American Equity Fund	4.1	2.0	0.5
Desjardins SocieTerra International Equity Fund	0.2	– ³	– ³
Desjardins SocieTerra Emerging Markets Equity Fund	0.2	– ³	– ³
Desjardins SocieTerra Environment Fund	88.5	103.1	107.8
Desjardins SocieTerra Positive Change Fund	1.7	– ³	– ³
Desjardins SocieTerra Cleantech Fund	32.4	19.1	3.0
SocieTerra Conservative Portfolio	427.8	468.6	453.2
SocieTerra Balanced Portfolio	1,091.5	713.6	1,007.6
SocieTerra Growth Portfolio	695.7	383.6	638.9
SocieTerra Maximum Growth Portfolio	382.1	1,129.7	320.6
Total	2,776.4	2,863.9	2,534.4

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

² Fund launched in 2017.

³ Fund launched in 2018.

› To learn more:

Responsible investing

<https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/responsible-financial-products-services/responsible-investing-lever-change/index.jsp>

Understanding responsible investing

www.desjardins.com/ri

What is responsible investing?

<http://www.letsthinkRI.com/>

Desjardins Funds Policy on the Exercise of Proxy Voting Rights

<https://www.desjardins.com/ressources/pdf/c15-policy-exercise-voting-right-e.pdf>

Priority Terra Guaranteed Investment | GRI FS8

Our Priority Terra Guaranteed Investment allows investors to diversify their portfolio while supporting environmentally responsible companies. We carefully select companies from a wide range of economic sectors, including renewable energy, that have taken steps to reduce the environmental impact of their operations through initiatives such as lowering greenhouse gas emissions or water consumption.

Priority Terra assets under management as at December 31 (in millions of dollars)

	2018	2017	2016
2-year Priority Terra	52.3	– ¹	– ¹
3-year Priority Terra	125.8	103.4	88.6
5-year Priority Terra	517.9	391.1	320.6
Total	696.0	494.5	409.2

¹ Investment launched in 2018.

› To learn more:

<https://www.desjardins.com/ca/personal/savings-investment/market-linked-guaranteed-investments/priority-terra-guaranteed-investment/>



Top 5 Better World Funds – Corporate Knights

- Desjardins SocieTerra Cleantech Fund
- Desjardins RI USA – Low CO₂ Index ETF

5. Responsible finance

Desjardins Securities discretionary management | GRI FS8

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

Responsible investment assets under management as at December 31 (discretionary management) (in millions of dollars)

	2018	2017	2016
Ethical Canadian Equity Fund (NEI Investments and QV Investors)	2.9	0.7	0.5
Ethical Global Dividend Fund (NEI Investments and Amundi)	5.9	4.4	5.2
Canadian Large Caps – Future (Desjardins Global Asset Management)	2.7	3.6	4.4
Total	11.5	8.7	10.1

Group retirement savings | GRI FS8

Our group retirement savings offer includes 3 responsible investment funds. These funds are put together based on a financial analysis of companies and a thorough review of ESG factors.

Responsible investment assets under management as at December 31 (group retirement savings) (in millions of dollars)

	2018	2017	2016
NEI Canadian Bond Fund	5.2	5.0	4.3
NEI Ethical Canadian Equity Fund	5.8	5.9	11.6
NEI Ethical Global Equity Fund	4.9	4.2	3.0
Total	15.9	15.1	18.9

➤ **To learn more:**

<https://www.desjardinslifeinsurance.com/en/group-retirement-savings-participants>

Desjardins Private Wealth Management | GRI FS8

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

Responsible investment assets under management as at December 31 (private wealth management) (in millions of dollars)

	2018	2017	2016
Bonds	1.2	1.2	0.9
Canadian equity	39.9	35.4	34.3
U.S. equity	23.0	18.5	14.8
Total	64.1	55.1	50.0



Desjardins Private Wealth Management
named Best Private Wealth Management
Company Canada
 – Global Banking and Finance Review

5. Responsible finance

Desjardins Global Asset Management

Desjardins Global Asset Management (DGAM) manages investments for institutional clients and provides, among other things, responsible investment strategies, some of which have been covered in other sections of this report. As at December 31, 2018, DGAM held close to \$1.8 billion in responsible investment assets under management.

