



THE DESJARDINS ADVANTAGE

2015 SOCIAL AND COOPERATIVE
RESPONSIBILITY REPORT



Desjardins

Cooperating in building the future

The social and cooperative responsibility report shows that Desjardins Group took into account environmental, social and governance criteria for all its activities and operations in 2015.

Providing quality products is part of our commitment to social and cooperative responsibility. This report includes information on the new products we launched in 2015 to meet the changing needs of our members.

NOTES | VIEW REPORT



In an effort to reduce paper consumption, this report has been designed and is available in interactive PDF. You can download and view it online.

NAVIGATION

A simple click in the automated tables of contents will direct you to your section.

Navigation buttons will direct you:

- From one section to another (top banner)



> Individuals

> Businesses

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> GRI

- To the homepage



- To the last page you viewed

Back

- To information on the GRI indicators - e.g.

FS16

- To additional information



SEARCHES

You can search the report using key words by typing CTRL + F or by selecting the Search option in the Edit menu.

HYPERLINKS (Ctrl + click)

If the links don't work for you, copy/paste the address into your browser's address bar.

THE DESJARDINS ADVANTAGES

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MESSAGE FROM THE PRESIDENT



SOLID PERFORMANCE AND BUILDING BLOCKS FOR THE FUTURE

For Desjardins Group, 2015 was a remarkable year in terms of results, accomplishments and commitments for the future.

We worked hard on the three pillars of our strategic plan—service, growth and efficiency—and achieved the highest surplus earnings in our history, nearly \$2 billion. That's a 23% increase over 2014. Total income was over \$15 billion.

Through sound and prudent management of our surplus earnings, we maintained strong capitalization. As at December 31, 2015, our Tier 1A capital ratio was 16%, and our total capital ratio was 17.2%. This kept us in the top spot in North America in Bloomberg's 2015 ranking of the World's Strongest Banks.

Thanks to our strong performance and solid base, the future is bright for Desjardins.

BOLD, FORWARD-LOOKING INITIATIVES

At our 22nd Congress, we committed to improving our efficiency and overall cohesiveness. We are taking action to ensure that Desjardins remains an innovative and successful cooperative financial group that serves our members and clients well.

On January 1, 2015, we concluded the biggest transaction in our history, welcoming State Farm's Canadian teams to the Desjardins family. In one fell swoop, this added over one million new clients to all those we already had the privilege of serving.

In Greater Montreal, we rolled out new types of service centres that are helping drive membership numbers up. Our multi-caisse retail space at Marché central, our 360d youth and student centres and our new studio concept are innovative new ways to reach out to potential members in their daily lives. All of these new facilities feature state-of-the-art technology.

Another result of our push for innovation was the launch of our Ajusto smartphone app for drivers and our Monetico Mobile and Monetico Mobile+ payment solutions for businesses. The recently opened Desjardins Lab—a joint initiative put forward by a group of Desjardins managers and employees—will also serve to spur innovation, in collaboration with outside partners.

PUTTING THE SPOTLIGHT ON SERVICE

Our employees stepped up their efforts in 2015 to offer our members and clients truly outstanding service. Satisfaction levels are up, which is a real motivator to continue focusing on service across Desjardins Group.

We also added to our range of Desjardins Member Advantages. And with the support of the regions, we're continuing the gradual rollout of our Signature Service in the caisse network. This service provides our affluent clientele with seasoned teams able to handle all their financial requirements.

The end result has been a better member experience and a truer reflection of the Desjardins Promise: close, committed and beneficial.

PRODUCTIVITY AND SOLIDITY FOR LONG-TERM SUCCESS

With today's competitive and increasingly regulated environment, we're taking action on all fronts to drive gains in efficiency. And we're doing it while meeting the needs of members and clients who are looking for 24/7 service.

The Shared Services Centre—along with its 22 offices across 14 regions—has been up and running since late 2015, providing administrative services to the caisses. This frees up caisse personnel to focus on building relationships with their members. We've also invested heavily in technology to improve system stability. And our caisses continue to transform, developing their networks and improving their business processes.

By strengthening our financial base, we're laying the groundwork for Desjardins Group's long-term development.

A LEADER IN COOPERATION AND SUSTAINABLE DEVELOPMENT

Co-opme, our financial education and cooperation program, provides the opportunity to introduce distinctive initiatives that benefit our members and their communities. We launched our school caisse website in 2015 and will be revamping our student caisse model in 2016. We've also broadened our solidarity-based finance offer by drawing on the expertise of Développement international Desjardins, which helps implement sustainable financing solutions around the world.

At Desjardins, we're firmly committed to sustainable development and seek to play a leadership role in the much-needed transition to a greener economy. Our selection of green products is the most comprehensive on the market. We've also committed to reducing our greenhouse gas emissions by 20% compared to 2008 levels.

MANY THANKS TO EVERYONE AT DESJARDINS

I'm proud of these accomplishments, which we owe to our 4,800 officers and our 48,000-odd managers and employees. Thank you from the bottom of my heart. I would also like to express my gratitude to the seven million members and clients who have placed their trust in us.

I will be concluding my second and last term as president in April 2016. Despite today's market volatility and a global climate of instability, I have the satisfaction of leaving behind a strong and flourishing organization that is firmly focused on the future.

An organization that inspires trust in its members, clients, officers and employees.

DESJARDINS FROM 2008 TO 2015

A STRONGER DESJARDINS FOR A BRIGHTER FUTURE

Desjardins, the leading cooperative financial group in Canada, inspires trust around the world through the commitment of its people, its financial strength and its contribution to sustainable prosperity. So reads Desjardins Group's vision statement.

As my second and last term as Desjardins president draws to an end, I believe that we have contributed to making this vision a reality, while also staying true to our mission and values. I am truly proud of what we've accomplished together over the past eight years.

Guided by our development plan, strategic plans and the high-level directions provided by our congresses, Desjardins has become stronger and more innovative, diversified and cooperative than ever. We have a Canada-wide presence. Our democratic governance is stronger, and we're recognized as one of the best employers in Canada. We're better able and equipped to promote our cooperative difference and take concrete action.

I'm also very proud of our Co-opme program and our newly improved educational activities and initiatives, both at the Desjardins Foundation and Desjardins Cooperative Institute. Hosting the International Summit of Cooperatives has also showcased our leadership in the cooperative sector.

PUTTING OUR MEMBERS AND CLIENTS FIRST

We've shifted our focus to service in order to boost member and client satisfaction. We've also developed new satisfaction tools and metrics to monitor progress across Desjardins, and we're using the same approach for all business lines.

The Desjardins Promise—close, committed and beneficial—is a powerful tool to guide our entire organization.

These are big steps forward that will ensure our long-term growth and success.

CHANGES TO THE CAISSE NETWORK

The caisse network has seen significant changes, with the caisses and their centres embracing many new business solutions. We have consolidated some activities, allowing caisses to focus on business development and service quality. Regional collaboration between caisses is also much stronger, helping them achieve growth and leverage the full power of Desjardins for the benefit of our members and clients.

These transformations have led to big changes in the roles of elected officers, general managers and caisse managers, who have a greater part to play in making governance even more efficient at their cooperatives.

We've also given the caisses more say in determining Desjardins's priorities. This has entailed changes to the role of the Assembly of Representatives. Our congresses of elected officers in 2009, 2013 and 2015 also provided opportunities for delegates to express their thoughts and opinions on key issues related to Desjardins's future.

THE STRENGTH OF DESJARDINS

The new management structure implemented in 2009, which is organized around four business sectors and key support functions, has leveraged the strength of our group and made us more agile and cohesive, for the greater benefit of our members and clients. We have begun to give true form to the notion of "Desjardins member and client."

The creation of Desjardins Technology Group Inc., the Shared Services Centre, the Online Business Centre, Desjardins Investments Inc., Desjardins Investment Product Operations Inc. and our Signature Service has also made us more efficient for our members and clients.

DESJARDINS IS GROWING AND INNOVATING

Here are a few figures that show Desjardins's remarkable growth over the past eight years.

As at December 31 (B\$)	2007 ¹	2015 ²	Increase
Assets	144,1	248,1	72 %
Total annual income	9,7	15,3	58 %
Equity	10,3	21,7	111 %

¹ According to Canadian generally accepted accounting principles in effect at the time (GAAP)

² According to international financial reporting standards (IFRS)

We've developed our markets not only in Quebec and Ontario but across Canada. We've done so through several acquisitions, the largest of which involved the Canadian property and casualty and life and health insurance operations of the U.S. mutual State Farm. The transaction lifted us into third place in the Canadian property and casualty insurance market, an industry undergoing rapid consolidation.

We've built numerous cooperative partnerships, developed our card and payment services, and made major inroads in the medium- and large-sized business market, all of which has also contributed to our success.

This diversification and the addition of some two million new members and clients have generated huge growth potential for the coming years.

We've also put Desjardins back on the road to innovation with services such as Ajusto, Hop n' S@ve, Monetico Mobile and our new direct banking arm, Zag Bank, as well as with our 360d youth and student service centres and our new Desjardins Lab.

Together, we've made bold decisions, and we're now reaping the benefits.

A STRONG COOPERATIVE FINANCIAL GROUP

Since the financial crisis of 2008, we've strengthened our financial footing. We've tightened our risk management and reinforced our capital base through new capitalization tools and prudent management of our surplus earnings. In its prestigious World's Strongest Banks ranking, Bloomberg rates Desjardins number one in North America.

This very solid base paves the way for our future development while protecting us from possible upheaval in the financial sector.

We've also taken action to strengthen our financial structure and ensure compliance with regulatory requirements. This includes setting up a regulated holding company to support the development of our subsidiaries.

SHOWCASING OUR COOPERATIVE DIFFERENCE

With the Co-opme program and the many tools it provides our members, we've continued to uphold our cooperative convictions. This includes the work of the Desjardins Foundation and our unique solidarity-based finance initiatives. Together, we've set goals to ensure that those elected to governing bodies in the caisses and at other levels of our organization better reflect the diversity of our membership.

Our corporate university, Desjardins Cooperative Institute, has experienced strong growth. It plays a key role today both in sharing knowledge and in strengthening our common culture.

Through our investment and financing operations, we've also committed to playing an active role in the fight against climate change and to supporting greener businesses and projects.

A COOPERATIVE WORLD LEADER

Another great source of pride for me is that Desjardins is today a much more outward-looking organization that plays a major leadership role in the cooperative movement.

We've established closer business ties with a number of leading cooperative groups and many credit unions across Canada, and we have a multi-faceted cooperation agreement with France's Crédit Mutuel.

Between our role in founding the International Summit of Cooperatives and the work that Développement international Desjardins does on five continents, Desjardins is a leader in the cooperative sector.

COOPERATING IN BUILDING THE FUTURE

"Two qualities triumph over all: first, the clear knowledge of what needs to be done and how to do it; and second, that wonderful virtue called perseverance, an unshakeable, energetic self-assured perseverance that can only come from knowing that one is on the right path."

These words from Alphonse Desjardins have greatly inspired and motivated me over the past eight years. We have worked with perseverance and by uniting our forces. In closing, I believe that all of us at Desjardins have been cooperating in building the future!

Monique F. Leroux, C.M., O.Q., FCPA, FCA
Chair of the Board, President and
Chief Executive Officer of Desjardins Group

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2.0 INDIVIDUALS

THE ADVANTAGE FOR INDIVIDUALS

2.1 DESJARDINS MEMBER ADVANTAGES



EXCLUSIVE ADVANTAGES
FOR MEMBERS

The Desjardins Member Advantages offer members a range of exclusive deals and services that make a real difference in their lives. They include:

- 33 advantages for individual members, seven of which are specifically for students and young adults, such as free roadside assistance for members under 25
- Some 30 exclusive offers, which are regularly renewed through partnerships with retailers and major sponsors such as the Festival d'été de Québec, Cirque du Soleil, Grand défi Pierre Lavoie and many more

More than 500,000 members have already taken advantage of these amazing offers, and we're confident that that number will continue to grow!

We also organize and film special events where we surprise our members with exciting prizes. The videos have more than 900,000 views across different social media networks.



Learn more : <https://www.desjardins.com/ca/personal/member-advantages/privileges/index.jsp>

2.2 NEW AND IMPROVED PRODUCTS AND SERVICES



EASIER ONLINE BANKING WITH ACCÈSD

In July 2015, we launched a brand-new version of our AccèsD and AccèsD Affaires sites. These new versions include:

- A faster connection
- A revamped home page
- Streamlined layout

We wanted to offer members a unique experience—so we asked them what they wanted. The site layout was simplified and designed in such a way that we can easily add new features to keep pace with our members' changing needs.

We also updated the home page on our Desjardins mobile services app in 2015. The new layout includes:

- A more reader-friendly layout of newsworthy articles
- Surveys and questions to get member feedback



Learn more : <https://www.desjardins.com/ca/personal/accounts-services/ways-to-bank/online-mobile/index.jsp>

STUDENT OFFERS

We offer students a range of integrated products and services that fit their needs. On top of exclusive member advantages and discounts, students can sign up for:

- A no-fee transaction plan
- A line of credit at an attractive rate
- A cashback credit card

MOBILE SERVICES AT YOUR FINGERTIPS

We adapted our Desjardins mobile services app to work on Apple Watch and Android Wear. Members can access InstaBalance et Hop'n S@ve (<https://www.desjardins.com/ca/personal/accounts-services/ways-to-bank/mobile-services/index.jsp?navigMW=vi&>) to:



- Check their account balance
- Quickly transfer money to their savings account

UP TO 25 % OFF WITH AJUSTO

Ajusto is a telematics insurance program that's available on smartphone. The Ajusto app allows policyholders to get up to 25% off their auto insurance premium based on their driving habits.

Ajusto is available free of charge to Quebec and Ontario drivers. In November 2015, we introduced the same service to State Farm's Canadian clients with our new Telematics mobile app. To determine the amount clients save, the program uses four criteria:

- Driving behaviour (sharp acceleration, and hard braking and cornering)
- Speed
- Time of day
- Distance travelled

ajusto



Learn more : <https://www.desjardins.com/ca/personal/insurance/car-insurance/ajusto/index.jsp>

ZAG BANK FOR TECH-SAVVY USERS



In June, we introduced Western Canada to Zag Bank. We wanted to build a bank that offered a range of simple and efficient products, including flexible savings and investment accounts with low fees and competitive rates.

The Zag Bank app, available on iOS and Android, offers clients the freedom to bank their way by:

- Checking their account balance without logging in
- Transferring money at the tap of a button
- Depositing cheques remotely by snapping a picture with their mobile device

Clients can also sign up for notifications to help them manage their finances. What's more, a partnership agreement with Desjardins Securities gives Zag clients access to high-interest accounts.

Desjardins caisses in Quebec and Ontario offer similar services available through Desjardins.com and our mobile services.

360° DRUG COST SIMULATOR

In 2014, we launched the 360° drug cost simulator. We got such a great response that in 2015, we made it available for mobile devices—and became the first to launch this kind of mobile app feature Canada-wide. The simulator allows plan members to find pharmacies in their area and compare drug prices so they can make an informed decision.



Learn more : <http://www.desjardinslifeinsurance.com/en/about-Desjardins-Insurance/news/360-drug-cost-simulator?Province=QC>

CONVERTIBLE HEALTH INSURANCE

We revamped our **Health Track Insurance®** to offer a more comprehensive conversion product for members:

- Who are retiring
- Who are leaving their job
- Whose coverage is ending

In addition to giving plan members access to even better benefits at a competitive price, Health Track Insurance® now offers three options, the most generous of which includes:

- Optional dental care
- Coverage for massage therapy
- Vision care
- Home care
- 180-day travel insurance

RETIREMENT PLANNING SUPPORT

NEW LIFECYCLE PATHS

In 2015, we introduced new Lifecycle Paths on our retirement savings platform for participants of our group retirement savings plans. The paths were designed to increase the likelihood that participants:

- Reach their retirement goals
- Maintain their current lifestyle in retirement

ENGAGING EMPLOYEES IN THE RETIREMENT CONVERSATION

E³nergie Module is a new group retirement savings service for employers that encourages their employees to plan for retirement and supports their involvement through behaviour analyses and customized communication plans.

PERSONALIZED PRODUCTS AND ADVISORY SERVICES

We designed three new investment products for dynamic investors looking for higher potential returns and a secure and diversified portfolio:

- Opportunity Guaranteed Investment – Canadian Selection
- Opportunity Guaranteed Investment – Overseas Selection
- Customized guaranteed investments for those looking to invest \$1 million or more

Desjardins Private Wealth Management offers a comprehensive range of services to meet the needs of our high-net-worth clients. Their full-service offer includes:

- Tax optimization
- Business transfer and succession planning
- Charitable giving and investments

We also expanded our trust services across Canada.

2.3 EDUCATION AND COOPERATION

DISCLOSURES ON MANAGEMENT APPROACH – FINANCIAL EDUCATION

Our Co-opme Program was developed to showcase our many educational initiatives for our members and clients and the general public, with a strong focus on cooperation and financial education. In 2015, we invested more than \$9.6 million to support and improve our Co-opme initiatives.

Promoting financial literacy among members has been a part of our mission since the very first caisse was established in 1900. With people saving less and spending more, financial education has become a societal issue we need to address. That's why financial education remains one of our top corporate social responsibility priorities.

Our financial education policy has given rise to a number of training and education programs at Desjardins, demonstrating our belief that investing in financial education helps drive sustainable prosperity. The policy serves as a reference for our employees and managers that helps guide their actions and further integrates financial literacy into our business practices.

Every year since 2011, we've invested a portion of our surplus earnings to fund our Co-opme Program. Efforts are under way to add major initiatives to the caisse network's business plan to extend Co-opme's reach to communities and outlying regions.

We keep close track of the number of visitors who sign up for Co-opme training sessions and use our online tools. Since its launch, the Co-opme section on Desjardins.com has had more than 3 million visitors. However, it's still too early to comment on the long-term effects of these initiatives, considering that they're relatively new or have been recently updated.

STUDENTS AND YOUNG ADULTS

FS16

Since 2011, we've increased our efforts to offer educational content on finance and cooperation to students and young adults between the ages of 6 and 30. In 2015, we continued to work on developing new and improved initiatives.

PROMOTING HIGHER EDUCATION

FS16

The Desjardins Foundation is a charitable organization that helps people reach their full potential and promotes education and knowledge as a driver of social progress.



The Desjardins Foundation :

- Gives young people the opportunity to pursue their studies, follow their dreams and achieve their ambitions
- Recognizes volunteer work through its Desjardins Foundation Prizes for Volunteer Involvement
- Highlights and promotes community involvement

SCHOLARSHIPS AND AWARDS

In 2015, we launched the **school caisse** website to showcase our financial education offer for kids between the ages of 6 and 11.

OTHER CONTRIBUTIONS

In total, the Foundation handed out more than \$1.6 million in scholarships and donations in 2015. Thanks to the support of our partners, we donated \$738,000, including \$333,000 to programs that help kids stay in school. These partnerships are made possible by donations made by Desjardins officers, employees and retirees.

Learn more : <https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/education-cooperation/desjardins-foundation/index.jsp>

FINANCIAL EDUCATION FOR CHILDREN

FS16

SCHOOL CAISSE

SCHOOL
CAISSE  Desjardins

In 2015, we launched the **school caisse** website to showcase our financial education offer for kids between the ages of 6 and 11.

The school caisse website offers a slew of activities, videos and games to:

- Help children become independent, responsible and capable
- Spark their interest in cooperative values
- Educate them about the importance of managing their money
- Encourage parents to get even more involved in their child's education

From 1907 to today, the school caisse has carried out its mission to educate elementary school students about savings across Quebec and Ontario. Today, some 1,111 elementary schools in these provinces have a school caisse program.

