

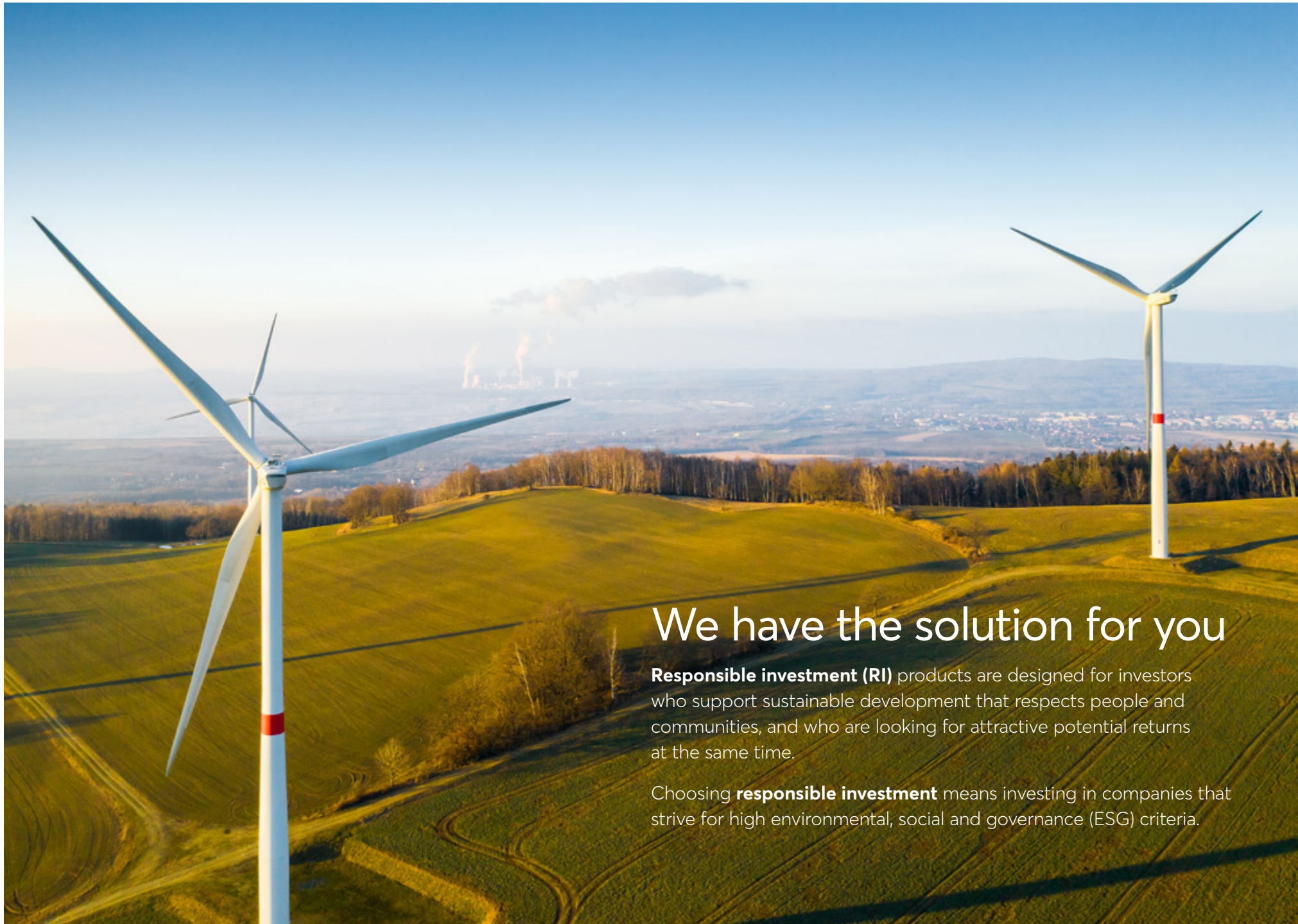
Choosing responsible investment



HELPING TO BUILD A BETTER WORLD WHILE
AIMING TO ACHIEVE YOUR FINANCIAL GOALS



**Want to use your savings
to drive change that
benefits communities
and the planet?**



We have the solution for you

Responsible investment (RI) products are designed for investors who support sustainable development that respects people and communities, and who are looking for attractive potential returns at the same time.