Responsible investment assets under management as at December 31 (DGAM) (in millions of dollars)

	2018	2017	2016
Environmental global equity ¹	170.8	418.2	405.0
ESG Canadian bonds ¹	1,183.5	1,103.1	1,035.8
ESG Canadian equity ¹	373.3	439.8	– ²
Desjardins RI ETF ³	27.0	– ³	– ³
Total	1,754.6	1,961.1	1,440.8

¹ These assets include SocieTerra funds and portfolios.

² Fund launched in 2017.

³ Fund launched in 2018.

› To learn more:

Desjardins Global Asset Management responsible investing

<https://www.desjardins.com/ca/business/investment/global-asset-management/investment-solutions/responsible-investing/index.jsp>

DGAM Policy on the Exercise of Proxy Voting Rights

<https://www.desjardins.com/ressources/pdf/c15-policy-exercise-voting-right-e.pdf>

Engaging in dialogue | GRI FS10

Shareholder dialogue is a strategy whereby a shareholder (or their representative) uses verbal and written exchanges with the company to build a relationship that allows them to:

- Raise concerns
- Ask for information
- Seek a change in behaviour

Several Desjardins entities, including Desjardins Investments, used their position to engage in dialogue. The dialogues touched on a broad range of issues identified in a risk analysis of each company's corporate governance, environmental and social responsibility practices. These dialogues were all conducted directly by our responsible investment team or by external SocieTerra portfolio managers. We publish a report on the outcome every year. In 2018, we conducted this process with 112 issuers of securities.

Assets subject to positive and negative environmental or social screening | GRI FS11

Desjardins Wealth Management evaluated the equivalent of \$3.6 billion in assets against environmental and social criteria to screen out investments with negative impacts or side effects. It also screened the equivalent of \$89.9 billion in assets against norm-based criteria.

Investment funds for developing and emerging countries

Through the Partnership Fund and the Desjardins Fund for Inclusive Finance, Développement international Desjardins (DID) and its investment subsidiary FONIDI Management Inc. support 11 inclusive financial institutions in as many countries, as well as 4 investment funds that benefit the families of more than 635,000 clients. In the last year, DID actively played a role in governing institutions that received equity investments: efforts were focused on developing strategic plans, finding new capital or financial partners, adjusting operations, completing mergers and acquisitions, and launching new business lines.



FundGrade A+ awards for 2 of our funds – Fundata

- Desjardins Quebec Balanced Fund (Canadian Neutral Balanced Funds category)
- Desjardins Global Infrastructure Fund (Global Infrastructure Equity Funds category)



Lipper Awards for 2 of our funds

- Desjardins Quebec Balanced Fund (Class A) – Best Canadian Neutral Balanced Fund, 10-year category
- Desjardins Overseas Equity Growth Fund (Class A) – Best International Equity Fund, 3-year category



3 awards for our market-linked guaranteed investments – Americas Structured Products & Derivatives Awards

6. Climate



A first-ever
climate-related disclosure
in compliance
with international
recommendations

Part of a
pilot project
by the United Nations
Environment Programme –
Finance Initiative

**Support
for electric
transportation**
in Quebec and Ontario

SUSTAINABLE
DEVELOPMENT
GOALS



6.0 Climate

Doing what’s best for our members and clients means **contributing to the energy transition and fight against climate change**

As an official supporter of the Task Force on Climate-related Financial Disclosure (TCFD), we’re presenting our first disclosure on climate change. The TCFD recommendations act as a reference for companies worldwide and promote transparency in climate reporting.

We’re taking concrete measures to reduce the carbon footprint of our operations. In 2017, we became carbon-neutral through purchasing carbon credits to offset our greenhouse gas emissions. The projects we’ve chosen to support through offset purchases include forest preservation, energy efficiency and the transition to renewables, and eco-citizenship education.