For the 2014-2015 school year, we paid out \$291,101 in youth dividends to 28,495 eligible school caisse members between the ages of 5 and 12 in Quebec, and 5 and 14 in Ontario.

Since the website's launch on August 31, 2015, we've recorded:

- 32,927 unique visitors
- 219,906 page views
- 1,625 workbooks downloaded
- 1,792 enrolments

CO-OPME YOUTH SECTION ON DESJARDINS.COM

There's a wealth of information for parents and teachers in the Co-opme [youth section](#) of Desjardins.com and on the [school caisse](#) website, including:

- Tips and tricks
- Activities
- Games
- Videos

Some 37,876 parents, teachers and children visited these sites in 2015.

MY FINANCE 101: THE BUILDING BLOCKS TO FINANCIAL LITERACY

In 2015, advisors from caisses across Quebec and Ontario organized a 60- to 75-minute financial education workshop for 15,372 students in 240 high schools. The workshop covered a range of topics, including:

MY FINANCES 101

- Saving
- Credit
- Budgeting
- Financial assistance
- Information security

STUDENT CAISSE

STUDENT CAISSE



Desjardins

FS16

Student caisses are like mini Desjardins caisses in high schools, and are managed and administered by volunteer students. In 2015, we were present in 53 high schools. After re-evaluating the needs and habits of our student caisse members in 2015, we decided to make some upgrades. Among the changes, we'll be updating our processes and introducing an entrepreneurial component.

CHARLY AND MAX GET INVOLVED!

FS16

Charly and Max Get Involved is a website that helps broaden the reach of our educational solutions for students ages 6 to 11. The website was streamlined in 2015 to allow for easier navigation. A total of 22,196 visitors played the games available on the site, 76.2% of which were new visitors.



The site offers children a fun approach to learning and teaches them the basics of cooperative and financial education through:

- A web series
- Quizzes
- Surveys
- A points system that promotes two charitable causes
- And more

In 2015, we concluded a partnership with Format familiale, a French-language television series airing on Télé-Québec offering a glimpse into the lives of families in Quebec. This agreement gives us the opportunity to promote our educational content to parents of kids between the ages of 6 and 17 and showcases important aspects of financial education, such as:

- Allowances
- Credit
- Budgeting
- The value of money



Learn more : <https://www.caissescolaire.com/en/parents/jeux-et-videos/charly-et-max>

FREE ACCESS TO TRANSUNION CREDIT REPORTS

Students between 18 and 25 with a Visa Desjardins FOR STUDENTS ONLY card now have free access to their credit file and score through the TransUnion website. They can access:

- The status of their current and past credit card accounts
- Their credit score
- Information on factors that influence their credit score and tips on how to improve it

MA ZONE D ON FACEBOOK

FS16



A few years ago, we created a Facebook page specifically for high-school students, where we publish new financial education content every week.

On average, 97% of the people who like our posts and leave comments are between 13 and 17 years old. Another 614 had liked our page as of January 1, 2016, for a total of 10,725 followers.

YOUNG ADULTS

HELPING YOUNG ADULTS MANAGE THEIR FINANCES



FS16

Personal Finance: I'm in Charge™ is a 16-class training program that encourages young adults to discuss personal finance with their peers, a method that we've found effective in helping them form sound financial habits. In fact, participants have told us that the class helped them learn new and useful ways to manage their finances.

This program relies on a close collaboration with the caisses and 56 community partners. It has received great reviews and boasts a 97% satisfaction rate. What's more, three CEGEPs have incorporated it in their curriculum as a credit course.

In 2015, we invested \$1.8 million in the program. So far, it has also proved to be an important and lucrative project for the not-for-profit organizations that we work with to offer it.

BUDGET MANAGEMENT TOOL

FS16

My Budget is a free personal budgeting tool available in AccèsD. It extracts data from members' transaction history to help them better manage their money and:



- Get a clear picture of incoming and outgoing funds
- Gain better control over their spending
- Set savings goals to make their plans a reality

Since Co-opme went online, the My Budget tool has been visited 1.8 million times and has an average of 151,493 users each month.

We add new content to the Co-opme section every week, including articles, advice and action plans on managing personal finances and achieving financial goals.

CAISSE NEWSLETTERS

FS16

Each month, Desjardins publishes digital newsletters for three groups of clients:



- Individuals
- Businesses
- Agribusiness owners

Nearly 700,000 newsletters are sent out every month by some 100 caisses. They feature personal finance tips and action plans taken from the most popular content in the Co-opme section. Caisses can also personalize their newsletter to include special messages or upcoming local events.

DESJARDINS LAB

The Desjardins Lab is a space for innovation that has both a physical location at Complexe Desjardins in Montreal and a virtual communication zone in the Co-opme section of Desjardins.com. The lab was designed so that visitors could:

- Test new concepts and explore the technological side of our services
- Take part in consultations on product designs, and new services and applications
- Share their opinion on how to fine-tune solutions they're already using

Our communication zone, which is the first of its kind in the Canadian financial sector, includes content on innovation in the financial services industry. Visitors to the site can also:

- Answer surveys
- Test new features
- Give their feedback



Learn more : <https://www.desjardins.com/ca/co-opme/action-plans-tips/desjardins-lab/index.jsp>

DESJARDINS MUTUAL ASSISTANCE FUNDS

FS7

The Desjardins Mutual Assistance Funds support our approach to financial education and personal financial planning so that people can:

- Satisfy their immediate essential needs, thanks to partnerships with community resources
- Access smaller loans in case of emergencies

The strength of Desjardins Mutual Assistance Funds rests in our partnerships. We work with independent organizations that specialize in financial education and budget counselling. We believe that by promoting these services, we can help fight abusive lending practices and social isolation.

Mutual Assistance Funds	2015	2014	2013
Participating caisses	64.0%	58.0%	59.6%
Number of people helped	4,923	3,789	4,264
Number of loans made	602	608	661
Amounts loaned	\$368,663	\$381,565	\$406,717



Learn more: <https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/socially-responsible-financial-products-services/solidarity-based-finance/index.jsp>

PERSONAL PROPERTY COVERAGE

Desjardins Insurance has worked for many years to educate policyholders about risk prevention and how to better protect their personal property. As part of our efforts, we've created several websites:

- Prevention tips
- The Tenant Challenge
- Weathering change

NEWCOMERS TO CANADA

FS14

DESJARDINS.COM

As part of our offer to newcomers to Canada, we added language as a search criterion in our caisse locator so that people can get service in their language, including sign language. We also have 13 points of service that cater to specific cultural communities, including Chinese, Italian, Lithuanian, Portuguese and Ukrainian.

MONTREAL SERVICE CENTRES

Desjardins Montréal – Centre-ville (previously Carrefour Desjardins) and Desjardins Montréal – Marché Central have teams that specialize in serving newcomers to Canada.

We know that newcomers face many challenges when they first arrive in Canada. Between finding a job and a place to live, and everything else involved in getting settled in a new country, they may have a lot of catching up to do. Because of this, they'll likely have to set up a lot of things in a short period of time. That's why our two service centres specialize in helping newcomers integrate quickly and smoothly.

WELCOME OFFER

Desjardins's welcome offer for eligible newcomers to Canada includes:

- A host of benefits in their first year
- Access to payment solutions with flexible eligibility criteria
- The option of opening an account from their home country, free of charge
- International money transfers, so they can send funds to their Canadian accounts before they arrive
- Emergency healthcare insurance, until they're eligible for government coverage

IMMIGRATION AND INTEGRATION EXPO IN MONTREAL

In 2015, Desjardins attended the immigration and integration expo (Salon de l'immigration et de l'intégration au Québec) at the Palais des congrès de Montréal for a fourth year. In fact, we were one of the major event sponsors and the only financial institution present at the expo. As an exhibitor, we share our expertise on how the Canadian and Quebec financial systems work.

SUPPORT FOR SYRIAN REFUGEES

We supported the Canadian Red Cross's efforts to help Syrian refugees arriving to Canada through a \$50,000 contribution to meet their essential needs.

We also encourage members and the public to show their support by:

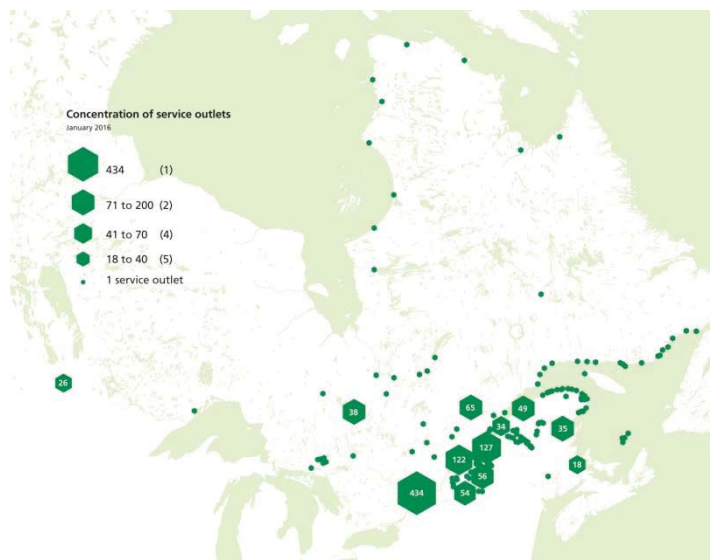
- Donating through AccèsD Internet or by phone
- Donating their BONUSDOLLARS
- Donating through the Quebec and Ontario caisse network

FINANCIAL INCLUSION

Newcomers can also take advantage of our solidarity-based financing programs for those who are excluded from traditional financial services.

2.4 ACCESSIBLE SERVICES FOR ALL OUR MEMBERS IN QUEBEC AND ONTARIO

G4-6



In Quebec and Ontario members have access to:

- 335 caisses
- 2,152 ATMs
- 42 business centres
- 795 points of service

Desjardins is the financial institution with the largest presence in Quebec, particularly in outlying areas with low population density where we're often the only financial institution.

In Ontario, at the end of 2015, the caisse network included:

- 14 caisses, 52 points of service and 69 ATMs
- 12 caisses and 27 points of service in the Alliance des caisses populaires de l'Ontario limitée network, plus access to 30 no-fee ATMs
- A financial centre in the heart of Toronto's financial district that offers a full range of products and services, and works closely with caisses across Quebec and Ontario to help individual and business members looking to move to Toronto

ACCESSIBLE SERVICES :

FS14

- We have 2,152 accessible ATMs for those with visual impairments or reduced mobility.
- Members who are unable to use ATMs due to a permanent disability can still benefit from ATM fees, instead of the more costly teller fees.
- We make our solidarity-based finance products and financial education and budget consultation services available to those in need.
- In our latest version of AccèsD, we upgraded our home page and unique identifiers to bring them into compliance with the Web Content Accessibility Guidelines (WCAG) set out by WC3. These guidelines make web content more accessible to a range of people with disabilities. All our upcoming projects will also comply with WCAG 2.0 (level AA).
- Desjardins Insurance introduced a new visual platform in 2015 where people can get auto insurance quotes and after-sales services. This platform is also WCAG-compliant.

ANTICIPATING OUR MEMBERS' NEEDS

We're continually adapting our distribution models and introducing new ones to meet our members' changing needs.

In 2015, our members made 1.2 billion online transactions—that's a 15% increase from 2014. Alternatively, teller and ATM transactions dropped by 8% and 5%, respectively.

INTRODUCING A FRESH NEW CONCEPT

In December 2015, we opened two new redesigned service centres that offer an open concept and a more flexible environment. Both centres are strategically located—one in the heart of the Town of Mount-Royal and the other in NDG's commercial district in Montreal—which has given us the opportunity to strengthen our relationship with our members from Montreal's English-speaking and allophone communities.

EXTENDED BUSINESS HOURS

As at December 31, 2015, a total of 210 caisses offered telephone services every day of the week from 6:00 a.m. to 10:00 p.m. and from 8:30 a.m. to 4:00 p.m. on weekends. Members can get advice and information on their transactions or make an appointment with an advisor. Many caisses also extended their business hours and are now open weekends.

INTRODUCING 360^d

MARCHÉ CENTRAL

We opened a new service centre at Montreal's Marché Central outdoor mall in June 2015 that caters to clients looking for a more personalized approach to personal finance. Advisors provide members with an experience that's tailored to their situation in a high-tech and user-friendly environment that makes it easy to learn about personal finance.

Because of its location, the service centre will also strengthen ties with the cultural communities in the area. Most of the service centre's staff members are from these communities and they speak a dozen languages between them.



ACCESSIBLE TO STUDENTS

Two new 360^d service centres were opened in close proximity to Concordia University and Université de Québec à Montréal. These centres, which have a fresh, new design concept, are ideally located to reach more than 90,000 college and university students, to encourage them to talk about their career aspirations and other life goals.

A SECOND DESJARDINS SIGNATURE SERVICE IN THE EASTERN TOWNSHIPS

The Desjardins Signature Service was designed to meet the specific needs of our mass-affluent clientele. Since December 7, 2015, our members and clients in Quebec's Eastern Townships have been able to turn to a team of Signature Service experts for all their wealth management needs. A total of 17 caisses joined forces to put in place this service in the area.

PAN-CANADIAN DEVELOPMENT

G4-9

We're strengthening our relationship with the caisses populaires in Manitoba and Atlantic Canada and the cooperative sector as a whole, as well as our subsidiaries across the country to offer our members and clients financial products and services that are adapted to their needs. Here are a few examples:

- 15 caisses and 53 points of service in the Caisses populaires acadiennes network, plus access to 97 no-fee ATMs
- 167 offices in 115 communities in Western Canada following the acquisition of Western Financial Group and MGI Financial in 2011
- 400 offices, 500 agencies and thousands of agents and advisors are at the disposal of our members and clients in cities and municipalities across Ontario, Western and Atlantic Canada
- Thousands of experts and advisors offer a full range of services Canada-wide through Desjardins Financial Security Independent Network and Desjardins Financial Security Investments

ANOTHER LOCATION IN FLORIDA

Permanent and temporary residents and travellers visiting Florida for business or pleasure can enjoy the services offered by Desjardins Bank. This institution serves Desjardins caisse members and Canadians in general, not just in Florida but across the U.S.

The Desjardins Bank head office and its three service centres are located in areas very popular among Canadians: Hallandale Beach, Pompano Beach, Lauderdale and our newest branch in Boynton Beach, opened in September 2015. Members with an account at Desjardins Bank can expect quality service in English and French

AN OFFICE IN EUROPE

Our representative office in Paris has referred a great deal of new clients to Desjardins and helped increase our visibility. In 2015, we opened 720 new accounts for individual members through referrals from our Paris office, which represents 96% of our annual target.

SOCIAL MEDIA

Our online presence has been growing at a steady rate. Over the years, we've been present on more than 20 social media outlets, giving us the means to reach new and exciting communities:

- 255,000 Facebook followers (including the pages of individual caisses) <https://www.facebook.com/desjardins>
- 4,100,000 YouTube views <https://www.youtube.com/user/desjardinsgroup>
- 53,000 LinkedIn followers <https://www.linkedin.com/company/desjardins>
- 19,000 Twitter followers <https://mobile.twitter.com/desjardinsgroup>
- 3,400 Instagram followers <https://www.instagram.com/mouvementdesjardins/>

168 caisses have a Facebook page where they can speak to their members and get their opinions on different topics.

Every month, more than 3 million people view the content we post on our Facebook pages.

2.5 FREE ASSISTANCE SERVICES FOR MEMBERS

We're the first financial institution in Canada to offer all our individual members free assistance services for identity theft and estate settlement, as well as travel and roadside assistance.

IDENTITY THEFT ASSISTANCE

Identity Theft Assistance helps members recover from identity theft by putting them in contact with a lawyer who can guide them every step of the way. The service also helps members protect themselves from identity theft and prevent the fraudulent use of their personal information.

TRAVEL ASSISTANCE

With free Travel Assistance, members can get advice and assistance before and during a trip in Canada and abroad. The service is available 24/7 in case of medical and other emergencies.

ESTATE ASSISTANCE

We offer free estate settlement services for members in need of legal advice and information to help them better understand the estate settlement process and their own obligations. Members can speak with legal experts who can offer personalized support and help them with the paperwork.

ROADSIDE ASSISTANCE

Members in Quebec who are 25 and under and have an auto insurance policy with Desjardins or The Personal are entitled to free Desjardins Roadside Assistance™.

Desjardins Roadside Assistance™ gives members peace of mind on the road. Available 24/7, the service is there for drivers in the event of unexpected roadside emergencies or mechanical breakdowns, anywhere in Canada and the continental United States. The basic service includes the following emergency roadside services: towing, battery boost, flat tire change, winching, lockout service and fuel delivery.



Learn more : <https://www.desjardins.com/ca/personal/accounts-services/assistance-services/index.jsp>

™ Desjardins Roadside Assistance is a registered trademark of Desjardins Financial Security Life Assurance Company, used with permission by Desjardins General Insurance Inc. The program is managed by Sigma Assiste Inc.

2.6 THE MEMBER-CLIENT EXPERIENCE

DISCLOSURES ON MANAGEMENT APPROACH

As a financial cooperative, we're especially concerned with customer satisfaction. We introduced a number of initiatives in 2015 to provide our members and clients not only with the high-quality service they've come to expect from us, but also with a unique customer experience.

Since January 2014, we've been using the Net Promoter Score (NPS) system to ensure that we're constantly improving our level of service. The metric, which is used worldwide by leading companies, works by asking customers two simple questions:

1. On a scale from 1 to 10, how likely are you to recommend Desjardins after experiencing a moment of truth?
2. What are the reasons you chose this number?

Customers who say they're not likely to promote Desjardins may receive calls from a manager to discuss their experience and what kinds of improvements we can make. This is called the feedback loop. We may also make calls to "promoters," to help us learn more about what we're doing right and what customer service practices we should keep using.

GETTING OUR MEMBERS' FEEDBACK

MOMENTS OF TRUTH AND FEEDBACK LOOPS

The NPS Moment of Truth metric is a specific opportunity for members to share their opinions after experiencing important moments that are likely to strongly influence their levels of satisfaction, loyalty and opinions of the Desjardins brand (e.g., opening an account, applying for a mortgage or filing an insurance claim).

An independent firm phones members to ask how likely they are to recommend Desjardins and why they would—or wouldn't—recommend the brand. Surveys are conducted throughout the year. This approach lets our managers and employees hear what members and clients have to say, so they can discuss how to better meet expectations and address concerns.

Managers may also talk to members who agree to be contacted for more in-depth discussions about the causes of their satisfaction or dissatisfaction. When we learn that a moment of truth should be reviewed to improve the customer experience, we conduct detailed studies and arrange unstructured interviews or focus groups with customers to better understand their expectations and make adjustments.

Moments of truth and feedback loops have been introduced in several of our sectors (caisses and business centres, wealth management, life and health insurance, property and casualty insurance, Desjardins Card and Payment Services, and AccèsD).

MYSTERY CLIENTS

We currently have actual members acting as mystery clients to grade the different aspects of the service they receive in the caisses, especially with regard to how well our service standards are met.

MEMBERS' PERCEPTION OF OUR COOPERATIVE NATURE

In early 2016, a new indicator will be introduced in the caisses and business centres to measure our members' perception of our cooperative nature. It's an extension of the caisse network's efforts to leverage our cooperative nature for business development. Combined with member feedback, the new indicator will help officers and the management team determine best practices for improving our members' perception of our cooperative difference.

WEBSITE AND SOCIAL MEDIA

Our internet and social media teams also lend a hand with client and member complaints and feedback, finding and responding to online customer comments.