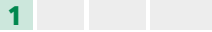
Choosing **responsible investment** means investing in companies that strive for high environmental, social and governance (ESG) criteria.

Key facts about responsible investment

1

SECURITY SELECTION STRATEGIES¹

NO CONTROVERSIAL SECTORS



Based on the nature of the activities:

Companies that specialize in producing and transporting fossil fuels, and companies operating in the civilian firearm, nuclear energy and tobacco industries, are automatically excluded.²



Tobacco



Controversial
weapons



Nuclear
energy



Fossils
fuel

In accordance with the 10 principles of the UN Global Compact,³ RI avoids companies involved in major controversies in the areas of human rights, labour, the environment and the fight against corruption.



¹ The application of RI strategies may vary by type of investment product.

² Based on the Desjardins Funds Responsible Investment Policy.

³ The UN Global Compact: Finding Solutions to Global Challenges | United Nations.

Key facts about responsible investment (cont'd)

ESG CRITERIA INCORPORATED INTO FINANCIAL ANALYSIS



Incorporating **ESG criteria** helps identify and analyze issues companies may face. To determine **the companies best equipped** to address these issues, the portfolio manager includes in their financial analysis ESG considerations relevant to the sector in which the companies operate.



Environment

Example: Climate change



Social

Example: Occupational health and safety



Governance

Example: Board independence and diversity

BEST IN CLASS



The strategy aims to select companies that are leaders in their industry or sector. A best effort strategy aims in selecting companies that are making efforts to improve their ESG management.

THEMATIC AND IMPACT



Thematic investing focuses on companies whose activities contribute to a more sustainable economy.

Impact investing is investing with the intention of generating measurable positive outcomes.



Key facts about responsible investment (cont'd)

2 POST-INVESTMENT STRATEGY

ISSUERS MONITORING



Dialogue that aims to improve ESG practices within companies

The goal of dialogue is to communicate with issuers whose securities are in the portfolio and influence their environmental, social and governance practices. It is an opportunity for investors to share their concerns with a company's executive team and to express their expectations for change that will improve the ESG practices of the targeted companies.



Shareholder proposal

A shareholder proposal involves drawing up a non-restrictive recommendation, that is a recommendation that does not prescribe direct action that would hamper company officers. The recommendation is submitted to all company shareholders.

Voting during shareholder meetings to influence ESG practices






By exercising their voting rights, shareholders can take a position on all questions submitted each year at shareholders' meetings.



ESG factors

Examples of elements considered for each criterion

 <p>Environmental</p>	<p>Climate change</p> <ul style="list-style-type: none"> • Greenhouse gas emissions • Resilience to climate change 	<p>Natural resource use</p> <ul style="list-style-type: none"> • Protection of biodiversity • Water supply 	<p>Pollution and waste</p> <ul style="list-style-type: none"> • Pollutant emissions • Product sustainability • Reclaiming of residual materials 	<p>Environmental opportunities</p> <ul style="list-style-type: none"> • Renewable energy supply • Energy efficiency
 <p>Social</p>	<p>Human capital</p> <ul style="list-style-type: none"> • Subcontracting • Occupational health and safety • Competency development 	<p>Responsibility for products and services</p> <ul style="list-style-type: none"> • Privacy protection • Responsible purchasing • Product reliability 	<p>Social acceptability</p> <ul style="list-style-type: none"> • Management of impacts on communities 	<p>Social opportunities</p> <ul style="list-style-type: none"> • Access to high-quality food • Drugs for large-scale diseases • Access to basic financial services
 <p>Governance</p>	<p>Corporate governance</p> <ul style="list-style-type: none"> • Independence and expertise of boards of directors • Executive compensation • Shareholder rights 		<p>Governance practices</p> <ul style="list-style-type: none"> • Diversity • Financial and extra-financial disclosure • Aggressive tax strategy • Corruption • Lobbying 	

Responsible Investment: 2 myths debunked



MYTH

RI MEANS SACRIFICING PERFORMANCE.