These measures, and others like them, are included in the action plan adopted by the Desjardins Group Management Committee in 2018. This plan draws on our commitment to advance the goals of the Paris Agreement and outlines how we plan to respond to climate change, within the scope of our 2018–2020 strategic framework.


We’ll also keep working with partners to fight climate change; in the last year, we participated in the Quebec Summit for a Just Energy Transition and continued our relationship with Coop Carbone. We’re also a member of the Carbon Pricing Leadership Coalition.



Eco-responsible parking certificate
awarded to the Complexe Desjardins parking lot by the Conseil regional de l’environnement de Montréal



2018 NOVAE program finalist
for the Complexe Desjardins project to recover drywall during renovations



BOMA BEST®
certification for 8 buildings in Lévis

6.1 Managing Desjardins’s climate-related risks and opportunities – Follow-up on recommendations by the Task Force on Climate-related Financial Disclosures (TCFD)

Introduction

As a financial services cooperative that strives to be close to our members and clients, Desjardins recognizes the global challenge presented by the severe impacts of climate change on the environment, the economy and society at large. Our mission is to improve the economic and social well-being of people and communities, so we try to develop solutions for the individuals and businesses we serve while also working to improve our environmental record.

Desjardins has been following the principles of sustainable development for over 25 years, weaving them into our strategic priorities and committing to a just energy transition in the face of climate change. We are a pioneer of responsible finance in Canada, having developed a variety of green and socially responsible products over the years.



Our [Green Program](#) is designed to meet member and client demand for a smaller carbon footprint and for products that reflect their values. In 2018, we doubled the number of responsible investment products we offer.



PARIS 2015
UN CLIMATE CHANGE CONFERENCE

In 2017, we adopted a position that reflects the targets outlined in the Paris Agreement. We made a formal commitment to reduce the carbon footprint of our investments and began focusing on renewables in our infrastructure investments. We’ve also begun including environmental, social and governance (ESG) criteria in our business decisions and encouraging the use of electric vehicles, all while improving our management and reporting practices.

Desjardins became carbon neutral in 2017 following an earlier decision to purchase carbon offsets. Our carbon footprint is detailed in our annual Social and Cooperative Responsibility Report.

6. Climate

Desjardins and the financial sector step up

One of the most important international initiatives for financial markets has been the creation of the [Task Force on Climate-related Financial Disclosure](#) (TCFD) by the Financial Stability Board, which is chaired by Bank of England Governor Mark Carney. The TCFD develops voluntary, consistent climate-related financial risk disclosures for use by companies, including financial institutions.

The TCFD recommends company disclosures about environmental risk assessments and any climate-related risks and opportunities affecting governance, strategic planning, risk management and performance management.

The disclosure process is meant to help other companies evaluate these risks and opportunities, and to enable investors, borrowers, insurers, shareholders and cooperative members to make informed decisions. As an official supporter of the TCFD, Desjardins is following the task force's recommendations closely and will be changing our own disclosure processes to include climate-related risks and opportunities within the recommended timeframe.

Desjardins is also proud to be part of the Pilot Project on Implementing the TCFD Recommendations for Investors. The project was launched in 2018 by the United Nations Environment Programme – Finance Initiative (UNEP FI), which also launched a pilot for a small group of financial institutions in 2017 and another for insurers in 2018.

We've also created an internal working group tasked with continuously improving our disclosure of climate-related risks and opportunities. This group analyzes and applies TCFD recommendations on 4 different levels:

Desjardins is a participant in the UNEP FI Pilot Project for Investors

Desjardins is one of 500 organizations supporting the TCFD recommendations



- Goals:**
- Evaluate risks and opportunities
 - Make informed decisions
 - Manage climate-related risks



6. Climate

Implementing TCFD recommendations

1. Governance



- TCFD Recommendation 1

Describe the board's oversight of climate-related risks and opportunities

Climate-related files are supervised by the Board of Directors as needed, with the support of the Corporate Governance Commission and the Risk Management Commission. The commissions ensure that climate-related risks and opportunities are included in Desjardins's climate strategy, which is implemented and monitored by the Desjardins Group Management Committee.