FOCUS GROUPS

We have group discussions with our members and clients to get insight into their interactions with Desjardins. This gives us the chance to adjust our strategy to increase member and client satisfaction and bolster loyalty.

When developing new advertising platforms or campaigns, we also hold focus groups to learn what members and non-members think of the approaches and concepts being considered. While institutional campaigns are running, we hire specialized firms to conduct post-test surveys.

MEMBER SERVICES

The Member Services Department handles escalated complaints that weren't resolved to the member's satisfaction by the caisse.

- Means used: phone calls, letters and emails
- Frequency: ongoing

OMBUDSMAN

If Member Services or another of our customer service departments is unable to resolve a complaint, members can contact the Office of the Ombudsman of Desjardins Group as a last resort.

DISPUTE RESOLUTION AND PRIVACY OFFICER

The Dispute Resolution and Privacy Officer manages complaints concerning Desjardins Financial Security filed by government and regulatory agencies, the OmbudService for Life & Health Insurance, consumer rights organizations, and those escalated by Desjardins Member Services and our Office of the Ombudsman. The Officer decides how disputes should be resolved and whether to maintain DFS's initial position.

CUSTOMER SATISFACTION SURVEY RESULTS

PR5

In 2015, we measured two dozen moments of truth in our different business sectors— caisses and business centres, wealth management, life and health insurance, property and casualty insurance, Desjardins Card and Payment Services, and AccèsD—more than half of which are now in their second year.

Since we started in 2014, we've had positive results and most of the moments of truth have improved.

Based on feedback from our members and clients from all sectors, our greatest strength is the excellent customer service provided by our agents and advisors.

- A feedback loop for opening a High Interest S@vings Account gives us continual feedback from our individual members.
- NPS surveys on moments of truth in our property and casualty insurance claims sector allow us to get feedback from members and policyholders.
- On the wealth management and life and health insurance side, we use the NPS to identify and introduce improvements for our clients.

We always encourage teams to share best practices to offer consistent services that benefit all of our members and clients.

MEMBER AND CLIENT PRIVACY

DISCLOSURES ON MANAGEMENT APPROACH

All financial institutions have a duty to protect the confidentiality of customer information. This is also true for Desjardins and our relationships with our members and clients.

Member and client privacy is protected by our Privacy Policy and our *Code of Professional Conduct*. The code contains specific provisions for protecting the personal data of our members and clients. Violations of these provisions may result in sanctions or dismissal. Each of our components is responsible for enforcing these provisions.

Our Privacy Policy sets out our principles and directions with respect to collecting, holding, using, disclosing, storing and destroying the personal information of our members, clients and employees.

The policy also calls for a regulatory compliance program, which is periodically reviewed by an independent auditor. Each Desjardins component must designate a compliance representative.

In addition, we offer training to ensure that employees and managers remain aware of the importance of acting proactively to protect personal information of members and clients.

Privacy-related complaints are subject to separate regulations from those governing complaints about financial products and services. Each Desjardins Group component must not only comply with applicable regulations, but must also have a procedure in place to analyze and handle these complaints.

INITIATIVES TO RAISE EMPLOYEE AWARENESS OF DATA PROTECTION

PR10

We have a training course, People at the Heart of Information Protection, that teaches employees how they can help minimize the risk of lost, stolen or leaked information. It's available to all Desjardins officers, managers and employees.

3.0 BUSINESSES

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3.0 BUSINESSES

THE ADVANTAGE FOR BUSINESS OWNERS

3.1 DESJARDINS MEMBER ADVANTAGES



EXCLUSIVE ADVANTAGES FOR MEMBERS

Our business members have access to no fewer than 21 exclusive advantages that can make a real difference in how they manage their business. These include:

- Welcome kit
- 3-in-1 financing solution
- Business transfer solutions
- Commercial vehicle insurance



Learn more : <https://www.desjardins.com/ca/business/member-advantages/privileges/index.jsp>

3.2 BUSINESS MANAGEMENT SOLUTIONS

BILLING AND EXPENSE TRACKER

We designed our Billing and Expense Tracker with very small businesses, self-employed workers and business professionals in mind. It stores all of the business's information in one place—invoices, quotes, receipts, client lists, supplier information—so our clients can access it anywhere, anytime, either online or from their mobile device.



Learn more : <https://www.desjardins-business-tools.com/billing-and-expense-tracker/>

MOBILE CHEQUE DEPOSIT

With our new mobile deposit service, busy business owners can now deposit their cheques instantly, without having to visit an ATM, simply by taking a picture with their smartphone or tablet.



Learn more : <https://www.desjardins.com/ca/business/accounts-cash-management/ways-to-bank/mobile-services/index.jsp#>

CASH FLOW ACCOUNT

Our cash flow account offers very competitive rates for businesses with liquid assets of over \$1 million. It also offers more flexibility for cash management than a term product.



Learn more : <https://www.desjardins.com/ca/business/accounts-cash-management/index.jsp?navigMW=ari&>

TWO NEW PAYMENT SOLUTIONS WITH MONETICO MOBILE



With our two new easy-to-use and affordable payment solutions, Monetico Mobile and Monetico Mobile+, small businesses and self-employed workers now have a secure way to accept credit and debit card payments.

HELPING BUSINESS OWNERS GO GREEN

FS8

The Desjardins Energy-Efficiency Loan is designed to help businesses upgrade their equipment or renovate their space in order to reduce energy consumption, save money and limit their greenhouse gas emissions.

Through our partnership with the Association québécoise pour la maîtrise de l'énergie, our Energy-Efficiency Loan product line is better than ever. Clients can use these loans to finance energy efficiency upgrades for their business, without touching their working capital. It's proved to be a popular idea: this year, a total of \$29 million was invested in energy efficiency improvements.

 Learn more: <https://www.desjardins.com/ca/business/financing-credit/long-term-financing/energy-efficiency-loan>

BUSINESS LIBRARY (CO-OPME)

FS16

We have **Tools and tips for your company** section on our website where business owners can find a wealth of information, including more than 65 tip sheets to help them with all stages of their business, from start-up to growth to transfer.

 Learn more: <https://www.desjardins.com/ca/business/tips/>

WELCOME KIT FOR NEW BUSINESS MEMBERS

FS16

We offer a welcome kit to all members who are in their first year of business. The kit includes products, services, special discounts and access to all the tips and tools in our online magazine *Co-opme*.

No matter what size your business or what stage it's in (start-up, growth, etc.), you can find great advice from our experts in the **Your business** section of Co-opme.

You'll also find:

- Informative articles
- Profiles of successful business owners
- A blog covering newsworthy topics
- Decision-making tools (interactive business and marketing plans)
- Hundreds of fact sheets organized by subject

 Learn more : <https://www.desjardins.com/ca/business/projects/start-your-own-business/welcome-kit/index.jsp>

3.3 BUILDING A BUSINESS

DEVELOPMENT CAPITAL

EC8

Our development capital investments generate a number of positive economic spinoffs in regional economies, which is where a lot of our partner businesses operate. In addition to creating and maintaining jobs in these areas, these investments:

- Encourage entrepreneurship in younger generations
- Boost productivity and help businesses branch out to new markets
- Promote the emergence of leading companies across a range of industries
- Keep home-grown businesses from leaving

The majority of these investments come from Capital régional et coopératif Desjardins (CRCD), a public fund with over 100,000 shareholders, and the CRCD ecosystem. In collaboration with its fund manager, Desjardins Business, CRCD has introduced innovative solutions in the form of partnerships to help regional and cooperative small and mid-sized businesses in Quebec achieve their full potential.

As at December 31, 2015, 400 companies, cooperatives and funds in various industries across Quebec were benefiting from the support of the CRCD ecosystem, all while helping to create and maintain some 67,500 jobs.

The CRCD ecosystem includes the following investment funds:

- Fonds Capital Croissance PME: created in collaboration with the Caisse de dépôt et placement du Québec to support growth, expansion and acquisition projects
- Fonds Desjardins – Innovatech: provides support to companies in tech innovation
- Fonds Ector et Coopération: created in collaboration with the Conseil québécois de la coopération et de la mutualité to support cooperative development
- Fonds Relève Québec: provides business transfer support for new business owners
- Fonds Prêt à Entreprendre: provides both financial and technical support for new business owners
- Fonds d'investissement pour la relève agricole: provides support to young people with plans for a start-up, expansion or transfer, specifically in the farming industry

CRCD also provides support and expertise to start-up accelerator programs, as well as initiatives to support women in business in collaboration with Femmessor.

Economic spinoffs in Quebec from the CRCD ecosystem

Development capital investments (at cost) in Quebec	\$938 million
Investments (at cost) in cooperatives or other businesses located in resource regions	\$300 million
Development capital investments (at cost) in regional county municipalities identified as being in economic decline	\$16 million
Number of Quebec businesses, cooperatives and funds supported	400

\$329 MILLION IN SUPPORT OF BUSINESS GROWTH

EC8

CRCD and Caisse de dépôt et placement du Québec joined forces to create the Fonds Capital croissance PME, a fund whose mission is to make patient capital available to Quebec-based SMEs for equipment upgrades and expansion, acquisition and transfer plans.

The fund offers financial packages of up to \$5 million in the form of a subordinated loan or equity investment. It invests in a range of sectors, with a particular focus on the economic development of businesses located in outlying regions. And by encouraging businesses to remain based in Quebec when their owners retire, the fund helps to keep local businesses local, thereby contributing to the sustainable development of communities.

To date, \$329 million has been directly invested in 284 Quebec-based companies, including \$56 million and 75 companies in 2015.

SOLIDARITY-BASED FINANCING

FS7

At Desjardins, we believe in solidarity-based financing as a tool for sustainable prosperity. We form strategic partnerships with community organizations to help individuals in need make better decisions, and we grant loans to address their individual needs.

We have plans to expand our solidarity-based financing activities throughout Quebec by 2016. As of 2015, we've already invested \$3.3 million in these programs.

CRÉAVENIR

FS7

SOLIDARITY-BASED FINANCING FOR VERY SMALL BUSINESSES

CRÉAVENIR is a financing program launched in 2007 that supports young entrepreneurs looking to start up a business. Loan proceeds can be used as working capital for the business, and none of the usual down payments or security deposits are required. The program also has a financial education component, and mentoring is provided by local partners with business start-up expertise.

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 three years

2015 RESULTS

- \$1,045,700 in financing to 67 business projects
- Average financing amount: \$15,608
- 112 new jobs
- Repayment rate: 89.6%



CRÉAVENIR	2015	2014	2013
Caisse participation rate	24.5%	22.0%	21.8%
Total loans	\$777,955	\$591,216	\$622,831
Total grants	\$267,778	\$201,589	\$220,206



Learn more : <https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/socially-responsible-financial-products-services/solidarity-based-finance/creavenir/index.jsp>

DESJARDINS MICROCREDIT TO BUSINESSES

FS7

Desjardins Microcredit to Businesses, launched in 2004, 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. The program includes financial coaching services provided by community credit partners (loan funds or lending circles). Financing is also provided to these same partners by participating caisses. Desjardins Microcredit to Business is available to:

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

2015 RESULTS

- Businesses supported: 184
- Average financing amount: \$7,050
- Jobs created or maintained: 113
- Repayment rate: 94%

Desjardins Microcredit to Businesses	2015	2014	2013
Caisse participation rate	41.0%	29.7%	29.3%
Total loans	\$408,964	\$363,589	\$408,375



Learn more : <https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/socially-responsible-financial-products-services/solidarity-based-finance/index.jsp#>

ENCOURAGING YOUNG PEOPLE TO GO INTO BUSINESS



The Devenir Entrepreneur (start your own business) campaign is a major awareness initiative to get young people thinking about starting their own business—and to help them get it off the ground. Developed in partnership with two other leaders in the finance industry, the initiative is a three-year project.

The initiative's website 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 French-language elementary and high school teachers.



Learn more : <http://devenirentrepreneur.com/en/>

HELPING FARMERS PLAN FOR THE FUTURE

FS7

At Desjardins, we understand the importance of lending a helping hand to a new generation of local farmers, which is why we support these two programs:

- Fonds coopératif d'aide à la relève agricole (cooperative assistance fund for future farmers) through which we give a Desjardins Entrepreneur Award to a farming business that has successfully completed a business transfer
- Fonds d'investissement pour la relève agricole (farm succession investment fund), which gives farmers access to the capital they need to put a succession plan in place

REGIONAL YOUTH INITIATIVES

Now in its fourth year, the [Entreprends tes rêves](#) contest encourages young entrepreneurs to get their business off the ground or expand an existing one. Thanks to the support of the caisses attached to the Québec-Capitale and Québec-Portneuf Desjardins Business centres, we handed out \$175,000 in scholarships this year, as well as the addition of a cooperative component to each of the existing award categories.

DESJARDINS ENTREPRENEUR AWARDS

The Desjardins Entrepreneur Awards recognize individuals who, through their creativity, initiative and leadership, play an important role in community building and development.

11 winners were recognized at the 2015 awards gala.



Claudia Désilets
ACTI-SOL INC., winner in the
Agriculture category



Daniel Pelletier
ARTOPEX INC., winner in the
Innovation and Productivity
category, Medium Businesses



Laurent Proulx et Gilles Blaquière
LA COOP PURDEL, winner in the
Co-op category



Suzie Talbot
DIEX RECHERCHE INC.,
winner in the Woman of
Influence category



Toan Tran et Kevin Healy
**GROUPE EXEL
INTERNATIONAL INC.**,
winner in the Innovation and
Productivity category, Small
Businesses



Jacques Mombbleau et Denis
Poirier
**LES INDUSTRIES SPECTRA
PREMIUM INC.**, winner in the
Innovation and Productivity
category, Large Businesses



Raed Bechara
**INDUSTRIE DE PALETTES
STANDARD (IPS) INC.**, winner in
the Sustainable Development
category



Jocelyne Bastien
KOKOALA DESIGN INC.,
winner in the Young
Entrepreneur category



Sylvain Labarre et Julie Dubé
LG2, winner in the Business
Ownership Transfer category



Alexandre Lemieux
LOGISBOURG INC., winner in
the Real Estate category



Patrick Perus
POLYCOR INC., winner in the
International Commerce category



3.4 PROMOTING SOLIDARITY BEYOND OUR BORDERS



For 45 years, Développement international Desjardins (DID) has been working to develop the inclusive finance sector in 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 30 or so countries over five continents, 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, legal support, etc.).

With a team of over 100 employees, DID is now recognized as a global leader in its field. For its international projects, DID takes an approach that puts local communities in charge of their own development, helping to bring financial inclusion to disadvantaged communities across the globe. It's also a proud promoter and worldwide ambassador of Desjardins and of the cooperative model.

With the support of the Canadian government and the Desjardins Foundation, DID offers internships with partner organizations as a way to share its expertise and train young Canadians. In 2015, 11 new graduates participated in the internship program.

 Learn more : <http://www.did.qc.ca/en/careers/international-internships/>

Since 2013, DID has also been overseeing the execution of Desjardins Group's solidary-based financing initiatives in Quebec and tracking their impact.

 Learn more about DID and its internships : <http://www.did.qc.ca/en/>



A PIONEER OF INCLUSIVE FINANCE

FS7

SHARING OUR EXPERTISE

For 45 years, DID has shared the experience and expertise of Desjardins Group with developing and emerging countries.

As a global pioneer of inclusive finance, DID is now recognized as a worldwide leader in the field.

Contribution to the development of financial cooperatives in emerging countries	2015	2014	2013
Number of members or clients from DID partner institutions	N/A	10,510,885	9,231,872
Savings volume at these institutions	N/A	\$5.210 million	\$4.062 million
Outstanding credit volume	N/A	\$5.294 million	\$4.159 million

Note : Moving forward, data will be compiled as at December 31 as opposed to June 30. This data includes institutions with which DID conducted financing or investment activities via its investment subsidiary, as well as institutions that received technical support. Data for 2015 will not be collected and compiled until June 30, 2016, which, for many of the financial institutions involved, is the regulatory deadline to file their audited results.

PROVIDING SECURE FINANCIAL SERVICES TO PEOPLE IN NEED

The inclusive finance institutions that DID works with have a total of 3,545 points of service, many of them located in rural or marginalized areas. Thanks to this network, some 19 million families and business owners have had access to secure and diversified financial services.

DID's ultimate goal is to make quality financial services available to everyone. 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 caisse representatives can travel to remote markets or villages to meet with people who are unable to get to a caisse

PROMOTING GENDER EQUALITY

When working with financial institutions, DID also recognizes the importance of its role in getting women involved in their finances. In many countries where women are considered guardians of tradition, giving them access to a bank account has a positive effect on their family and children, especially in terms of financial education. Experience has also shown that, in the vast majority of cases, women have a very high repayment rate on the loans they take out. Women make up nearly 40% of the clientele of DID's partner institutions.

PROTECTING THE ENVIRONMENT

The environment is always a priority for DID, no matter what part of the world it's working in. Some of the actions it takes:

- Educating partner financial institutions about the environmental risks associated with their clients' activities and the potential consequences on the community
- Supporting partner financial institutions that want to adopt policies and mechanisms to manage environmental issues
- Improving the capacity of its partner institutions to detect, mitigate and assess environmental risks associated with their clients' activities

PROVIDING CONCRETE SUPPORT TO BUSINESS OWNERS

In June 2015, DID opened an entrepreneur financial centre in Tunis, Tunisia. The centre caters to micro and small business owners, offering them a diversified range of accessible financial products and services. Additional centres will be opened in the coastal and interior regions of the country, focusing on areas with high concentrations of micro and small businesses. The Tunis opening marks the fifth entrepreneur financial centre managed by DID, with others in Africa (Uganda, Tanzania, Zambia) and Latin America (Panama).

At the centre in Tanzania, borrowers can repay their loans using their cellphones. This has proved to be a very popular service in a country where poor road conditions and traffic problems make it difficult to get around. In fact, it's so popular with clients that 64% of the centre's transactions are now done by cellphone!

In Haiti, DID has launched its biggest support program to date. The goal of the National Support Program for Organizing Haitian Entrepreneurship is to improve access to both financial and non-financial services to micro, small and mid-sized businesses across Haiti.

RURAL AND AGRICULTURAL DEVELOPMENT IN HAITI

SUPPORTING SMALL BUSINESS AND AGRICULTURAL DEVELOPMENT IN HAITI

DID has been working in Haiti since 1987 and continues to manage a number of programs across the country. The Agricultural Financing and Insurance Systems in Haiti project, which DID runs in collaboration with a number of partners, aims to provide structure for the financial services system used by the country's farmers. The ultimate goal is to:

- Kick start the economy in rural and farming areas
- Create jobs
- Improve long-term food security

FACILITATING FARMING INNOVATIONS IN BURKINA FASO

DID is working on a project in Burkina Faso to support farmers by speeding up the pace of innovation and improving food security and quality of life. The project is led by DID in collaboration with Burkina Faso's institute of the environment and agricultural research and its network of caisses populaires.

WORKING MORE EFFECTIVELY IN AFRICA

DID is a proud supporter of the UN's International Fund of Agricultural Development, helping to improve the sustainability, effectiveness and impact of its rural finance initiatives in West and Central Africa.

4.0 CO-OPS

THE ADVANTAGE OF COOPERATION

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4.0 CO-OPS

THE ADVANTAGE OF COOPERATION

4.1 CONCRETE ADVANTAGES FOR COOPERATIVES

DESJARDINS'S MISSION, VISION AND VALUES

OUR MISSION

To improve the economic and social well-being of people and communities:

- By continually developing an integrated cooperative network of secure and profitable financial services, owned and administered by our members, as well as a network of complementary financial organizations with competitive returns, controlled by our members
- By educating people, particularly members, officers and employees, about democracy, economics, solidarity, and individual and collective responsibility

OUR VISION AND VALUES

Desjardins is the leading financial cooperative group in Canada, inspiring confidence around the world through the commitment of our people, our financial strength and our contribution to sustainable prosperity.