The so-called performance trade-off is probably the biggest misconception about RI, with some investors believing that having ESG practices can come at the expense of investment performance.

RI FUNDS ARE NARROWLY FOCUSED, AND CHOICE IS LIMITED.

Historically, the range of RI funds encompassed few options and didn't always meet investors' needs. RI tended to focus on applying rudimentary screening to a universe of stocks to exclude specific sectors and business activities.



FACT

RI FUNDS ARE PROVEN TO PERFORM AS WELL AS OR BETTER THAN TRADITIONALLY MANAGED FUNDS.

However, history supports the fact that RI doesn't have to compromise returns—it can even enhance them. Most RI funds performed as well as or better than traditional mutual funds in Canada last year and over the long term.⁴

TODAY'S RI FUNDS OFFER QUALITY AND BREADTH.

Contrary to popular belief, today's RI strategies are much more sophisticated, and the RI universe is both more demanding and more inclusive. Demanding because investors ask more of the companies within it from an ESG perspective. Inclusive because it integrates all asset classes and most sectors of the economy, broadening RI's positive impact on the market. You now have more and better choices than ever with RI, including the flexibility to build a complete and diversified portfolio for any risk profile.

⁴ [ESG and financial performance.](#)

Desjardins: Specialists in RI

Conviction

We believe that economic players have a responsibility toward their communities and their regions and should act accordingly.

That's why RI products seek to promote business practices and corporate governance that are more respectful of communities and the environment.

Desjardins also aims to maintain best practices. This is why Desjardins Investments Inc., the manager and sponsor of Desjardins Funds, has been a signatory of the **Principles for Responsible Investment (PRI)** since 2010.

The PRI is an initiative launched by investors in partnership with the United Nations Environment Programme Finance Initiative and the United Nations Global Compact that has more than 3,800 signatories today. These signatories from every part of the world manage more than US\$120 trillion.

1990

**Launch of the Desjardins Environment Fund,
the first of its kind in Canada**

Knowledge

When you choose our responsible investment products, you opt for an experienced and authentic leader. Desjardins is a responsible investment pioneer which has proven itself for more than 30 years.





IF YOU'RE LOOKING TO DRIVE SOCIAL AND ENVIRONMENTAL CHANGE WITH YOUR INVESTMENTS, **RI PRODUCTS** MAY BE RIGHT FOR YOU.

DESJARDINS: A PIONEER IN RI

+ 50 RI PRODUCTS

\$12.4B

ASSETS UNDER MANAGEMENT*

+ 30 YEARS OF RI EXPERTISE



* As at December 31, 2022

PORTFOLIO MANAGERS

+ 24 INTERNATIONALLY RENOWNED PORTFOLIO MANAGERS



+ 4,000 FINANCIAL ANALYSTS

Desjardins, A name you can count on!

Desjardins Group is the leading cooperative financial group in Canada and one of the country's best-capitalized financial institutions. It enjoys excellent credit ratings comparable to those of several major Canadian and international banks. It is recognized as one of the most stable financial institutions in the world according to *The Banker* magazine.

Your representative can recommend the investment product that's right for you based on your personal situation and financial objectives. Speak with your representative today.

desjardinsfunds.com

desjardinslifeinsurance.com

Desjardins Funds are not guaranteed, their value fluctuates frequently and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. Please read the prospectus before investing. Desjardins Funds are offered by registered dealers.



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