- TCFD Recommendation 2

Describe management's role in assessing and managing climate-related risks and opportunities

The Desjardins Group Management Committee, supported by the ESG Steering Committee and the Desjardins Group Finance and Risk Management Committee, is responsible for climate strategy implementation. This includes identifying, evaluating and managing climate-related risks and opportunities.

2. Strategy

- TCFD Recommendation 1

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term

Risks

There are two types of climate-related risks: physical risks and transition risks. Within these categories, Desjardins has identified risks related to operations, financing, investing, property and casualty insurance, and life and health insurance.

Physical risks

Physical risks include extreme weather events, such as heat waves, droughts, floods, wildfires or tornados. They are important in risk analysis because they may affect our own organization's finances, real estate, operations, business continuity and staffing (e.g., devalued assets and investments and/or spike in absenteeism), as well as those of our members and clients.

Transition risks

- Regulatory risk

Desjardins defines current and future regulations, including those related to climate change and environmental protection, as a short-term risk. Laws for carbon cap and trade, carbon pricing and emission reductions could negatively affect our commercial members and clients. They could also affect the suppliers of these members and clients, not to mention our own suppliers, especially those with a large carbon footprint.

New disclosure regulations also pose a short-term risk, as they could result in increased operating costs for Desjardins and for our commercial members and clients, who will need to ensure they have the right structure in place to comply with regulations.

- Technology risk

There is technology risk in failing to reduce our carbon footprint and failing to pursue the research and development of clean technologies that would meet increasing member and client demand for environmentally friendly solutions. It could result in Desjardins and our business partners losing clients to competitors.

6. Climate

– Market risk

Ignoring increasing member and client demand for environmentally friendly products, including financing, investing and specialized insurance options, has been identified as a financial risk that could result in a loss of clients to our competitors.

– Reputational risk

As a major financial institution in Canada and one of the largest financial services cooperatives in the world, Desjardins has a reputation to protect. Underestimating climate-related risks and opportunities in any strategy, or pursuing policies and practices that don't reflect our cooperative values could result in reputational harm. That, in turn, could have a negative impact on our financial results.

This risk also applies to our partners, which could damage our own reputation.

Opportunities

By prioritizing sustainability in our strategic plan, we've set goals not only to reduce risk, but also to seize opportunities when adapting to and fighting against climate change, as well as making a just energy transition.

New products and services

Climate change is responsible for an increasing number of natural disasters in Canada. As the third-largest property and casualty insurer in the country, Desjardins needs to make sure that we're always there for our members and clients. We can help them deal with damage after natural disasters and take steps to prevent and minimize future damage.

Desjardins General Insurance has developed several new products with that goal in mind:


- New flood coverage that provides better protection.
- **Radar™**: A prevention tool that uses geolocation to alert members and clients about storms or impending climate events close to their homes. 
- **Alert program**: A detection tool that alerts home insurance policyholders about the potential for water and freeze damage. 
- A special management process during emergencies or disasters enabling Desjardins to put claims teams on the ground and increase call centre capacity. It also speeds up damage evaluation and payouts.

Desjardins also offers personal and commercial products and services that incentivize green behaviour. [The responsible investment exchange-traded funds \(ETFs\)](#) we launched last year are the first of their kind in Canada. Some of these ETFs target a lower carbon output for the portfolio and others avoid investing in fossil fuels altogether. Our [Green Homes Program](#) provides exclusive benefits to clients who buy, build or renovate a home through a recognized program. And [Ajusto](#), Desjardins's telematics program, encourages drivers to be safer by cutting down on sudden stops and acceleration, which also saves them gas. 

New markets

We also track our financing and investment volumes in the renewable energy sector. If we include the Desjardins Group Pension Plan, the organization has over \$1 billion invested in large-scale renewable energy infrastructure. Over the last several years, we've also moved into the clean technology space in Quebec, prestige partnering with [Écotech Québec](#), a cleantech cluster. Various projects are currently underway to promote cleantech growth by developing specialized financing and investment products and by supporting business growth.