- Money at the service of human development
- Personal commitment
- Democratic action
- Integrity and rigour in the cooperative enterprise
- Solidarity with the community
- Intercooperation

COOPERATIVE DEVELOPMENT

At Desjardins, we firmly believe in the importance of cooperatives and mutuals. We actively contribute to their growth in our daily operations and through our community development initiatives.

COLLABRIA : AN EXAMPLE OF INTERCOOPERATION IN ACTION



Collabria offers Canadian financial cooperatives a comprehensive line of credit card and payment solution products and services. Collabria also gives cooperatives:

- The power to influence decisions that will improve their members' experience
- Access to the management information they need
- A reliable IT platform
- A share of the revenues

This Calgary-based company was created by Desjardins and other financial cooperatives. This initiative allows Desjardins to:

- Pursue development across Canada
- Better meet the needs of credit unions and reduce their investment

This partnership also lets us ensure profitable credit union operations are kept within the cooperative sector.

SERVICES FOR COOPERATIVES

As a cooperative institution, we intimately understand the challenges facing other cooperatives and mutuals.

We've designed integrated business solutions to help some 3,000 cooperatives and mutuals grow and thrive with:

- A dedicated team specialized in cooperatives and mutuals
- Support from key partners, including Capital régional et coopératif Desjardins.

SUPPORTING THE COOPERATIVE MOVEMENT

We share our expertise in cooperation and financially support a number of national and international sector-based groups that:

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

We support these organizations through significant investments in technology and human resources. We also share our expertise with hundreds of visitors from around the globe 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 committee)	Financial contribution		
			2015	2014	2013
International Co-operative Alliance (ICA)		x	\$100,000	\$49,700	\$125,703
Conseil québécois de la coopération et de la mutualité (CQCM)	x	x	\$894,000	\$886,696	\$883,600
Conseil de la Coopération de l'Ontario (CCO)	x	x	\$74,000	\$60,000	\$48,722
Co-operatives and Mutuals Canada (CMC)	x	x	\$277,000	\$886,696	\$883,600
International Confederation of Popular Banks	x	x	\$146,000	\$108,000	\$134,000
Filene Research Institute	x		\$50,000	\$60,000	\$52,339
Crédit industriel et commercial du Crédit Mutuel		x			
Fondation pour l'éducation à la coopération et la mutualité		x			
European Association of Co-operative Banks	x	x	\$54,000	\$40,378	\$47,766
International Cooperative and Mutual Insurance Federation (ICMIF)	x	x	\$114,000	\$147,550	\$147,550
International Summit of Cooperatives		x	\$555,000	\$2,100,000	\$1,300,000
International Raiffeisen Union (IRU)	x		\$10,000	N/A	N/A
Cooperative leaders on B20 committees		x			

¹ Amounts shown do not include financial contributions from caisses to these cooperatives or to other local and regional cooperatives.

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

Desjardins Group also contributes financially to the partnership agreement for the development of cooperatives that was signed between the Quebec government's Ministère de l'Économie, de la Science et de l'Innovation and the Conseil québécois de la coopération et de la mutualité. The program has proven so successful that we renewed our partnership for 2018.

*Monique Leroux elected ICA President

Monique Leroux was elected President of the International Co-operative Alliance (ICA) at the ICA's November 2015 General Assembly, held in Antalya, Turkey.

Ms. Leroux was jointly nominated by Co-operatives and Mutuals Canada and the Conseil québécois de la coopération et de la mutualité. As President, she will continue to use this high-profile platform to draw attention to some of the major issues facing the cooperative model, particularly with respect to regulation, capitalization and education.

Ms. Leroux is also head of the ICA Intervention Fund in Africa and Chair of the ICA International Accounting and Regulatory Affairs Committee.

Ms. Leroux also chairs the High Level Contact Group of the European Association of Co-operative Banks. This committee is made up of eight CEOs from cooperative financial institutions and promotes the values of the cooperative business model in European and international institutions.

THIRD INTERNATIONAL SUMMIT OF COOPERATIVES

The third International Summit of Cooperatives will be held in Quebec City from October 11 to 13, 2016. This year's theme is "Cooperatives: The Power to Act." The Summit will bring together leaders from cooperatives and mutuals around the world to showcase the power of their actions.

The purpose of the Summit is to support business growth and development by focusing on building partnerships and finding ways to overcome the challenges we face.

The 2016 Summit will explore four themes:

- Acknowledging global socioeconomic and geopolitical trends and challenges
- Increasing our capacity to act – cross-sector business opportunities and challenges
- Expanding our economic power – sectoral challenges
- Cooperatives in action to address global issues



Learn more : <https://www.sommetinter.coop/en>

LOCAL COMMUNITIES

DISCLOSURES ON MANAGEMENT APPROACH

The strength of a caisse is directly related to the strength of its community. The caisse contributes to local vitality by:

- Financing projects for individuals or group entrepreneurs
- Making donations and providing sponsorships
- Promoting inclusion and financial education
- Engaging in conversations on local issues
- Providing a presence in areas where population density is low

The community, in turn, contributes to the caisse's health and profitability when members regularly use its products and services.

Our 4,843 elected officers sit on different democratic governance bodies in the caisse network. Through their dedication and training in business governance, they contribute to furthering the socioeconomic development of their regions. The Young Intern Officer Program helps prepare young people for leadership roles and improves youth representation on caisse governing bodies.

Our insurance companies also do their part for community development by addressing industry-specific issues, including issues related to safety and education.

We evaluate our community engagement strategies and adjust them according to:

- Changes from year to year in the number of entrepreneurs we support and the number of individuals who have completed projects or received training
- Investments in cooperative organizations and group projects
- Participation levels and the number of individuals affected by these projects
- Comments from our community partners

Data on these standards is disclosed under indicators :

SO1

SO4

FS13

FS14

FS16

Internal and external media and communications services for the caisse network and Desjardins Group components showcase the impact of these accomplishments.

ACCESS POINTS IN LOW-POPULATED OR ECONOMICALLY DISADVANTAGED AREAS

FS13

Desjardins points of service (caisses and service centres) totalled 1,122 in 2015, 353 of which were located in sparsely populated regions with fewer than 2,000 residents. These locations make up 31% of all Desjardins points of service. As a comparison, the big banks operated a dozen branches in these areas.

As for automated services, 216 Desjardins ATMs are located in these regions—that represents 10% of all Desjardins ATMs—while banks have fewer than 10 ATMs in these same areas.

Our property and casualty insurance products are even more accessible; clients can get a quote online or over the phone no matter their location.

LOCAL COMMUNITY ENGAGEMENT AND DEVELOPMENT PROGRAMS

SO1

We're committed to remaining the most available financial institution. That's why we present any potential changes to our distribution network to our local communities first to get their feedback. We must consider new business realities and adapt to our members' changing habits in terms of financial services, while ensuring our institution remains easily accessible to all our members.

We work in partnership with local communities to identify solutions that meet local and regional needs, such as:

Affordable solutions to maintain our presence in sparsely populated areas <https://www.desjardins.com/ca/co-opme/desjardins-difference/being-member-contributing-endeavours/>

- Sharing of facilities, buildings and employees
- Mobile advisory services and virtual advisors
- Agreements with merchants to allow members to make withdrawals with or without purchase
- Installation of work spaces with high-speed Internet in libraries or municipal offices

SOLUTIONS TO ENSURE WE REMAIN IN CLOSE CONTACT WITH OUR MEMBERS

- Support for public transportation in rural areas, on-demand transportation service, reimbursement of taxi or bus fares
- ATM or AccèsD training
- Sending an employee on set days to communities with a reduced mobility population (basic transactions)



Learn more : view section 5

4.2 OUR GOVERNANCE STRUCTURE

MEMBER OF DEMOCRATIC ORGANIZATION

G4-34 à G4-55

Desjardins Group is a democratic organization run by our members under the "one member, one vote" principle at the caisse level and under proportional representation on Federation governing bodies.

We're increasing our efforts to improve member attendance at the caisse annual general meetings. We're working to equip caisses with new technological tools to generate greater member participation in caisse governance and associative affairs. One example is the participation and liaison tool, which is used to get member feedback on different topics and invite members to attend their caisse's annual general meeting remotely.

This tool also helped identify our members as key stakeholders in consultations on important issues regarding social and cooperative responsibility under the Global Reporting Initiative. Some 4,500 members took part in these consultations.



Learn more about governance structure and the cooperative model : <https://www.desjardins.com/ca/about-us/desjardins/governance-democracy/how-cooperatives-work/>

YOUNG OFFICERS

The Young Intern Officer Program provides an opportunity for young people between 18 and 30 to:

- Represent members from their community
- Contribute to caisse performance by serving on the board of directors, board of supervision (Quebec) or audit committee (Ontario)
- Take part in the democratic processes of the largest cooperative financial group in Canada

As at December 31, 2015, there were 173 young intern officers at the 335 caisses in Quebec and Ontario.



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

2nd CONGRESS: ADAPTING AND PERFORMING TO BENEFIT OUR MEMBERS AND CLIENTS

The 22nd Desjardins Group Congress was held in September. The theme was “Adapting and performing to benefit our members and clients,” and more than 1,400 caisse participants from Quebec and Ontario were on hand to discuss current and future issues facing Desjardins and the financial sector. Some of the topics addressed included:

- New technologies and the development opportunities they represent
- Desjardins's ability to offer its members and clients the high-quality service they expect in a highly competitive market where financial performance and productivity remain key issues
- The need for continued growth to benefit members and clients while maintaining strong capital levels and contributing more surplus earnings into the reserve



CONTRIBUTING TO DESJARDINS'S STABILITY THROUGH CAPITAL SHARES

In 2015, our members acquired more than \$1.1 billion in Federation capital shares—that's over \$3.5 billion since their inception. These shares contribute to Desjardins Group's financial stability.

In line with the values supported by the ICA and Alphonse Desjardins himself, who insisted on 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:

Desjardins Group (in millions of dollars and as a percentage)	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
Total income	15,286	15,235	11,734
Equity	21,725	18,893	17,232
Tier 1A capital ratio	16.0%	15.7%	15.7%
Total capital ratio	17.2%	17.9%	18.4%
Breakdown of membership shares			
• Caisse-issued permanent shares	1,440	2,069	2,184
• Caisse-issued qualifying shares	36	36	36
• Caisse-issued surplus shares	145	188	163
• Federation-issued capital shares	3,537	2,484	1,498
	5,158	4,777	3,881

4.3 2015 AWARDS AND RECOGNITION

RANKED SEVENTH IN CANADA'S 50 BEST CORPORATE CITIZENS



BEST 50
CORPORATE CITIZENS

Desjardins ranked seventh in *Corporate Knights'* Best 50 Corporate Citizens in Canada. Desjardins is Quebec's leading company in terms of social and environmental responsibility and one of the best in Canada.

Our transparent and thorough non-financial disclosures positioned us well in the 12 indicators used to measure corporate social, environmental and governance practices.

In addition to our strong ranking with *Corporate Knights*, *Maclean's* magazine ranked Desjardins the third most socially responsible financial group in Canada.

ONE OF THE FIVE MOST RESPONSIBLE ORGANIZATIONS ACCORDING TO QUEBECERS

Baromètre 2015, a study conducted by the Observatoire de la consommation responsable (a responsible consumption research organization) run by the School of Management at Université du Québec à Montréal, revealed that Quebecers consider Desjardins to be one of the most responsible organizations in the world.



TOP MARKS IN WORLD'S STRONGEST BANKS RANKING

In the 2015 list of the World's Strongest Banks, Bloomberg ranked Desjardins fifth in the world—down from second in 2014—and first in North America for the second year in a row.

The rankings are determined based on five weighted ratios, which include Tier 1 capital and the quality of the loan portfolio.

The results, which were published in various media outlets including the Quebec newspaper *Les Affaires*, highlight our continued commitment to sound and prudent management.

COOPERATIVE OF THE YEAR

Co-operatives and Mutuels Canada named Desjardins Group **Co-operative of the Year**. This award recognizes cooperatives and mutuels for their contributions to the cooperative movement in Canada and abroad.

We were chosen for our contribution in founding the International Summit of Cooperatives. The Summit is an important platform for Canadian cooperatives and mutuels, and a major event for the industry worldwide.

AN EMPLOYER RECOGNIZED ACROSS CANADA



BEST EMPLOYER

GOLD | CANADA | 2016

Desjardins was ranked one of **Canada's 50 Best Employers** by Aon Hewitt based on the results of an employee survey. This ranking showcases organizations that create and foster outstanding work environments.

Mediacorp ranked Desjardins one of:

- Canada's Top 100 Employers for the fifth consecutive year, for our innovative HR practices and programs
- Canada's Greenest Employers, for our earth-friendly initiatives and environmental values
- Canada's Top Family-Friendly Employers, for our exceptional work-life balance practices
- Canada's Top 100 Employers for Young People for the fourth consecutive year, for our ability to attract, develop and retain young workers
- Montreal's Top 100 Employers for our exceptional work environment

THE DESJARDINS BRAND MAKES ITS MARK

Brand Finance, the world's leading independent brand valuation consultancy, ranked the Desjardins brand 22nd in its 2015 list of Canada's 100 most valuable brands. Our brand value rose 2.4% in this period to \$2.3 billion.

The Desjardins brand broke into the top five of the **Ipsos-Infopresse** index, up three spots from eighth place in 2014. In 2015, we were the only Canadian financial institution in the top 10.



In 2015, Strategy magazine ranked the Desjardins brand one of the top 5 Brands of the Year. We were recognized for our:

- Creative advertising campaigns
- Initiatives outside Quebec
- Innovative projects (Ajusto, Zag Bank, 360^d service centres)
- Social media strategies
- Strong financial results

The Desjardins brand was voted one of the Most Trusted Brands by Canadians in a survey conducted by **Reader's Digest**.

A FIRST WORLDWIDE: COPC-CERTIFIED FOR 12 YEARS



For 12 years straight, AccèsD client care centres for both our individual and business sectors have received Customer Operations Performance Centre (COPC) certification—one of the most rigorous in the industry. No other organization has received COPC certification consistently over such a long period of time.

In 2015, our AccèsD advisors answered more than 8.7 million calls from individual and business members. What's more, our website, mobile services, AccèsD and AccèsD Affaires boast close to 3 million users.

OCTAS AWARD FROM RÉSEAU ACTION TI



At its 2015 awards ceremony, Réseau Action TI presented an Octas award to Desjardins in the Innovation – Large Business category for Hop 'n S@ve. This instant savings tool was selected for both its innovative and playful aspects, which encourage impulse savings among our members.



IFCA RECOGNITION FOR CREATIVITY AND EXCELLENCE IN COMMUNICATIONS AND MARKETING

Desjardins received 19 awards, 7 of which were Best of Show, at the 2014-2015 Insurance & Financial Communicators Association (IFCA) Annual Awards Competition. The competition recognizes excellence in Canada and the U.S. for advertising, public relations, corporate communications and sales promotion in the insurance and financial services industry.

TOP MARKS FOR OUR FINANCIAL STATEMENTS

Once again, Desjardins received the Seal for Communications Excellence and the highest point score in Dalbar's 2015 Trends and Best Practices in Investor Statements report for our group retirement savings financial statements.

LEADER IN CUSTOMER SATISFACTION

The monthly magazine *Finance et investissement* ranked Desjardins Securities the top Quebec-based broker in terms of investment advisor satisfaction. In a customer satisfaction study conducted by J.D. Power, Desjardins ranked:

- First in Quebec and Ontario for auto insurance
- First in Quebec for home insurance
- Second in Ontario and Atlantic Canada for home insurance

For the sixth year in a row, Desjardins Card and Payment Services stood out on the international scene by winning two Visa Service Quality Performance Awards. Visa recognized our superior performance and continuous service quality improvement in key areas affecting Visa cardholders and merchants.

INTERNATIONAL RECOGNITION FOR THE BANKING SERVICES TEAM



Desjardins's payment and treasury management system earned second place in the Product and Service Innovation category at the prestigious 2015 BAI-Infosys Finacle Global Banking Innovation Awards. It was selected by a jury of leading specialists from every continent for its innovative approach in giving businesses access to all of their accounts regardless of the bank, the country or the currency.

ACCÈSD: PROJECT OF THE YEAR AWARD



Desjardins earned the 2015 Project of the Year Award in the Technology Systems and IT category at the PMI-Montréal élixir Gala for the complete overhaul of the AccèsD and AccèsD Affaires sites.



The jury chose the AccèsD project for its:

- Results, originality and exemplary management practices
- Restricted budget and tight deadlines
- Scope, considering our 3 million AccèsD users

THIRD PLACE INNOVATION AWARD FOR DESJARDINS 360^d



Desjardins garnered international attention at the Distribution & Marketing Innovation Awards, presented by the European Financial Management and Marketing Association and Accenture. We placed third in the Physical Distribution category for our cutting-edge Desjardins 360^d service centres, making us the only North American financial institution with a top three finish in any category.



TWO BOOMERANG PRIZES



We earned an award in the interactive retail environment category at the 21st Boomerang awards for our innovative 360^d and Marché Central service centres in Montreal. This award ceremony, organized by les Éditions Infopresse, rewards excellence in interactive communications and cutting-edge technologies and recognizes the best digital initiatives of the year.

Desjardins also received an award in the promotional websites and applications category for the Big Days website. The site is based around member testimonials on life events that tie into wealth management.

RECOGNITION FOR DESJARDINS'S SENIOR MANAGEMENT TEAM

Desjardins executives and employees have received recognition from the following organizations:

- Saint Mary's University
- Institute of Corporate Directors
- 2016 Delta Management Clean50
- Quebec order of chartered accountants
- *Finance et Investissement* magazine
- National Statistics Council of Canada

4.4 2015 AGREEMENTS AND PARTNERSHIPS

BEST BUY PRIVATE-LABEL CARD AGREEMENT

Desjardins and Best Buy, one of Canada's leading retailers, entered into a private-label card agreement, to offer clients effective payment solutions from Desjardins and unique in-store financing with Accord D.

DESJARDINS PRIVATE MANAGEMENT'S NEW PARTNERSHIPS

Desjardins Private Management partnered with the following organizations in 2015:

- Banque Transatlantique to strengthen our current service offer and pave the way to new business development opportunities thanks to the private bank's strong and well-established brand among high net worth clients
- Paul Maxence to provide high net worth clients with secure, discreet and efficient concierge services tailored to our clients' lifestyles and today's fast-paced world

4.5 PRESERVING AND CELEBRATING AND HISTORY

SOCIÉTÉ HISTORIQUE ALPHONSE-DESJARDINS (SHAD)

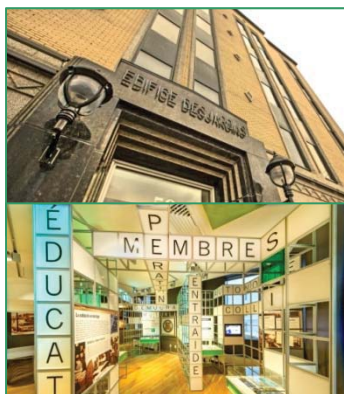


Photo credit
Claude Côté, Desjardins Group

The history of Desjardins Group's founders continues to attract attention from both tourists and cooperatives from around the world, schools and our own officers, managers and employees.

In 2015, the Maison Alphonse-Desjardins museum welcomed 8% more visitors than in 2014. The Société historique Alphonse-Desjardins introduced two new exhibits at the Desjardins building located at 59 avenue Bégin in Lévis, QC, which attracted nearly 2,700 visitors. These latest additions tell the story of the cooperative movement from its beginnings all the way up to today.

The Maison Alphonse-Desjardins posts blurbs and illustrations on a weekly basis on their Facebook page to highlight Desjardins's history and promote the museum's collection and activities. As a result, its Facebook followers increased by 165% over the year—some posts recorded close to 27,000 views!



Learn more : www.desjardins.com/alphonsedesjardinshouse

FOSTERING ARTISTIC CREATION

Desjardins is committed to supporting the arts and artists and has amassed a sizeable art collection. Nearly 2,500 items are displayed in our offices in Lévis, Montreal, Ottawa, Quebec City and Toronto to inspire employees and increase their exposure to art.

Thanks to its annual art acquisition program, Desjardins fosters artistic creation by purchasing works from Quebec and Canadian artists, particularly young up-and-comers. To generate more attention, Desjardins hosts temporary exhibits and loans out some of the pieces to museums. From February 2015 to January 2016, 12 paintings, prints and sculptures from the Desjardins Collection were on display for the Snow exhibition at Pointe-à-Callière, the Montreal Museum of Archaeology and History.



The Collection Desjardins lent 12 winter-themed art pieces to Pointe-à-Callière, Montréal Museum of Archaeology and History for the *Snow* exhibition presented from February 18, 2015 to January 3, 2016.

Photo credit : NH Photographes, Pointe-à-Callière

4.6 A CAREER AT DESJARDINS

CHOOSING DESJARDINS

We offer our employees a number of advantages:

- Job opportunities in 20 different fields across Canada and even abroad
- Great benefits and competitive pay
- A flexible work environment that promotes work-life balance
- The chance to contribute to an organization committed to sustainable development
- Learning opportunities through training programs and skills development activities

Desjardins is always on the lookout for passionate people whose values are in line with our own and who enjoy new challenges and teamwork. We're an employer of choice; the numbers speak for themselves:

- In 2015, we offered more than 2,900 people their very first job.
- We filled 70% of job postings with internal candidates, which demonstrates the many career possibilities at Desjardins.

A CAREER ZONE DESIGNED TO ATTRACT TALENT

The Career Zone is the HR meeting place at Complexe Desjardins in Montreal. It's where we carry out most of our HR initiatives to enhance our selection process. In 2015, we held close to 5,500 job interviews and 1,711 tests in the Career Zone meeting rooms. HR met with a total of 803 internal and external candidates at the Career Zone to discuss career opportunities at Desjardins.

The Career Zone offers visitors an interactive experience that incorporates our goal to "be the benchmark in terms of talent acquisition and talent management to contribute to Desjardins Group's focus on performance."

EMPLOYEE WELL-BEING

Every year, Desjardins makes a significant investment in employee health and well-being. In 2015, approximately \$7 million was spent on illness prevention and health promotion programs and initiatives.

Here are just a few examples to illustrate our commitment to employee well-being:

- Personalized support program for employees on disability leave made possible by the Fédération des caisses Desjardins du Québec, Desjardins Insurance and different rehabilitation centres
- Health is Cool 360° website to provide employees and retirees with answers to all their health-related questions and information on how to prevent and deal with illness

We also organize many activities to encourage a healthy lifestyle. For example, in 2015:

- 3,409 people (employees, officers and their family members) took up the 5/30 Health and Wellness Challenge
- 17% of employees signed up for the seasonal flu shot campaign
- 36% of employees received a reimbursement for fitness expenses
- 24% of managers had complete medical check-ups at specialized clinics

EMPLOYEE RECOGNITION PROGRAM

The Desjardins Recognition Program recognizes and celebrates outstanding achievements by teams across Desjardins that help bring us closer to our objectives.

Every year, as part of the program, we hold a call for nominations to honour employees at a recognition event during the Desjardins Group Annual General Meeting.

We hand out a total of 12 team awards in the following five categories:

- Service
- Growth
- Efficiency and productivity
- Innovative community engagement and sustainable development
- Intercooperation

EMPLOYER–EMPLOYEE RELATIONS

DISCLOSURES ON MANAGEMENT APPROACH

Desjardins Group faces workforce recruiting and retention challenges due primarily to the high numbers of baby boomers who will be retiring in the coming years. That's why developing and maintaining good employer–employee relations is more important than ever. What's more, with employee productivity tied directly to the quality of these relationships, maintaining a congenial work climate is in our socioeconomic interest.

Regular meetings are held throughout the year between employees and their supervisors to set objectives and track progress to help employees succeed professionally. The meetings are also an opportunity to explore issues and priorities in the employee's work sector and discuss personal development requirements.

Every year, our employees answer an engagement survey, conducted by an external firm, to help us identify areas where we can improve our processes. In 2015, the participation rate was 86% and, for the first time ever, included caisse network employees. Findings are presented to senior management and the Board of Directors so that they can set priorities based on employee feedback.

In case of conflicts or complaints, the Workplace Relations Administrative Department has processes in place to deal with them in accordance with labour laws.

As part of a program to improve the employee experience, Desjardins introduced two new ways to get employees' opinions:

- Annual engagement survey
- Feedback loops for significant moments for employees

The results and comments helped us improve our tools, practices and processes to give our employees a unique experience.

EMPLOYEE TURNOVER

LA1

External recruitment –Permanent employees ^[2]	2015	2015 (%)	2014	2014 (%)	2013 (%)
By age group					
• Under 30	935	38.3%	1,033	38.3%	35.4%
• Between 30 and 44	1,032	42.2%	1,133	42.0%	44.2%
• Between 45 and 54	370	15.1%	419	15.6%	16.7%
• 55 and older	107	4.4%	110	4.1%	3.8%
By gender					
• Men	1,228	50.2%	1,221	45.3%	49.9%
• Women	1,216	49.8%	1,474	54.7%	50.1%
By province					
• Quebec	2,051	83.9%	2,389	88.6%	84.0%
• Ontario	312	12.8%	250	9.3%	11.5%
• Other provinces	81	3.3%	56	2.1%	4.5%
• Outside Canada	0	0.0%	0	0.0%	0.0%
Indicators for permanent employee departures					
Resignation rate		5.1%		5.1%	4.7%
Retirement rate		2.5%		3.0%	3.1%
Involuntary departure rate		2.1%		1.3%	1.4%
Turnover rate		9.7%		9.4%	9.2%

Breakdown of permanent employee departures (turnover) ^[2]	2015	2015 (%)	2014	2014 (%)
By age group				
• Under 30	681	18.7%	557	17.1%
• Between 30 and 44	1,070	29.5%	912	28.1%
• Between 45 and 54	546	15.0%	473	14.6%
• 55 and older	1,335	36.7%	1,307	40.2%
By gender				
• Men	1,139	31.4%	953	29.3%
• Women	2,493	68.6%	2,296	70.7%
By province				
• Quebec	3,184	87.7%	2,999	92.3%
• Ontario	364	10.0%	209	6.4%
• Other provinces	84	2.3%	41	1.3%

EMPLOYEE BENEFITS

LA2

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
- Drug, dental and vision care coverage
- Competitive benefits in the event of life changes, such as the birth or adoption of a child
- Wellness initiatives, including:
 - Partial fitness reimbursement
 - Flu shots
 - A personalized health platform offering online and telephone services to address employees' 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 Desjardins employees achieve work-life balance, including:

- Flexible work schedules (compressed work week, telework, etc.)
- Various forms of leave, such as staggered compensation for an extended absence

Our main locations

- Anjou
- Aurora
- Downtown Montreal
- Lévis
- Quebec City
- Gaspé
- High River
- Trois-Rivières
- Mississauga
- Toronto
- Ottawa-Gatineau
- Calgary
- Winnipeg
- Vancouver

The caisse network covers a wide geographical area, and the number of employees varies depending on customer volume at access points.

G4-6

OCCUPATIONAL HEALTH AND SAFETY

DISCLOSURES ON MANAGEMENT APPROACH

Health and safety in the workplace are fundamental to retaining employees and managing performance. Group health insurance and disability plans for employees are offered through a Desjardins Group subsidiary, and preventive health and safety measures help us keep costs down.

We're committed to offering a safe work environment. To do so, we developed and enforce mandatory safety measures, in addition to those mandated by current laws and regulations in Canada.

The group insurance plan is a key part of our compensation package and a competitive and attractive feature for employees and their families. It offers plan members a solid base of short- and long-term financial security that grows and evolves with their needs. It also includes access to our Health is Cool 360° website, which offers:

- Awareness and training tools
- Prevention advice
- Risk-control measures
- Treatment (e.g., flu shot clinics)

We also encourage employees to make exercise a habit by offering:

- Fitness centres at our two main work locations
- Financial support for those who sign up for physical or sports activities

Several years ago, we introduced the Fast Track Prevention program across the caisse network. The program helps employees respond to emergency situations, such as attacks, assaults and theft. Each caisse sends an appointed Fast Track Prevention Officer for training, in order to help employees prepare for and handle these types of situations.

Our Real Estate Security Department is tasked with protecting employees and keeping the workplace safe, and with coordinating responses during emergency situations according to an emergency action plan.

Most Desjardins buildings are equipped with security systems such as cameras and alarm systems. Card-based systems and optical turnstiles control access to the offices that house our business sectors and support functions (Complexe Desjardins in Montreal, Cité Desjardins de la coopération in Lévis, etc.). Trained security personnel are also posted at entrances to these buildings.

The Real Estate Security Department holds periodic evacuation drills to ensure that there are no hitches in security mechanisms and procedures. Descriptions of emergency measures and how to react in emergency situations can also be found on our internal portals.

ASSESSING OUR HEALTH AND SAFETY PROGRAMS

We closely monitor short- and long-term absenteeism rates and the number of employees who sign up for our health initiatives, such as the flu shot campaign and fitness reimbursement. This gives us an accurate picture of how effective our existing health and safety measures are.

HEALTH PROMOTION

LA6

Our goal is to stand out as a leader in workplace health and safety. We have adopted a preventive and proactive approach that reflects:

- Our business needs
- Our employees' need

By promoting healthy lifestyles, we help reduce strain on the healthcare system, which, by extension, benefits all of society.

Our health philosophy and practices have a direct impact on the following indicators:

Occupation health and safety	2015	2014	2013
Claim incidence rate – short-term disability	10.1%	10.0%	10.2%
Average duration – disability leave over 10 days (in days)	79,2	78,2	77,4
Deaths attributable to workplace accidents or work-related illnesses	0	0	0

The two charts below provide details about the types and rates of accidents, occupational diseases and absenteeism, as well as the proportion of lost work days.

Occupational health and safety

Type of injury	2015	2014
Lower limbs	37%	31%
Cervical/back/lumbar area	18%	34%
Upper limbs	22%	16%
Psychological	10%	9%
Other	10%	10%
Where the accident occurred		
Office	46%	59%
Parking facility	21%	21%
Outside the office	15%	12%
Traffic area (corridor, elevator)	17%	6%
Roadway	0%	2%

Occupational health and safety

Average duration of absence in days (according to provincial workplace safety authorities) ¹	5.5	15
Temporary assignment (success rate)	80%	75%
Number of days spent on temporary assignment	1,340	1,069

¹ Drop due to the fact that no serious incidents occurred in 2015.

² Increase due to the rise in temporary assignments to keep pregnant employees on the job.

TRAINING AND EDUCATION

DISCLOSURES ON MANAGEMENT APPROACH

We encourage professional development among our elected officers, managers and employees to improve their ability to do their jobs and make the best decisions for Desjardins and our members and clients. We fully comply with the Quebec *Act to promote workforce skills development and recognition*, which requires companies to invest at least 1% of their payroll in employee training every year.

For many years, Desjardins has invested more than 2.5% of its payroll in staff training and development. The sustained interest that our employees show clearly demonstrates the value of these measures.

Our corporate university, Desjardins Cooperative Institute (DCI), provides an environment for continuing education focused on Desjardins's needs and priorities.

AVERAGE HOURS OF TRAINING

LA9

In 2015, we invested nearly \$80 million—or 2.7% of our total payroll—in 1,157,400 hours of employee training and development activities, in large part through DCI.

PROGRAM FOR SKILLS MANAGEMENT

LA10

DESJARDINS COOPERATIVE INSTITUTE (DCI)

DCI is our training and development hub. It's the very nerve centre for knowledge transfer on cooperation, making DCI a promoter of Desjardins's vision, values, priorities and strategies.

DCI provides our officers, managers and employees with ongoing training featuring:

- Flexible training options
- Job training programs
- Language training
- Interactive training activities
- Collaborative tools
- An integrated, computerized personal development management system

In addition to training, DCI offers coaching and mentorship opportunities aimed at furthering group competencies across all levels of management, to support succession development and enhance the skills of our leaders.

DCI now offers a full range of training programs for jobs in the caisse network and business centres in Quebec and Ontario. By providing new hires with structured, standardized training, DCI helps develop overarching skills and expertise that support the Desjardins Promise and maintain employability.

DCI is always on the lookout for industry best practices in training and strives to optimize its programs by sharing expertise with those responsible for training courses in our business sectors. It also hosts business sector training programs on its new learning platform, MD² (My Development at Desjardins), which is available to more than 50,000 officers, managers, employees, affiliated federations and business partners.

THE DESJARDINS–CRÉDIT MUTUEL INTERCOOPERATIVE EDUCATION MISSION

DCI partnered with Cr dit Mutuel to carry out a cooperative educational mission in 2014. Caisse and Federation leaders and their counterparts at Cr dit Mutuel discussed best performance practices in terms of our service, growth and efficiency objectives. In 2015, they shared the knowledge they acquired with their peers.

DCI undertook another training and skills development mission in 2015 to share information on industry best practices. The mission also gave Cr dit Mutuel the opportunity to learn from DCI's expertise and experience in virtual education acquired over the past three years. The idea of this mission was first introduced during DCI teleconference meetings with Cr dit Mutuel - C C Group's Conference and Training Centre. They touched upon a number of subjects and introduced several initiatives to offer virtual courses and education platforms to create a collaborative learning experience.

OTHER CAREER RESOURCES

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

- Career analysis to help employees evaluate their current professional standing and how to put their talents to good use, regardless of where they are in their careers
- Effective res m  writing (one-on-one or in groups)
- Job interview coaching to help employees showcase their strengths (one-on-one or in groups)

CONTINUING EDUCATION

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

- Flexible work schedules
- Paid training time (100% if in line with current job; 50% if developing skills for potential succession candidates)
- Reimbursement of tuition fees and required textbooks and materials (conditional upon successful completion of the course)
- Monetary recognition for additional education
- Unpaid leave (up to 12 months) during which employees can complete their studies

RETIREMENT AND SUCCESSION PLANNING

With the caisses' support, Desjardins offers paid internship programs to college and university graduates. These programs provide participants with the opportunity to acquire skills and knowledge specific to the financial sector. In 2015, Desjardins hired 188 interns, who were able to further their training through experience and help our teams carry out their assignments.

An intensive retirement planning training program is available to members of the Desjardins Group Pension Plan who are 50 or older and their spouses. In 2015, more than 1,120 people attended the training.

MD²: TRAINING FOR OFFICERS, MANAGERS AND EMPLOYEES

MD² is a training platform created by DCI that offers training to more than 50,000 officers, managers, employees, affiliated federations and business partners.



DIVERSITY AND EQUAL OPPORTUNITY

DISCLOSURES ON MANAGEMENT APPROACH

Our HR policies are geared towards promoting a diverse workforce that includes and represents:

- Young people
- Women in leadership positions
- Members of different cultural communities
- Persons with disabilities
- Members of the LGBT community

Our commitment to a diversified workforce is clearly represented in our talent acquisition policies and practices. Activities to recruit individuals in these groups are held throughout the year. We also have partnerships with organizations that support our internal practices to boost diversification:

- Industrial Adjustment Service Committee for disabled individuals
- Board of Trade of Metropolitan Montreal's Interconnection program
- Fondation Émergence
- And more

We also participate in public events to increase our exposure and attract people from all walks of life. Some of these events include:

- Salon de l'immigration et de l'intégration au Québec
- The Allies in the Spotlight photo exhibit at Complexe Desjardins

In 2013, the caisses agreed to adopt a voluntary policy to promote gender parity on caisse governing bodies. Since then, a number of initiatives have been implemented to make sure governing bodies are representative of caisse members:

- Officer succession plan
- Young Intern Officer Program at the caisse level
- Young Intern Officer Program at the regional level

We ask all our employees to answer a diversity survey to ensure different groups are adequately represented in the workplace. This way, we can adapt our approach and measure our progress.

LGBT CLIENTS

We've undertaken many initiatives over the past few years in an effort to reach out to the LGBT community.

Following a suggestion from the Desjardins LGBT Committee, we partnered with Fondation Émergence and the Montreal Museum of Fine Arts to sponsor an art and photo exhibit at Complexe Desjardins in honour of the International Day Against Homophobia and Transphobia. The exhibit met with great success and was a testament to Desjardins's commitment to building a fair, respectful and open-minded society.

COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER CATEGORY

LA12

Breakdown (%)	2015	2014	2013
By gender	W : 40.0% M : 60.0%	W : 39.0% M : 61.0%	W : 37.0% M : 63.0%
By age group	Under 34: 15.4% Between 35 and 49: 20.6% 50 and older: 64.0%	Under 34: 14.8% Between 35 and 49: 20.4% 50 and older: 64.8%	Under 34: 13.9% Between 35 and 49: 19.7% 50 and older : 66.4%

Breakdown by gender (%)	2015	2014	2013
Senior management	W: 25.4% M: 74.6% Total: 100.0%	W: 25.8% M: 74.2% Total: 100.0%	W: 24.9% M: 75.1% Total: 100.0%
Managers	W: 58.5% M: 41.5% Total: 100.0%	W: 59.4% M: 40.6% Total: 100.0%	W: 59.2% M: 40.8% Total : 100.0%
Employees	W: 71.9% M: 28.1% Total: 100.0%	W: 73.3% M: 26.7% Total: 100.0%	W: 74.7% M: 25.3% Total: 100.0%

Breakdown by age (%) ^[2]	2015	2014
Senior management	Under 30: 0.2% Between 30 and 44: 11.4% Between 45 and 54: 50.5% 55 and older: 37.9% Total: 100.0%	Under 30: 0.6% Between 30 and 44: 11.0% Between 45 and 54: 48.0% 55 and older: 40.4% Total: 100.0%
Managers	Under 30: 3.2% Between 30 and 44: 38.9% Between 45 and 54: 42.2% 55 and older: 15.7% Total: 100.0%	Under 30: 3.4% Between 30 and 44: 38.0% Between 45 and 54: 42.8% 55 and older: 15.8% Total: 100.0%
Employees	Under 30: 18.5% Between 30 and 44: 37.8% Between 45 and 54: 27.8% 55 and older: 15.9% Total: 100.0%	Under 30: 18.5% Between 30 and 44: 36.8% Between 45 and 54: 28.7% 55 and older: 16.0% Total: 100.0%

Breakdown among cultural communities (%)	2015	2014	2013
Caisse network			
Senior management	4.0%	3.2%	2.6%
Managers	4.4%	4.0%	4.1%
Employees	6.9%	6.5%	6.2%
Total	6.7%	6.3%	6.0%
Caisse network – Greater Montreal			
Senior management	9.6%	6.9%	5.1%
Managers	8.6%	8.2%	7.9%
Employees	15.2%	14.2%	13.5%
Total	14.6%	13.6%	12.9%

ANTI-CORRUPTION

DISCLOSURES ON MANAGEMENT APPROACH

Desjardins Group has 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, and management mechanisms for examining any situations, activities or events potentially linked to financial crime.