As part of our support for electric transportation in Quebec and Ontario, Desjardins partnered with Hydro-Québec and AddÉnergie in March 2018 and committed [to installing](#) 200 charging stations for electric vehicles by 2021. There are already 40 new stations up and running in 4 regions in Quebec: Quebec City, Côte-Nord, Charlevoix and Saguenay–Lac-Saint-Jean. 

6. Climate

3. Risk management

- TCFD Recommendation 1

Describe the organization's processes for identifying and assessing climate-related risks

Climate-related risks are identified, assessed and managed using an organization-wide multidisciplinary process that is gradually being included in standard risk management activities. The work is carried out in collaboration with our risk management, sustainable development and responsible finance teams. Resources are responsible for identifying climate-related risks in their field (financing, investing, insurance, operations). They then use existing management methods to evaluate the current level (low, moderate, high) of each risk.

- TCFD Recommendation 2

Describe the organization's processes for managing climate-related risks

Designated resources ensure that existing methods provide for effective risk management as it relates to our climate strategy. If the methods are inadequate, mitigation measures are recommended, in which case subject matter experts in each sector or support function are responsible for creating an action plan and implementation schedule. Sustainable development and responsible finance teams work with the risk management team to follow up at six-month intervals. They produce a progress report that is presented to the Desjardins Group Finance and Risk Management Committee.

As a participant in the Pilot Project on Implementing the TCFD Recommendations for Investors, Desjardins is currently developing analysis tools and metrics to quantify climate-related risks and opportunities in various scenarios.

4. Metrics and targets

- TCFD Recommendation 1

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

Desjardins has developed "green shift" and "carbon footprint" performance metrics for the following opportunities, which are presented to the Desjardins Group Management Committee every quarter:

Green shift

- Annual business volume of Desjardins's green products and services, in \$M
- Cumulative volume of investment and financing in renewable energy, in \$M

Carbon footprint

- Carbon footprint of operational activities, in metric tons of CO₂ equivalent and GHG/m²
- Carbon footprint of investments (stocks and corporate bonds)

- TCFD Recommendation 2

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Carbon footprint of Desjardins Group operational activities (see [section 6.2](#) of this report)

- TCFD Recommendation 3

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

Desjardins has set a target for reducing the carbon footprint of our own investments as part of the fight against climate change.

We've committed to ensuring that, by 2020, the carbon footprint of our investments in publicly traded securities is 25% lower than the average of the companies that make up the stock and bond market indices.

Desjardins started purchasing carbon credits to offset greenhouse gas emissions in 2017. We also focus our own direct investments in energy infrastructure, including the investments of the Desjardins Group Pension Plan, in renewables.

As at December 31, 2018, Desjardins has invested \$1.1 billion and financed \$1.2 billion in renewables.

Desjardins is currently integrating new ESG criteria into all our business decisions and working to set a new 2024 target for reducing GHG emissions for all activities.



6.2 Managing energy use and greenhouse gas emissions

Management approaches | GRI 305 | 302 | 103-1 | 103-2 | 103-3

Climate change is one of the world's biggest threats, which is why it is the main focus of our environmental efforts. We've taken action on the largest greenhouse gas (GHG) emitters:

Transportation



Our Alternative Transportation Program lightens the environmental load of our employees' travel. The program is available to employees in our main employment hubs (Lévis, Montreal, Quebec City and Toronto). Each year, we set a target number of employees to participate in the incentive program, with an allocated budget of around \$1 million. The results of the Alternative Transportation Program are included in our performance review. We also provide a shuttle for Desjardins employees travelling between the Montreal and Lévis offices.

Some employees also work from home for a certain number of days every month. While we don't have any concrete data, it is another initiative that helps us reduce the impact of employee travel.