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") constitutes the primary tool in the fight against corruption.

For violations of our regulatory framework, including the Code, we have an external reporting mechanism that can be used anonymously and confidentially. It encompasses 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*.

We also draw on the following two policies in our fight against corruption:

- Policy on Security and Credit Checks for Employment
- Policy Governing the Integrity and Competency of Desjardins Caisse Officers in Quebec

With regard to the caisses' community contributions, officers and employees are reminded of their responsibilities and duties in their training on the Code, including the requirement to act with discretion, diligence, honesty and loyalty at all times. The Code, which is the same for all Desjardins entities, has been updated and is now available online. After undergoing a complete revision, it was adopted in 2013 and now includes an online training component.

The Federation revised the standard governing the Community Development Funds in 2015. It states that the caisse must submit its priorities on the distribution of funds at the annual general meetings as well as the report for the previous year.

We also have a consultation and decision-making process to determine how our contributions are allocated by taking into account input from different units across Desjardins.

Desjardins Group has a specific compliance program for the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. Its objectives include promoting a culture of compliance within the organization and ensuring a shared, cross-sector vision through its regulatory framework and training program.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

SO4

As part of training on the Code, officers and employees are reminded of their responsibilities and duties, and that they must act at all times and in all circumstances with discretion, diligence, honesty and loyalty.

In 2015, 5,603 employees and officers took the Measure Your Professional Conduct Quotient training course.

As of January 2015, Desjardins employee consent statistics for the Code were as follows:

- Federation and business sectors: 94%
- Quebec caisses: 92%
- Ontario caisses: 100%

5.0 ENVIRONMENT

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5.0 MY PLANET

THE ADVANTAGE FOR COMMUNITIES AND THE ENVIRONMENT

5.1 COMMUNITIES AND ENVIRONMENT

DISCLOSURES ON MANAGEMENT APPROACH – INDIRECT ECONOMIC IMPACTS

At Desjardins, we play a direct and indirect role in improving the socioeconomic development of communities across Canada and around the world. We do this through:

- Local economic activities
- Support for business and job development
- Training
- Support for partner organizations and foundational projects
- Développement international Desjardins

LOCAL ECONOMIC ACTIVITIES

Thanks to our vast distribution network and the decentralized nature of our operations, Desjardins is able to contribute to the economic well-being of our communities in a concrete way across all of Quebec's regions. We updated our decentralization policy in 2014 and ensured that it was applied organization-wide in 2015. Our subsidiaries also recognize the importance of keeping quality jobs in different regions across Canada. With the acquisition of State Farm and the addition of its employees, a third of our resources in our subsidiaries are located in Ontario, Alberta and New Brunswick.

SUPPORT FOR BUSINESS AND JOB DEVELOPMENT IN RURAL AND URBAN AREAS

We offer a wide range of products to support business development and keep jobs in urban and rural regions. We do this through:

- The caisses
- Capital régional et coopératif Desjardins (development capital investment fund)
- Fonds d'investissement pour la relève agricole (farm succession investment fund)
- Fonds coopératif d'aide à la relève agricole (farm succession cooperative assistance fund)
- Microcredit programs for business

TRAINING FOR ELECTED OFFICERS

The Desjardins Cooperative Institute provides training to our elected officers to help them become more effectively involved in their communities. First and foremost, they learn how to make informed decisions for the future of their caisse. They also learn management and governance principles that they can apply to both their professional lives and their involvement in their communities. It's our way of fostering community solidarity, through which we hope to build a more democratic and participative society.

SUPPORT FOR PARTNER ORGANIZATIONS AND FOUNDATIONAL PROJECTS

Thanks to our Community Development Funds and various municipal-level partnerships we are able to:

- Support foundational projects
- Help advance the mission of organizations working for a greener economy

The vast majority of Desjardins caisses have a Community Development Fund (CDF), which is set up by a vote of their members at the annual general meeting. The standard that governs CDFs was revised in 2015 to give our members more say; from now on, they will be involved in deciding how the funds are used. Reports on the previous year's activities will continue to be published, and crowdfunding projects are now permitted under the updated standard.

The 335 Desjardins caisses are fixtures in communities throughout Quebec and Ontario, due largely to the contribution of their officers, who are elected by the caisse members. The caisses maintain dialogues and partnerships with many community development stakeholders (local and regional municipalities, chambers of commerce, community organizations, etc.). These close relationships keep us connected to the needs of communities and involved in foundational projects that residents have identified as local priorities.

KEEPING QUEBEC CONNECTED

By installing fibre optic connectivity in over 97% of our facilities, we have helped bring high-speed Internet access to many places that were previously without it.

Desjardins also maintains close ties with a host of provincial organizations, helping us remain attuned to local and regional community needs.

Desjardins collects extensive data on the indirect economic impacts of its operations, which we share each year in our annual report. Regional results are presented at the annual general meetings of the caisses, where members have an opportunity to have their say.

DÉVELOPPEMENT INTERNATIONAL DESJARDINS

Développement international Desjardins (DID) works to strengthen local financial institutions and the inclusive finance industry in developing countries. DID's aim is to advance financial inclusion, which means making sure everyone has access to financial services.

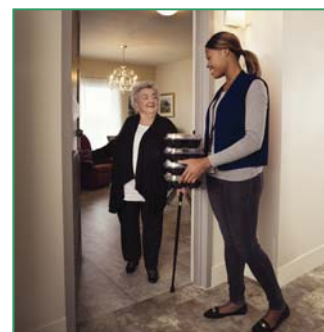
THOUSANDS OF PROJECTS SUPPORTED BY COMMUNITY DEVELOPMENT FUNDS EC8

Our CDFs are a concrete example of the spirit of solidarity shared by Desjardins caisse members. At each caisse's general meeting, members can decide to give up a portion of their individual dividend and donate 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 foundational projects in their communities.

MONEY GIVEN OUT BY CDFs (IN MILLIONS OF DOLLARS)

<u>2015</u>	<u>2014</u>	<u>2013</u>
31.8	34.8	37.2



SOME EXAMPLES OF CDF-FUNDED PROJECTS IN 2015

In the fall of 2015, we began recording videos of these initiatives and sharing them on our website. It's an inspiring collection of stories and proof of the great work that our caisses and members are doing in their communities.



Watch the video : https://www.desjardins.com/ca/co-opme/desjardins-difference/being-member-contributing-endeavours/?utm_campaign=vanity-url&utm_medium=vanity&utm_source=desjardins&utm_term=together/index.jsp

CITIZEN-BASED INITIATIVES RECOGNIZED BY RURALIA-DESJARDINS EC8

The winners of the 4th annual Ruralia-Desjardins awards were announced by Solidarité rurale du Québec and Desjardins Group on May 15, 2015. The awards recognize citizen-based initiatives that have made a difference in their local rural community and stand out for their innovation and community spirit.

Three cash prizes were awarded: \$25,000 for the grand prize and \$10,000 and \$5,000 for the first and second runners-up. Some 100 projects were submitted for consideration in 2015, spanning a diverse range of initiatives—proof that innovation is alive and well in our rural communities!

COOPERATIVE DAYCARE IN MAURICIE



The staff at Les Petits Bâisseurs daycare centre

A growth in young families—and a growing demand for daycare services and afterschool programs—presented a problem for Maskinongé, a vibrant community in Quebec's Mauricie region. The answer: **les petits bâtisseurs**, a community cooperative daycare that offers flexible hours for parents not on a 9-to-5 schedule. A much needed service in a farming town, where people often work long days! The daycare also offers a wide range of activities for children of all ages, including:

- Yoga
- Cooking
- Music
- Homework help
- Special guests (firefighters, horticulturists, and sometimes grandparents!)

SUPPORT CENTRE FOR INNU WOMEN

In the Innu community of Maliotenam, Quebec, there was a need for a place where women could go for support, training, information, and even meals. To address this need, a group of women decided to found the Centre Innushkueu Mani-Utenam, a centre to help Innu women:

- Overcome isolation
- Tackle poverty
- Create jobs
- Regain their sense of identity and pride
- Find strength in solidarity



MONT-ORIGINAL SKI COOPERATIVE



Thanks to the hard work of investors and volunteers, Mont-Orignal was transformed from a private ski resort to a cooperative that is now accessible to people of all ages and abilities. With an adapted chairlift and a team of volunteers, Mont-Orignal has played host to the Quebec Special Olympics, and it also dedicates a full weekend to skiers with disabilities. Through partnerships with community organizations, the resort employs people with intellectual disabilities and people in recovery from addiction.

Claire Bolduc, SRQ President; Marc Lacroix, Coopérative du Mont-Orignal; Evelyne Fontaine, Centre Innushkueu Mani-Utenam; Pierre-Philippe Foucher, Coopérative de solidarité Les Petits bâtisseurs; and Agnès Dupriez, Desjardins Group

DESJARDINS DISASTER RELIEF FUND

EC8

The Desjardins Disaster Relief Fund provides emergency financial support to members and clients facing hardship following a disaster not covered by insurance. The fund has an annual budget of 1% of the net income of Desjardins General Insurance (DGI), up to \$1 million. It is available to help:

- DGI and The Personal policyholders
- Desjardins members in Quebec

This year, we extended our partnership with the Red Cross to cover all the caisses in Quebec. 2015 was a relatively calm year, with just one \$15,000 recovery program set up in response to heavy rains and flooding in the Coaticook and Compton regions in June.

EDUCATION AS ACCIDENT PREVENTION

EC8

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

- National Teen Driver Safety Week was launched in 2013 with the support of 8 provinces and 35 municipalities across Canada. Its goal: to reduce the number of car crashes, which are the leading cause of death for 16- to 19-year-olds.
- Every year, Desjardins General Insurance puts together road safety education and awareness campaigns on topics such as distracted driving, impaired driving and wildlife collisions.
- Desjardins General Insurance is a primary sponsor of a national wildlife-vehicle collision database, created to provide researchers and decision-makers with vital information they can use to introduce preventive measures.

FIGHTING FINANCIAL ABUSE OF SENIORS

FS14

The “In Charge of Your Life and Your Property” program teaches caisse employees about the issue of financial abuse of seniors. The goal is to properly equip employees so they can help members:

- Prevent the risks of financial abuse
- Recognize the signs of abuse
- Put an end to abuse

Desjardins works closely with community organizations to tackle this issue. We're reviewing the program to find better ways to support our members and their caisses in these kinds of situations.

5.2 DESJARDINS AND SUSTAINABLE PROSPERITY

ECONOMIC PERFORMANCE

DISCLOSURES ON MANAGEMENT APPROACH – DIRECT ECONOMIC IMPACTS

As a financial institution, Desjardins Group puts a premium on financial performance, which we measure in terms of returns, financial stability and our contribution to sustainable prosperity. Sustainable prosperity means economic development that respects both people and the environment while benefiting both present and future generations. Ever since Desjardins Group was founded, caisses have served as instruments of economic and social development, helping to spread financial literacy as a means of self-determination for individuals and communities. This vision lives on in our mission.

Quarterly financial reporting gives us the opportunity to analyze a wide range of indicators across all our business sectors. This gives our officers, members, clients and investors all the information they need to make informed decisions and adjust their strategies.

Desjardins Economic Studies also produces regional and subject-specific reports and analyses of changing consumer trends, which round out the information made available to our officers.

Our multi-site shared services centre and the decentralization of administrative services to regional offices are ways in which Desjardins contributes directly to regional economies.

We draw on the expertise of local organizations to decide where, when and how to address specific community needs—proof again that Desjardins Group has strong connections to its roots.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

EC1

Desjardins Group (in millions of dollars and as a percentage)	2015	2014	2013
Operating income	13,924	12,654	11,951
Total income	15,286	15,235	11,734
Non-interest expense	7,003	6,554	6,229
Salaries	2,830	2,638	2,541
Benefits	645	562	584
Member dividends	154	217	171
Remuneration on shares	187	157	119
Income taxes	516	434	439
Indirect taxes	1,254	1,044	960
Donations and sponsorships	81	82	81
Undistributed surplus earnings	14,657	12,944	12,405

SHARED SERVICES CENTRE

EC8

On January 1, 2015, Desjardins created Desjardins Shared Services Group, a service company that brings together all of the 1,300 employees providing administrative services to the caisse network. In choosing the 22 shared services office sites, one of which is in Ontario, we looked for locations that would:

- Decentralize activities to outlying regions
- Strike a balance between Quebec's three major regions (Western, Central and Eastern Quebec)

By year-end 2015, the Shared Services Centre was fully operational. By consolidating all their administrative activities, the caisses are now able to focus more on business development and service delivery, all for the benefit of our members and clients.

CREATING JOBS WHERE THEY'RE NEEDED

EC8

One way Desjardins supports regional development is by decentralizing some of our activities. Many of our AccèsD call centres, for example, have been operating outside urban centres for several years now:

- In Granby, we have 200 employees who work out of the Cité de la Coopération, which shares a building with Caisse Desjardins Granby-Haute-Yamaska.
- As at December 31, there were some 350 people employed by the AccèsD call centre in Trois-Rivières, which continued to grow in 2015.
- We have a student service centre in Gaspé, which handles government-backed student loans and employs nearly 100 people.

DONATIONS AND SPONSORSHIPS

EC1

Again in 2015, Desjardins demonstrated its commitment to sustainable community development. We gave back over \$81 million to our communities through donations, sponsorships, philanthropic partnerships and scholarships, including \$31.8 million from caisse Community Development Funds.

Desjardins Group sponsorships and donations (Federation, caisses and components) (in millions of dollars)	2015	2014
Cooperation	3,8	3,3
Culture	7,9	8,7
Economic development	16,9	15,1
Education	18,3	20,1
Humanitarian causes and community service	10,5	12,3
Prestige	4,9	6,8
Health and healthy lifestyles	18,7	16,0
Total	81,0	82,3

SOME OF OUR PARTNERSHIPS IN 2015:

CYCLING EVENTS

Desjardins supports more than 60 cycling events and activities across Quebec and Ontario. In addition to being a green means of transportation, cycling is an excellent way to promote health and healthy lifestyle choices.

GRAND DÉFI PIERRE LAVOIE



This year, Desjardins gave 20 members VIP access to this major cycling event. They were invited to ride alongside Pierre Lavoie through the Desjardins stage of the event, between Sorel-Tracy and Brossard, and were made Desjardins ambassadors for health and healthy lifestyle choices.

UNIVERSITY DONATIONS

In 2015, Desjardins announced total donations of \$5,850,000 to:

- Université Laval
- Université du Québec à Rimouski
- University of Ottawa
- Bishop's University

Desjardins's donation to Bishop's will help create a scholarship program that will give eight students the opportunity to work in four regional enterprises each year. The program aims to foster a strong culture of entrepreneurship in the student community.

At Université Laval, we contributed to the new sporting facilities, Espace-sportif Desjardins, to promote sports and healthy lifestyle habits, and we created scholarships for students in agricultural economics and actuarial sciences.

We also announced a \$2 million donation to fund medical research at the Quebec City University Hospital Centre (CHU de Québec).

FRANCOFOLIES

Desjardins has been a proud partner of the FrancoFolies music festival since 1996. At this year's event, we donated \$5,000 on behalf of our members to each of the following three organizations:

- Opération Enfant soleil
- Fondation du CHU Ste-Justine
- Fondation du Dr Julien

The organizations were drawn from all those suggested by members who participated in our #freDONNER activity.

QUEBEC CITY SUMMER FESTIVAL

Desjardins is a major partner of the festival, and this year we were able to arrange a pre-sale of 20,000 discounted passes exclusively for our members. The passes sold out in just 25 minutes, which shows just how much our members appreciate the Desjardins advantage!



Photo credit : Renaud Philippe

MONTREAL CANADIENS

Our involvement with the Montreal Canadiens is a decades-long partnership between the largest cooperative movement in the province and Quebec's most beloved and respected sports team.

Through Desjardins Securities, we're also a proud partner of the Montreal Canadiens Children's Foundation, whose initiatives include programs to encourage children to adopt a healthy lifestyle by being active and eating well.

5.3 VOLUNTEER AND FUNDRAISING ACTIVITIES

DESJARDINS CARES AND SHARES CAMPAIGN

EC1

Desjardins employees, officers and retirees came together once again this past year to show their generosity and participate in the annual Desjardins Cares and Shares Campaign. The 2015 campaign raised more than \$3,261,000 for United Way, the Red Cross and the Desjardins Foundation, which received more than \$617,000.

ENCOURAGING VOLUNTEERISM WITH COOPERACTION

Cooperation is a program run by Desjardins Card Services (DCS) to support employees who volunteer their time to non-profit causes or organizations. The program provides logistical support and recognizes employees for their work.

As of December 31, 2015, the program had donated a total of \$103,441, representing a combination of cash donations, material donations and point-of-sale terminals loaned out to eight Canadian non-profit organizations. DCS employees clocked a total of 3,739 volunteer hours, with 83 new signups for the program and eight employees earning a paid day of leave from their employer.

LOWERING DROPOUT RATES

In 2013, with funds raised by the Desjardins Cares and Shares Campaign, the Desjardins Foundation created a special fund aimed at helping kids stay in school. In 2015, we invested 80% of fundraising dollars in this fund.

SUPPORTING OUR EMPLOYEES' VOLUNTEER WORK

EC1

Recognizing our employees' volunteer work is both an important contributor to employee engagement and a concrete way of giving back to communities.

OUTREACH PROGRAM

Desjardins General Insurance created the Outreach Program in 2015. When an employee does more than 40 hours of volunteer work with an organization during the year, Desjardins General Insurance donates \$500 to the organization on the employee's behalf.

Plus, for employees who participate in fundraiser sporting events, Desjardins General Insurance will match the funds raised, up to \$100 for an individual or \$250 for a team.

By supporting and recognizing the community involvement of its employees, Desjardins General Insurance hopes to encourage actions that are in line with its own corporate values.

PROMOTING GOOD COOPERATIVE CITIZENSHIP AT ACCÈS D

For 10 years, AccèsD's Citoyen coopératif (cooperative citizenship) program has been matching up organizations with employees who want to give back, whether by donating money, volunteering their time or giving blood. The program aims to:

- Engage employees by encouraging them to give back
- Help create change in local communities
- Show Desjardins's commitment to volunteerism

Over the past five years, nearly 4,000 volunteer initiatives have been recorded.

OPERATION RED NOSE



Left to right: Jean-Marie De Koninck, Founder and President of Operation Red Nose; Jean Gagnon, Vice-President of Corporate Affairs at Labatt Breweries of Canada; Suzanne Gendron, Vice-President of the Group Performance Program at Desjardins; Nathalie Tremblay, President and CEO of the Société de l'assurance automobile du Québec and Honorary President of the 2015 campaign; Guylaine Beaupré, Executive Director of Operation Red Nose; and Michel Desgagné, Director of the Quebec City Police Department.

In Quebec, Desjardins has been the lead sponsor of Operation Red Nose for the past 32 years. In Ontario, Desjardins General Insurance became the official insurer for Operation Red Nose in 2014, providing insurance coverage for its premises, equipment and vehicles. Every year through its road safety campaign and fundraising activities, Operation Red Nose helps organizations dedicated to youth issues and amateur sports in Quebec.

Figures from 2015:

- 81,612 rides in 104 communities across Canada (including 60,741 across Quebec's 63 regions)
- 56,228 Canadians (including 43,505 Quebecers) volunteered as designated drivers for at least one night, keeping the roads safe for everyone during the holiday season

TRAFFIC INJURY RESEARCH FOUNDATION

Desjardins General Insurance is a proud supporter of the Traffic Injury Research Foundation, which works to educate the public and encourage safe driving behaviours.

\$209,000 TO COMBAT HAIL DAMAGE



Desjardins General Insurance made a financial contribution to the Alberta Severe Weather Management Society for its hailstorm suppression program. Hailstorms are a menace in Alberta, where they cause a great deal of damage, which is why this program is so important to Albertans and the property and casualty insurance industry.

Photo credit : Bradley L. Waller

HEALTH PROMOTION INNOVATION CHALLENGE

In November, some 300 healthcare and IT professionals were invited to take part in a challenge at Complexe Desjardins in Montréal. Combining their expertise and creativity with cutting-edge technology, they came up with 28 solutions to issues facing the healthcare field.

The grand prize—which included \$3,500 in cash, access to IBM Bluemix and a spot in the Fasken Martineau Startup Program—was awarded to SocialAngel, a mobile app that lets parents keep an eye on their children's social networking activities.



5.4 RESPONSIBLE INVESTMENT

DISCLOSURES ON MANAGEMENT APPROACH – SHAREHOLDER ENGAGEMENT

Many of the specialized savings products we offer our members and clients use a responsible investment approach. And when it comes to responsible investment, shareholder engagement is one of the major fundamental strategies we use. It allows us to interact directly with the companies selected for our investment portfolios, and encourage them to make improvements to the ways they manage environmental, social and governance (ESG) issues.

Our SocieTerra portfolios use a number of different strategies to influence selected companies that these investment products hold shares in. Some of the ways we exert influence:

- Initiating dialogue
- Submitting shareholder proposals
- Exercising voting rights at company AGMs



Read the Desjardins Funds Policy on the Exercise of Proxy Voting Rights (PDF, 519KB)
http://www.desjardinsfunds.com/information/droit_vote_en.pdf

Additionally, to qualify for inclusion in our responsible investment products, companies undergo two types of analysis: one using traditional financial criteria, and another more thorough analysis using ESG criteria.

Desjardins Investments, which develops specialized savings products for Desjardins Wealth Management, is a Canadian leader in responsible investment. As such, it has been a signatory to the Principles of Responsible Investment since 2010, along with Développement international Desjardins and Caisse d'économie solidaire. Desjardins Investments is also a member of the Boreal Leadership Council.

As part of the management framework devised for Desjardins Wealth Management's responsible investment funds, for the Desjardins Environment Fund and for other funds comprising our SocieTerra portfolios, annual targets are set at the beginning of each cycle for dialogue, discussion themes and objectives for each company.

If the objectives aren't met and the timing is right, Desjardins Wealth Management may exercise its right to submit a shareholder proposal. If the proposal doesn't receive the necessary support, Desjardins Wealth Management reserves the right to divest from the company.

Each of these steps is reviewed by the management team responsible for specialized savings products, and a public report is produced each year at the close of the cycle.

DESJARDINS ENVIRONMENT FUND AND SOCIETERRA PORTFOLIOS

Our investment offering includes products made up of companies that incorporate socially responsible and environmentally friendly practices.

We have a set of minimum requirements that companies must meet to be eligible for inclusion in our SocieTerra Fund and Portfolios. This involves:

- A thorough analysis of ESG factors
- A traditional analysis based on financial criteria

RESPONSIBLE INVESTMENT FUNDS AND PORTFOLIOS AS AT DECEMBER 31 (IN MILLIONS OF DOLLARS)

	2015	2014	2013
Desjardins SocieTerra Canadian Bond Fund	0.1	-	-
Desjardins SocieTerra Environment Fund	120.1	132.7	139.1
SocieTerra Conservative Portfolio	336.0	256.4	204.4
SocieTerra Balanced Portfolio	770.4	624.9	486.5
SocieTerra Growth Portfolio	508.8	423.7	329.0
SocieTerra Maximum Growth Portfolio	240.8	193.0	140.8
Total	1,976.2	1,630.7	1,299.8



Learn more:

Socially responsible investing

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

Understanding responsible investing

https://www.desjardins.com/ca/co-opme/action-plans-tips/understanding-socially-responsible-investing/index.jsp?utm_campaign=vanity-url&utm_medium=vanity&utm_source=desjardins&utm_term=/ir/index.jsp

Let's think RI

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

PRIORITY TERRA GUARANTEED INVESTMENT

Our Priority Terra Guaranteed Investment is a product with a dual objective: diversifying investors' portfolios while also supporting environmentally responsible companies. We use strict environmental criteria to carefully select companies from across a range of economic sectors. We look for companies that are leaders in their industries and that set ambitious targets for reducing their environmental impact through initiatives such as lowering greenhouse gas (GHG) emissions or consuming less water.

PRIORITY TERRA ASSETS UNDER MANAGEMENT AS AT DECEMBER 31

	2015	2014	2013
3-year Priority Terra	\$74,178,782	\$47,889,299	\$19,171,350
5-year Priority Terra	\$203,976,490	\$140,501,618	\$46,229,852
Total	\$278,155,272	\$188,390,917	\$65,401,202



Learn more: <https://www.desjardins.com/ca/personal/savings-investment/market-linked-guaranteed-investments/priority-terra-guaranteed-investment/index.jsp?gclid=C1bzqL2CpcoCFcwWHwodA4UBqA>

ACTIVE OWNERSHIP AND ENGAGING IN DIALOGUE

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

In 2015, Desjardins Investments held dialogues with 59 companies about environmental and social risks and opportunities. These dialogues, with companies belonging to our SocieTerra Funds and Portfolios, were initiated by our partner NEI Investments. Targets were also set in January 2015 for dialogue, discussion themes and shareholder engagement objectives for the SocieTerra Funds and Portfolios.

In addition to the above, Desjardins Investments is also a participant in two collaborative engagements coordinated by the Principles for Responsible Investment.

HUMAN RIGHTS IN THE EXTRACTIVE SECTOR

Basing itself on the UN Guiding Principles on Business and Human Rights, this working group has the following objectives:

- To promote human rights
- To reduce companies' reputational and operational risks
- To help companies implement best practices

CORPORATE CLIMATE LOBBYING

The objective of this working group is to promote the long-term interests of investors by requiring companies to adopt clear guidelines on both direct and indirect lobbying related to fighting climate change.

If the objectives aren't met and the timing is right, Desjardins Investments may exercise its right to submit a shareholder proposal. If the proposal doesn't receive the necessary support, Desjardins Investments reserves the right to divest from the company.

Each of these steps is reviewed by the management team responsible for specialized savings products, and a public report is produced each year at the close of the cycle.



Learn more : <https://blogues.desjardins.com/co-opme/2015/12/societerra-funds-and-portfolios-working-to-influence-corporate-practices.php>

ASSETS SUBJECT TO POSITIVE AND NEGATIVE ENVIRONMENTAL OR SOCIAL SCREENING

FS11

\$2.3 billion in assets managed by Desjardins Wealth Management have been evaluated against criteria to screen out investments associated with negative environmental or social impacts or side effects.



For more information, see section 5.6

5.5 ENVIRONMENTAL PROTECTION

DISCLOSURES ON MANAGEMENT APPROACH – ENVIRONMENTAL INITIATIVES

Although our products and services don't have a direct impact on the environment, we are well aware of their indirect effects. We're also aware that we have an opportunity to be a powerful influencer in the green economy.

That's why we invest in a range of environmental initiatives across Quebec, including environmental research chairs, foundations and organizations. Through these partnerships, we're able to expand and share our knowledge via the tools and resources we develop to meet our clients' needs. It also enables us to build specialized teams in product and service life cycle management, environmental consulting and sustainability management.

At Desjardins, we're serious about fighting climate change. Here are some of the commitments we've made:

- Our senior management committee identified combatting and adapting to climate change as our number-one environmental priority in 2014, and in 2015 we updated our corporate policy on our commitment to sustainable development to reflect that.
- As part of the UN climate change conference in Paris in December 2015 (COP21), we signed:
 - The Statement by Financial Institutions on Energy Efficiency, which was ratified by more than 100 financial institutions from 42 countries
 - A statement issued by the European Association of Co-operative Banks together with 11 member signatories to confirm their commitment to better financing the energy transition towards green growth

We also make a concerted effort to bridge business concerns with environmental ones. We work closely with SWITCH <http://allianceswitch.ca/> (only available in French), a Quebec-based alliance whose goal is to accelerate the province's transition to a green economy and whose members include organizations from the economic and financial sectors, industry associations and environmental groups. We're also a founding member of Coop Carbone <http://coopcarbone.coop/en/>, whose mission is to help businesses and organizations take advantage of opportunities in the carbon market.

Our line of responsible investment products, our green insurance incentives and our Energy-Efficiency Loan are just a few of our environmental initiatives. We have the most comprehensive offering of green products on the market.

Since younger generations are more naturally invested in change, we're also involved in initiatives like Bourse du carbone Scol'Ère <http://www.boursescolere.com/> (only available in French), an elementary school-based program that aims to reduce greenhouse gas (GHG) emissions by promoting green lifestyle habits at a young age.

And because we know the importance of leading by example, the practices we've adopted in our own operations do more than just meet minimum environmental standards. We want to significantly reduce our GHG emissions, and we've set a target for ourselves for 2021.

With that goal in mind, we've implemented initiatives across all our operations, like our Green IT Trend Chart, which provides a quarterly look at how we're doing to reduce the negative impact of computer equipment on the environment.

Since 2011, Desjardins has been a signatory of the sustainable development charter for event partners and sponsors, an initiative of the CQEER (Quebec council for environmentally responsible events). Since 2006, we've been working to make eco-friendly events standard practice and to define standards for them.

Our green event initiatives include redistributing surplus food, offsetting GHG emissions for major events and tallying how much residual waste is recycled or recovered. Measuring the impact of our indirect initiatives is a bit more challenging, but Desjardins does provide certain tools—like green renovation and energy efficiency simulators—that members can use to assess the payoff from their own environmentally friendly projects.

ENCOURAGING OUR MEMBERS AND CLIENTS TO GO GREEN

EN27

EVERYDAY BANKING

The way our members and clients do their banking also has an impact on the environment. Whether it's driving to our points of service or receiving paper statements—it all adds up. With so many of our members and clients now opting for online transactions, we've stepped up our measures to encourage people to:

- Use direct deposit and AccèsD (phone, mobile or Internet) for their everyday banking transactions
- Sign up for electronic documents (statements, claims, etc.)
- Submit claims online (property and casualty insurance)

We also encourage our clients to use our online services wherever possible and to sign up for our No Paper option. Since 2011, all of our caisse members with insurance policies have been able to get their documents as PDFs via AccèsD. In 2015, our property and casualty insurance arm recorded an increase of 13% in the use of online services.

ELECTRIC CAR CHARGING STATIONS



Complexe Desjardins joined Quebec's Electric Circuit this year, adding four public electric car charging stations for use by its tenants and clients.

With more and more electric vehicles on our roads, we believe it's important to provide this kind of infrastructure. It all contributes to reducing GHG emissions!



ONLINE STATEMENTS

More of our members and clients made the switch to online statements in 2015:

- As at December 31, 6.1 million people were signed up for online statements, an increase of 7.4% over last year
- Caisse passbook usage went down 11.7%, and the number of monthly paper statements dropped 7.2%

We added two new options in 2015:

- Caisse members will now have access to their account statements going back seven years instead of just 15 months, starting with their May 2013 statements
- Tax slips will also remain available for seven years in AccèsD

5.6 OUR PRODUCT PORTFOLIO

DISCLOSURES ON MANAGEMENT APPROACH – PRODUCT RESPONSIBILITY

As a financial cooperative, we develop products and services that reflect our values and mission. In addition to offering security and good returns, our products and services:

- Cover the full range of financial needs of our members and clients
- Encourage sound financial habits
- Contribute to the sustainable development of our communities

Our priority is always individuals, their needs and interests, and the health of our communities.

In 2015, we updated our sustainable development policy to ensure it continues to reflect our cooperative nature and organizational values. The policy provides our components with a framework for promoting sustainable development and implementing the necessary business and management practices to do so. In line with this policy, we launched environmentally friendly products like our Green Homes Program, green savings on insurance, a green option on our Ready-to-Drive Loan, and our Energy-Efficiency Loan.

We also have a financial education policy, the goal of which is to help people make responsible financial decisions by equipping them with the knowledge, skills and confidence they need. At Desjardins, we believe that financial education is just as important as the products and services we sell.

We also believe in solidarity-based financing as an engine of sustainable prosperity. We work to build strategic partnerships with organizations at the community level so that we can help people in need make the best decisions and provide them with suitable financing solutions. In 2014, we tasked Développement international Desjardins with expanding its solidarity-based finance activities across Quebec by 2016. In 2015, \$3.3 million was already invested in these programs.

Desjardins pioneered the responsible investment movement in Canada and is today a leading proponent of the approach across the country.

For us, responsible investment means integrating ESG issues into fund choices and management, taking a long-term investment view, and investing in companies with a focus on sustainable development. Some of the responsible investment products we sell include the SocieTerra funds and portfolios, which are selected and managed by Desjardins Investments using the following four strategies:

1. Negative screening. The following criteria are used to screen out investments associated with negative environmental or social impacts or side effects:

- Companies whose activities are related to the manufacture or production of tobacco products
- Companies whose activities are related to nuclear power generation
- Companies whose activities are related to the production or distribution of assault weapons or large-capacity magazines

Exceptions may be considered if the company's activities are deemed beneficial to society, for example medical equipment manufacturing.

We also screen out companies whose activities may violate the terms of international treaties to which Canada is a party. We will immediately screen out companies whose activities are related to the production or distribution of weapons or military equipment prohibited by international humanitarian laws, including:

- Cluster munitions
- Anti-personnel mines
- Nuclear weapons

2. Incorporation of extra-financial (or ESG) factors. These criteria are taken into account alongside traditional financial factors, but their weighting may vary from one asset class to another, and may be adapted based on product or instrument type or investment strategy.

As an example, as part of a strategy to diversify both geographically and by market sector, the Desjardins SocieTerra Environment Fund offers a selection of securities based on an analysis of 2,000 companies by London-based independent environmental data analysis firm Trucost. Trucost's analysis model takes into account greenhouse gas (GHG) emissions, water consumption, waste management, natural resource dependency, and air, land and water pollution.

As a comparison, the environmental impact of \$1,000 invested in the Desjardins SocieTerra Environment Fund is 71% lower than that of the same investment in a product containing securities from its reference index, the MSCI World Index.

3. Shareholder engagement. This is a proactive way of getting involved in the governance of the companies included in the SocieTerra Funds and Portfolios. There are a number of ways we exert influence, in line with our cooperative principles and values:
 - Engaging in dialogue to improve practices
 - Submitting shareholder proposals to effect change
 - Exercising our voting right at AGMs
 - Divesting (but only as a last resort)
4. Collaboration with other institutional investors. By forming coalitions, we can more effectively lobby for improvements in corporate policy, industry standards and national and international regulations. Our Wealth Management team regularly works with various partners to create more solid coalitions and advocate for improved ESG factors. The Desjardins Funds team is also a signatory to the [Principles for Responsible Investment](#), a UN-supported initiative that recommends the integration of ESG factors into investment practices.

The popularity of the responsible financial products and services we offer shows clearly that they satisfy the needs of a growing clientele. We continually review and enhance our product line to ensure that it meets the expectations of our members and clients.

POLICIES WITH SPECIFIC ENVIRONMENTAL AND SOCIAL COMPONENTS

FS1

We have internal policies on:

- Sustainable development
- Financial education
- Regional development
- Community involvement (for the caisses)
- Regional deconcentration
- Vehicle use by managers (including an environmental option)
- Business travel
- Courtesy vehicles
- Procurement
- Disposition of property
- Our caisse Community Development Funds

We also have:

- A supplier code of conduct
- A code of ethics and professional conduct

PROCESSES FOR MONITORING CLIENTS' IMPLEMENTATION OF AND COMPLIANCE WITH ENVIRONMENTAL AND SOCIAL REQUIREMENTS INCLUDED IN AGREEMENTS OR TRANSACTIONS

FS3

GREEN HOMES PROGRAM

Members must provide their caisses with proof that they have obtained certification from a recognized program, such as:

- Novoclimat 2.0 – home section (Quebec only)
- ENERGY STAR® for newly constructed homes (Ontario only)
- LEED® Canada for residences (Silver, Gold, Platinum)

BUSINESS LOANS

Certifications issued by competent public organizations are required.

Desjardins Venture Capital conducts environmental due diligence prior to any investment. The purpose of this rule is to:

- Promote sustainable development
- Protect and preserve the environment
- Avoid environmental risks that may have negative repercussions for Desjardins Venture Capital, its funds under management or other involved parties

Tools used in the due diligence process include:

- Decision trees
- An environmental management statement
- Checklists

GREEN DISCOUNTS FOR DRIVERS AND HOMEOWNERS

FS8

With the Desjardins Ready-to-Drive Loan, clients can buy a new hybrid or electric car at a fixed rate of as low as 3.9%,⁽¹⁾ plus qualify for a discount⁽²⁾ on their car insurance.

Discounts can be as high as:

- 20% for electric cars
- 15% for hybrid vehicles
- 10% for fuel-efficient cars

More than 55 new hybrid and electric models are eligible for the exclusive financing rate.

Owners of buildings that are LEED certified (Leadership in Energy and Environmental Design) are eligible for 10% off their property insurance premiums.

Plus, mortgage applicants whose homes have Novoclimat 2.0 or Rénoclimat certification can also receive a \$50 discount on their home insurance.

⁽¹⁾ Some conditions apply. In Ontario, the annual percentage rate (APR) is equal to the posted interest rate, assuming that there are no additional charges applicable to the loan. Should such charges apply, the APR may be different.

⁽²⁾ Available in Quebec only. The discount for electric and hybrid cars is part of the Green Savings program offered by Desjardins General Insurance Inc.

MORE REASONS TO INVEST IN A GREEN HOME

FS8

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

- Cashback
- Discounts
- Free products
- Special pricing

The initiative is part of our larger goal to reduce our collective environmental footprint by improving the quality and energy efficiency of residential buildings. Since the program was launched in 2014, it has generated a mortgage loan volume of \$15.6 million.

In the spring of 2015, Desjardins teamed up with the Reford Gardens to promote a green concept home (known as the ERE 132 Eco Home). It's been open to visitors since June 2015.



Learn more: <https://www.desjardins.com/ca/personal/loans-credit/mortgages/green-homes-program/index.jsp>

5.7 SUPPORTING SUSTAINABLE DEVELOPMENT AND SOCIAL RESPONSIBILITY

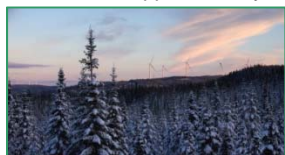
2015 INITIATIVES

TOOLBOX FOR ENVIRONMENTAL PROTECTION

Our international development arm, Développement international Desjardins (DID), has developed a toolbox to help mitigate environmental and social risks. Along with the training programs it offers, DID uses this toolbox to provide environmental risk management support to its partners and encourages them to adopt social and environmental responsibility policies.

DGPP INFRASTRUCTURE PORTFOLIO

The Desjardins Group Pension Plan (DGPP) holds an infrastructure portfolio with assets of approximately \$1.3 billion. A significant portion of the plan's investments are in the renewable energy sector. The combined portfolio shared by DGPP and our insurance subsidiaries holds 19 assets worth approximately \$650 million.



Located in the Laurentides Wildlife Reserve, near the city of Saguenay, the Rivière-du-Moulin Wind Project is the largest wind energy facility in Canada under a single power purchase agreement, with an installed capacity of 350 megawatts produced by 175 wind turbines. The investment came to fruition after several years of planning thanks to the DGPP's long-standing relationship with EDF EN Canada.