Paper consumption

An employee working in the finance sector uses between 50 and 75 kg (10,000 sheets) of paper every year. A life cycle analysis of paper products clearly demonstrates the environmental impact of paper consumption:

- GHG emissions
- Deforestation
- Consumption of non-renewable energy resources and other fossil fuels
- High consumption of water
- Creation of de-inking sludge and effluent containing toxic compounds (for recycled paper)
- Use of bleaching chemicals, such as chlorine, which produce pollutants with potentially high toxicity levels

We use paper in our offices (mainly in Quebec and Ontario), and paper documents may be mailed out to members and clients across Canada. We've decided to minimize the negative impacts of our paper consumption by prioritizing paper that is made in Quebec from 100% post-consumer waste.

Desjardins uses close to 1 billion sheets of paper every year. Because we're aware of the environmental impact of our consumption, we launched the Paper Challenge, setting 2 objectives for the 2015–2018 period: to reduce paper consumption by 10% and increase our use of recycled paper by the same percentage.

6. Climate

We've introduced a variety of initiatives to reduce paper consumption, including a print release pilot project and a decision-making tool to reduce unnecessary printing. Some of our offices have been renovated to include collaboration zones, and the use of cloud-based technology is increasingly widespread; both of these changes encourage employee mobility and decrease our reliance on printed documents. Finally, we're continuing to install new ATMs with envelope-free deposits.

Through these initiatives, we've managed to reduce our paper consumption by 18% from 2014. We've also increased our use of 100% post-consumer recycled paper by 5%. New initiatives are also planned for 2019, and we will have a new reduction target for 2024.

Energy consumption



Desjardins is the largest private-sector employer and landowner in Quebec. As such, we use a lot of energy to heat, cool and light our office space and to power our computer equipment. To mitigate the impact of our energy consumption, we've implemented a number of energy efficiency measures, which also help us lower our energy costs considerably. Our strategy is not to coerce, but to incentivize.

Our real estate action plan includes energy efficiency practices, which have led to LEED® or BOMA Best® certification for some of our buildings. We take energy efficiency into consideration when building and renovating. We formally expressed our commitment to clean energy by signing the *Statement by Financial Institutions on Energy Efficiency*.

Since 2008, we've been producing an annual inventory of our greenhouse gas emissions for publication by the CDP, formerly the Carbon Disclosure Project. The goal of the CDP is to collect data on how businesses around the world manage their environmental impacts and share it with investors.

In 2019, we'll set a new target to reduce GHG emissions from our operational activities. We won't be purchasing new carbon offsets to reach these reduction targets. Instead, we'll be rolling out an internal program that optimizes business travel, reduces paper consumption and increases our energy efficiency.

We've been carbon neutral since 2017, through our purchase of carbon offset credits in several provinces. These carbon credits have been verified by a third party. We carefully vetted these offsets to make sure that they benefit the environment, local communities, young people, as well as our members and clients.

The projects we've selected are:

- British Columbia: The First Nations Great Bear Rainforest project, an ecosystem-based management system of the largest remaining coastal temperate rainforest in the world
- Ontario: The Niagara Escarpment Forest Carbon Project, which manages, conserves and maintains the diversity of ecosystems along Ontario's Niagara escarpment
- Quebec:
 - Energy efficiency project by the Pointe-de-l'Île (Montreal) and Patriotes (Montréal) school boards
 - ÉcoSolutions recycling project, associated with the CoopFA cooperative's Bourse du carbone Scol'ERE program
 - Energy efficiency and renewable energy project used in several greenhouses in Lévis, Saint-Nicéphore and Guyenne

We've also purchased carbon credits to offset the greenhouse gas emissions from our major events. This additional commitment was made to the CoopFA's Bourse du carbone Scol'ERE program, which teaches young people and their families about the importance of eco-citizenship and environmentally responsible behaviours.

6. Climate

Energy intensity | GRI 302-3

Energy intensity is one of the factors used to calculate our GHG emissions.

Energy intensity (in gigajoules/m²)

2018	2017	2016
0.88	0.88	0.92

GHG emissions in metric tons of CO₂ equivalent¹ | GRI 305-1 à 305-5

Direct GHG emissions (Scope 1)²

Indirect GHG emissions (Scope 2)³

Indirect GHG emissions (Scope 3)⁴

Total GHG emissions⁵

Total GHG emissions intensity – GHG/m² ⁶

2018	2017	2016
16,541*	14,036*	17,608
4,962*	4,890*	5,038
37,787*	27,094*	33,722
59,290	46,019	56,367
0.0282	0.0216	0.0257

* PwC conducted a [limited assurance engagement](#) on these indicators.

Our GHG emissions are up substantially, especially Scope 3 emissions. This is mainly because the factors used to calculate paper-related emissions have been updated: <http://environmentalpaper.org/2018/07/environmental-paper-network-launches-extensive-update-to-its-paper-calculator-copy/>.

1 GHG emissions are calculated for all sources over which Desjardins has financial control. Rental spaces occupied by Desjardins, as well as spaces owned by Desjardins but occupied by third parties (real estate investments) are therefore included. Estimates were used for these sites when data was not available. Biogenic emissions are not included.

2 Scope 1 emissions include those related to fuel consumption in the buildings that Desjardins owns (including real estate investments) and coolant leakage in Desjardins's buildings and vehicle fleet. Gases included in the calculations are: CO₂, CH₄, and N₂O.

3 Scope 2 emissions include electricity and steam consumed in spaces owned and occupied by Desjardins. Gases included in the calculations are: CO₂, CH₄, and N₂O. All emissions are calculated using the location-based method.

4 Scope 3 emissions include business trips made with rental vehicles and personal vehicles, as well as business trips made by plane, bus and train. Energy consumption from rental buildings occupied by Desjardins is also included. GHG emissions on paper consumption are calculated according to the volume and recycled content of the different types of paper, using the Environmental Paper Network's Paper Calculator. Gases included in the calculations are: CO₂, CH₄, and N₂O.

5 2018 data covers all of Desjardins Group and was collected for the following components:

Caisse network and centres
Desjardins Capital Management Inc.
Desjardins Investment Product Operations
Desjardins Property Management
Desjardins Global Asset Management
Desjardins General Insurance Group
Desjardins Financial Security

Desjardins Investments
Développement international Desjardins
Fédération des caisses Desjardins du Québec
Desjardins Shared Services Group
Desjardins Technology Group
Desjardins Securities

Entities not included in this list are excluded from calculations.

6 The GHG emission intensity is measured by dividing total GHG (scopes 1, 2 and 3) (CO₂, CH₄, and N₂O) by the total area of all buildings under Desjardins's financial control.



Canada's Greenest Employers

(Top 100) – MediaCorp Canada

6. Climate

Reducing the environmental impact of our real estate activities

Over the last few years, many of our buildings have received environmental certification:

LEED® certification

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

BOMA BEST® certification

Building	City	Certification date	Level
150 rue des Commandeurs	Lévis	2017	Platinum
Complexe Desjardins	Montreal	2016	Gold
6300 boulevard Guillaume-Couture	Lévis	2018	Silver
6500 boulevard Guillaume-Couture	Lévis	2018	Silver
95 rue des Commandeurs	Lévis	2018	Silver
59 rue Bégin	Lévis	2018	Silver
100 rue des Commandeurs	Lévis	2018	Certified
200 rue des Commandeurs	Lévis	2018	Certified
995 boulevard Alphonse-Desjardins	Lévis	2018	Certified
6125 boulevard Wilfrid-Carrier	Lévis	2018	Certified



150 rue des Commandeurs

Alternative transportation

We have an alternative transportation program for our employees. Employees are incentivized to walk, bike, carpool, car share or take the bus, subway and train for their commute and business travel.

Incentives include discounts on public transit passes, facilities for employees who bike to work, a carpool matchup application and reserved parking spaces, as well as corporate subscriptions to the car-sharing service Communauto. These initiatives are part of long-term investments of around \$1 million a year.

In 2018, 8,827 employees used the Alternative Transportation Program, up 5.3% from 2017.

6.3 Waste management

Management approach | GRI 306 | 103-1 | 103-2 | 103-3

We're working with our suppliers and employees to reduce our environmental footprint. Waste management is part of our commitment to fostering the development of a green economy and compliance with the *Environment Quality Act*. Our efforts (categorization, awareness raising and recovery) are concentrated on our sites with the greatest potential for quick wins, including the Desjardins Campus in Lévis and the Complexe Desjardins in Montreal. This approach will gradually lead to a standardization phase for other sites.

\$4 million for curbside recycling

Since 2006, we've invested more than \$4 million in funding for municipal curbside recycling. Each year, we give hundreds of thousands of dollars to Éco Entreprises Québec and the Canadian Stewardship Services Alliance to help fund these important services and protect the environment.

Integrated residual waste management

We're working to standardize our residual waste management processes. After analyzing our various processes, we identified a list of materials eligible for reduction, reuse and recycling programs. Our standardized data collection system will enable us to gather annual data to help us better manage the following materials:

- Paper and cardboard
- Drywall
- Office supplies
- Glass
- Metal
- Plastic
- Organic material
- Computer equipment (desktop and laptop computers, printers, servers, monitors, peripherals, cartridges)
- Telecommunications equipment (headsets, cellphones, landline phones, videoconferencing systems, peripherals)
- Office furniture

At the Complexe Desjardins in Montreal, we made changes to the facilities to encourage more tenants to participate in residual waste management.

In 2018, we created a Desjardins-wide residual waste management plan. A committee was created to oversee communication, execution and follow-up activities. Their activities for the year included hosting workshops on how to properly sort residual waste.

Our residual waste management program (called RÉCÜP) and its objectives will be reviewed annually.

6. Climate

Reuse and recycling of residual waste | GRI 306-2



We've been managing our own residual waste for many years. Because we're operating in the financial services sector, we can easily limit our production of hazardous waste to less than 1%. Hazardous waste is managed in compliance with all applicable legislation.

Residual waste (in metric tons)

	2018	2017	2016
Sent to landfills	2,260.38	2,373.23	2,288.76
Recycled or recovered	3,809.60	3,873.05	3,333.67
Total residual waste	6,069.98	6,246.28	5,622.44
Recycling/recovery/composting ratio	62.76%	62.01%	59.29%

Circular economy

We partner with our printer supplier Lexmark and the MIRA foundation to recycle used ink cartridges to help fund MIRA's operations in Quebec.

In 2018, a total of 20,990 cartridges—72% of our total usage—were remanufactured or recycled by Lexmark. Our efforts raised \$146,922, which was enough to cover the cost of 5 MIRA dogs.

Through this circular economy initiative, not only are we making a positive contribution to society by helping fund MIRA's work with the visually impaired, but we're also minimizing our environmental impact by helping Lexmark reduce the amount of new materials it uses to produce its cartridges. It's a great example of a win-win sustainable development initiative, where all parties get a social, environmental and economic benefit.

Composting bins | GRI 306-2

We have a long history of following best practices for waste management, and we're always trying to improve the way we do things. In the fall of 2015, we added a composting component to the existing waste sorting program at our 2 main worksites, the Complexe Desjardins in Montreal and the Desjardins Campus in Lévis.

In 2016, we began emptying office waste bins less frequently (once a week), which has saved us upwards of \$200,000 per year. At the same time, composting in the Lévis offices has generated over \$25,000 in annual savings.

Better residual waste management

- We implemented an initiative to recycle and reuse office supplies left behind after corporate moves. A not-for-profit organization sorts through the supplies and sends them to developing countries.
- On Earth Day 2018, we hosted the first Insertech-Desjardins repair café. This free event was open to the public, and over the course of the day, 106 visitors brought their broken electronic devices in to be diagnosed and repaired by volunteer technicians from Insertech, Desjardins and other organizations.
- With the support of Desjardins caisse chairs and general managers, we decided to institute a Desjardins-wide ban on the purchase of certain disposable plastic products (e.g., water bottles, cups, stir sticks and straws) starting in 2019.

Instead, we'll be recommending reusable pitchers and water bottles. This initiative will take 100,000 plastic water bottles out of the waste cycle each year.

GLOBAL REPORTING INITIATIVE

For more on standards and indicators, see the [GRI content index](#).