Located in Quebec's l'Érable region, in the municipalities of Saint-Ferdinand, Sainte-Sophie-d'Halifax and Saint-Pierre-Baptiste, the l'Érable wind farm operates 50 wind turbines for a total installed capacity of 100 megawatts. This project was also an opportunity for the DGPP to build a partnership with Enerfin, a global leader in wind farm development.

The Grand Renewable Solar Project in Haldimand County, Ontario, has an installed capacity of 100 megawatts—enough to power 17,000 homes and cut CO₂ emissions by 162,000 metric tons. The investment also marked the start of a major partnership between the DGPP and our insurance subsidiaries.



OUR PROCUREMENT PRACTICES

DISCLOSURES ON MANAGEMENT APPROACH – PROCUREMENT PRACTICES

At Desjardins, procurement is more than simply acquiring goods and services. It's a strategic process that follows a strict approach and generates significant, measurable benefits based on the "total cost of ownership" principle. At Desjardins, the procurement process isn't isolated from the rest of our operations—we approach it as a way to create value and make a positive contribution to our business strategies.

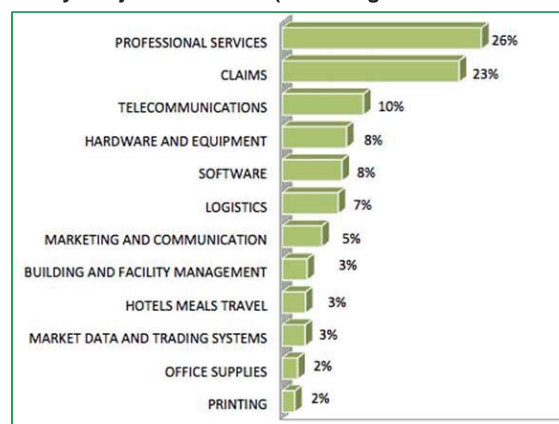
That's why our procurement policy stipulates that all purchases, including products regularly used throughout the caisse network, must be made by the Procurement and Administrative Services Division. Our management approach to procurement is based on social responsibility, business reciprocity and our internal codes and policies.

In 2015, Desjardins Group purchased \$1.8 billion worth of products and services from some 7,500 Canadian suppliers. Given our purchasing volume and the number of partners we do business with, we're aware of the influence we have with our suppliers and encourage them to adopt sustainable practices.

SUPPLIER RELATIONSHIPS

We strive to build respectful and collaborative business relationships with all our suppliers and follow industry best practices. We take great care to ensure we adhere to strict ethical principles in awarding contracts, and it's important to us that our suppliers understand and share our cooperative values and sustainable practices.

Breakdown of procurement purchases made by Desjardins in 2015 (excluding the caisse network)



RESPONSIBLE PROCUREMENT

Because we believe in transparent communication with our suppliers, we have a [page](#) on our public website dedicated to them, including a section about responsible procurement. We also publish our [Supplier Code of Conduct](#), which sets out our expectations in the following areas:

- Ethics and governance
- Human rights
- Workplace health and safety
- The environment
- Overall performance and continuous improvement

As part of our continuous efforts to better incorporate social responsibility practices in the procurement process, we're currently performing a review of our procedures. The goal is to standardize our approach to responsible procurement, thereby ensuring better control over our social responsibility performance.

QUEBEC FINANCE INDUSTRY LEADER IN RESPONSIBLE PROCUREMENT

As the only financial institution to be a founding member of ECPAR, a Quebec-based group dedicated to building partnerships to establish responsible procurement practices (<http://www.ecpar.org/en>), we're developing a standardized system to assess our suppliers against social responsibility criteria. By incorporating these criteria into our overall supplier assessment process, we hope to encourage responsible practices in our business partners.

SUPPLIER ASSESSMENT

EC10

SELECTION CRITERIA

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

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

- Total cost of ownership
- Shared risk
- Continuous improvement



- Strength and transparency of business relationship

- Ability to adapt to a constantly changing environment

- Cooperation
- Business reciprocity
- Sustainable development

SUSTAINABLE DEVELOPMENT

In 2015, we undertook a project to improve our responsible procurement practices. Our procurement sector drew up a 2015–2018 cooperative social responsibility action plan, the objective of which is to better integrate sustainable development and cooperative principles in our purchasing practices.

One of the steps we took in 2015 was to standardize how we evaluate our suppliers against sustainable development criteria. Now, all our suppliers are evaluated on the same basis via a questionnaire that covers four areas:

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

Based on suppliers' responses to the questionnaire, we assign a score to their social responsibility performance, which is used in our overall assessment, all in keeping with Desjardins's values in the areas of cooperation, sustainable development and business reciprocity.

In 2015, the total value of purchases made based on assessments using sustainable development criteria was \$50.6 million.

5.8 GREEN MANAGEMENT PRACTICES

ALTERNATIVE TRANSPORTATION PROGRAM

DISCLOSURES ON MANAGEMENT APPROACH – TRANSPORT

The transport sector is one of Canada's largest emitters of greenhouse gases (GHG). With over 47,000 employees commuting or travelling for work every day, Desjardins can make a positive impact on reducing emissions in keeping with our goal of fighting climate change.

To lighten the environmental load of our employees' travel, we have:

- An Alternative Transportation Program
- An automobile policy for managers
- The Desjardins shuttle, which transports employees between Montreal and Lévis

We also have a telecommuting program, which gives some of our employees the flexibility to work from home once or twice every week or month, and some on a permanent basis. It's another initiative that helps reduce the impact of our employee travel.

Our automobile policy, which applies to company vehicles, includes financial incentives to choose fuel-efficient vehicles and imposes penalties when fuel consumption targets are exceeded. These penalty dollars are invested back into sustainability projects.

We have a variety of measures in place to track the number of public transit and active transportation users, as well as fuel consumption in our management vehicle fleet. The results are evaluated every year.

SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE

EN30

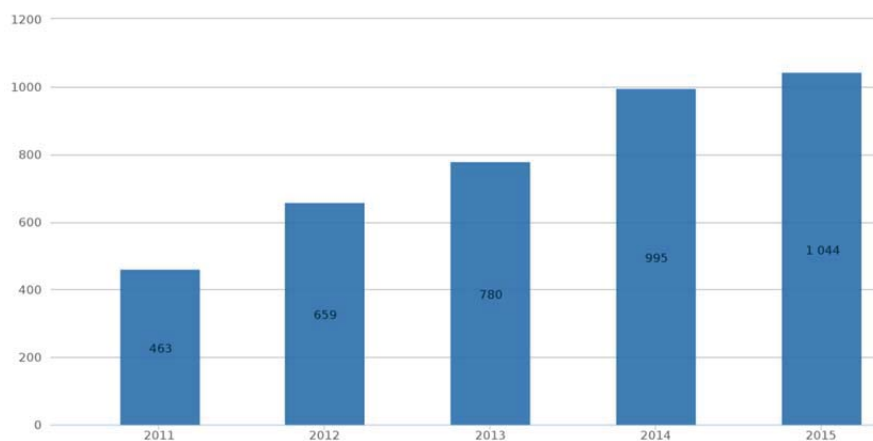
ALTERNATIVE TRANSPORTATION PROGRAM

PUBLIC TRANSIT AND ACTIVE TRANSPORTATION

- 4,446 employees made use of our 20% discount on public transit in 2015. In Quebec, we're the employer with the largest number of employees who use this kind of program.
- We handed out 238 BIXI promo codes in 2015.
- 933 employees used the locker room and showers at Complexe Desjardins in Montreal, an increase of 22% over 2014.

CARPOOLING

- Organization-wide: 1,044 employees have signed up for the carpooling site since April 2011.
- Desjardins Campus in Lévis: 439 carpoolers and 174 parking spaces reserved for carpooling in 2015, an increase of 9.5% over 2014.



BUSINESS TRAVEL

155 employees are signed up for the car-sharing program Communauto, an increase of 45% over 2014.

AUTOMOBILE POLICY FOR MANAGERS

In 2015, we invested a total of \$69,799 in sustainable development initiatives, raised from the fuel consumption penalties collected under our automobile policy.

The average fuel consumption rates for our vehicles now stand at:

- Organization-wide: 9.00 litres/100 km (based on the combined fuel consumption rating calculated by Natural Resources Canada)
- Excluding the caisse network: 8.80 litres/100 km, which is a reduction of 4% over 2014

DESJARDINS SHUTTLE

In 2015 :

- 794 trips were made, transporting 15,603 employees
- To draw a comparison: if each of these employees had used their own car for these trips, nearly 665 additional metric tons of GHGs would have been released into the atmosphere, or the equivalent of 171 extra cars on the road)



RECYCLED INPUT MATERIAL

DISCLOSURES ON MANAGEMENT APPROACH – RECYCLED INPUT MATERIAL

At Desjardins, we strive to use recycled materials as part of our commitment to developing a green economy. We take a life cycle approach to our use of resources, in line with Quebec's residual materials management policy.

PAPER CONSUMPTION

According to the Food and Agriculture Organization of the United Nations, more than 398 million metric tons of paper and cardboard is consumed worldwide every year. It's estimated that each employee consumes between 50 and 75 kg of paper, or 10,000 sheets, every year, which makes it the number-one office consumable in the service industry.

To better understand the environmental impact of paper consumption, we commissioned a life cycle analysis of paper products. This type of analysis shows the various environmental impacts a product can have over its life cycle, from raw material procurement to manufacturing, distribution and use, through to the end of its life. Conducted by ECPAR, the analysis found that more than 75% of paper's environmental impacts occur at the raw material and manufacturing stages. These two stages are responsible for:

- Deforestation
- Unsustainable management of forestry resources
- Loss of biodiversity and other ecosystem services
- Consumption of non-renewable energy resources and other fossil fuels
- Greenhouse gas emissions
- Heavy water consumption
- Creation of de-inking sludge and effluent containing toxic elements (for recycled paper)
- Use of bleaching chemicals, such as chlorine, which produce polluting discharge with potentially high toxicity levels

PAPER USE AT DESJARDINS

Desjardins consumes nearly 1 billion sheets of paper every year in the course of its operations. Because we're aware of the environmental impact, we launched our Paper Challenge once again in 2015, setting two new objectives for ourselves:

- 10% reduction in paper consumption for 2015–2018
- 10% increase in recycled paper for 2015–2018

If we reach these objectives, we will significantly reduce the GHG emissions associated with the paper we consume, while also reducing deforestation, water consumption and fossil energy use, which account for more than 75% of paper's environmental impacts.

PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS

EN2

RECYCLED PAPER

Because we're aware of the environmental impact of paper consumption in the banking industry, we opt for paper made from 100% post-consumer recycled fibre whenever possible.

(in metric tons, unless otherwise indicated)	2015	2014	2013
Total paper consumption	5,470	4,428	5,490
Consumption of paper composed entirely of post-consumer recycled fibre	3,195	2,637	2,994
Proportion of paper composed entirely of post-consumer recycled fibre	58%	60%	55%

Our methodology:

- Paper data is calculated using a study of the caisses and information provided directly from our printing and office supply providers.
- Paper consumption includes both internal uses (e.g., printer and copier paper) and external uses (e.g., member statements and passbooks).
- Data on State Farm's paper consumption was not available for inclusion in this year's figures.
- Figures are higher for 2015 and 2013, as we purchase calendars and agendas every two years.

REUSING AND RECYCLING INITIATIVES

DISCLOSURES ON MANAGEMENT APPROACH – RESIDUAL WASTE

We're working with our suppliers and employees to reduce our environmental footprint. Waste management is a part of:

- Our commitment to developing a green economy
- Compliance with the *Environment Quality Act*

\$4 MILLION FOR CURBSIDE RECYCLING

Since 2006, Desjardins has invested nearly \$4 million in funding for municipal curbside recycling. As part of our responsibilities under the *Environment Quality Act*, we pay hundreds of thousands of dollars every year to Éco Entreprises Québec to help fund this important service that benefits the environment.

INTEGRATED RESIDUAL WASTE MANAGEMENT

We're currently working to standardize all our residual waste management processes across all our entities. After analyzing our various processes, we identified a list of all the materials eligible for reduction, reuse and recycling programs. We developed a standardized data collection system so that we can gather annual data to help us better manage the following materials:

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

REUSE AND RECYCLING OF RESIDUAL WASTE

EN23

Residual waste (in metric tons)	2015	2014
Sent to landfills	6,309.8	5,226
Recycled or recovered	3,389.6	2,960
Total residual waste	9,699.5	8,186
Recycling ratio	35%	36 %

Note on our methodology: The quantity of residual waste was calculated using internal data, namely data from Complexe Desjardins in Montreal (excluding waste generated by tenants), the Desjardins Campus in Lévis, and the following other addresses in Lévis: 4000, 6300, 6500 and 6777 boulevard Guillaume-Couture; 32 rue Jacques Nau; 6075 and 6125 Wilfrid-Carrier; and 59 rue Bégin.

We have a long history of following sound waste management practices in all of our workplaces at Desjardins Group.

CIRCULAR ECONOMY

We have a long-standing partnership with our printer supplier (Lexmark) and the MIRA foundation to recycle the ink cartridges we use to help fund MIRA's operations in Quebec.

In 2015, a total of 24,154 cartridges—54% of our total usage—were able to be repurposed or recycled by Lexmark. Our efforts raised \$183,908, which was enough to cover the cost of 6 MIRA dogs.

Through this circular-economy initiative, not only are we able to make a positive contribution to society by helping fund MIRA's work with visually impaired individuals, 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 or economic benefit.

COMPOSTING BINS

EN23

Desjardins has 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 two main worksites, Complexe Desjardins in Montreal and the Desjardins Campus in Lévis.

GREEN IT TREND CHART

EN27

Every quarter, we publish a Green IT Trend Chart. It looks at a number of key indicators, each of which has been assigned a target. Based on the results for each quarter, a score is given to each indicator. There's also an overall score for all the indicators combined, as well as a message about the impact of our IT choices on the environment.

AGIT QUÉBEC

Desjardins was the only financial institution among the founders of this non-profit organization, whose mission is to:

- Define green IT standards
- Provide training
- Share industry best practices

ENERGY CONSUMPTION

DISCLOSURES ON MANAGEMENT APPROACH – ENERGY CONSUMPTION

Energy efficiency is a core component of the Québec Energy Strategy 2006–2015. With operations throughout the province, Desjardins is the largest private-sector employer and landowner in Quebec—meaning we're also a major energy consumer. It takes a lot of energy to heat, cool and light all our office spaces and power our computer equipment.

To help mitigate the impact of our energy consumption and to deliver on our commitment to fighting climate change, we've implemented a number of energy efficiency measures. These measures also help us lower our energy costs considerably. Our strategy is not to coerce, but to incentivize. When new buildings are constructed or major renovations are made to existing buildings, we take the opportunity to assess whether energy efficiency measures can be adopted. We also encourage our members to do the same with products like our green loans and energy-efficiency insurance incentives.

Desjardins Group is also a signatory to the Statement by Financial Institutions on Energy Efficiency, which has been endorsed by over 90 banks.

ENERGY CONSUMPTION AND INTENSITY

EN3 **EN5**

Energy consumption in gigajoules (GJ) ^[1]	2015		2014		2013	
Direct energy ^[2]						
Natural gas	47,849	5.0%	40,458	4.2%	71,661	7.6%
Petroleum products ^[3]	95,388	9.9%	95,785	10.0%	84,634	9.0%
Indirect energy ^[4]						
	814,367	84.7%	821,390	85.5%	786,741	83.3%
Steam	3,405	0.4%	3,267	0.3%	1,931	0.2%
Total consumption	961,008	100.0%	960,900	100.0%	944,967	100.0%
Energy intensity/employee	20.2		20.9		21.8	

¹ Data from previous years has been restated following updates, corrections and minor changes resulting from improved collection methods. Due to the difficulty of obtaining reliable information and the lack of control over the operations of rented buildings, the inventory does not include any rental spaces occupied by Desjardins. Furthermore, to improve the completeness and quality of the data, a change in methodology was introduced for the energy consumption of the Desjardins caisses.

² Direct energy data includes natural gas and fuel consumed by Desjardins Group's buildings and vehicle fleet.

³ Petroleum product data includes heating oil, gasoline, diesel and propane consumed by Desjardins Group's buildings and vehicle fleet.

⁴ Indirect energy data includes electricity and steam consumed in spaces occupied by Desjardins Group. However, rental spaces occupied by Desjardins and those belonging to Desjardins Group but occupied by third parties (real estate investments) are not inventoried due to the difficulty of obtaining reliable information and the lack of control over the operations of these buildings.

WATER CONSUMPTION

DISCLOSURES ON MANAGEMENT APPROACH – WATER CONSUMPTION

Although water is abundant and easily accessible in Quebec, we're well aware of the global environmental and geopolitical challenges it represents.

With the way our municipal water supply systems currently operate, we can only get a general estimate of our water consumption. Public authorities have yet to implement province-wide monitoring measures. However, we do install water-saving devices in all our new buildings wherever possible.

There is no water consumption monitoring mechanism in place at the moment.

TOTAL WATER WITHDRAWAL BY SOURCE

EN8

Water consumption in cubic metres (m³) ^[1]

	2015 ^[2]	2014	2013
Total water consumption	371,268	334,976	336,779

¹ Water consumption was calculated using internal data, namely data from Complexe Desjardins in Montreal (excluding the consumption of tenants) and the Desjardins Campus in Lévis. Data was not available for our buildings at 6300 and 6777 boulevard Guillaume-Couture in Lévis.

² 2015 data includes one new building, 150 des Commandeurs at the Desjardins Campus in Lévis.

GREENHOUSE GAS EMISSIONS

DISCLOSURES ON MANAGEMENT APPROACH – GREENHOUSE GAS EMISSIONS

Reducing greenhouse gas (GHG) emissions is one of the top priorities of the Quebec government's 2013–2020 Climate Change Action Plan, the linchpin of which is the *Regulation respecting a cap-and-trade system for greenhouse gas emission allowances*. Quebec is a leader on this issue in Canada.

At Desjardins, we're critically aware of the medium-term impact GHGs have on sustainable prosperity, and we've made a public commitment to do our part to reduce GHGs as a financial institution. One of the first steps we took was to sign on to the Carbon Disclosure Project.

In 2013–2014, we conducted a preliminary climate change risk analysis in order to strengthen our management framework for climate change risks. We also included our reduction target in our 2016–2019 strategic plan. We've even added an indicator on our management dashboard to show GHG emissions per employee.

We've introduced or updated various financial products specifically for members interested in reducing their GHG emissions. We've also implemented energy efficiency programs for employee travel and management of many of our buildings.

We've been conducting and publishing an annual GHG inventory since 2008, making 2015 our eighth year of carbon reporting.

Other aspects of our commitment are described in our management approach to [environmental initiatives](#) and [transport](#).

EN15 to EN19

GREENHOUSE GAS (GHG) EMISSIONS IN METRIC TONS OF CARBON DIOXIDE (CO₂) EQUIVALENTⁱ

	2015	2014	2013	2008
Direct GHG emissions (Scope 1)ⁱⁱ	8,346	8,238	9,054	9,492
Indirect GHG emissions (Scope 2)ⁱⁱⁱ	1,438	1,137	1,014	2,601
Other indirect GHG emissions (Scope 3)^{iv}	20,915	18,576	20,637	17,998
Total GHG emissions^v	30,699	27,951	30,706	30,092
GHG emissions/employee (Scopes 1 and 2)	0.205	0.204	0.232	0.290
Total GHG emissions per employee	0.644	0.608	0.708	0.722

ⁱ Caisse data on paper consumption and business travel is based on a voluntary annual census.

Data from previous years has been restated following updates to emission factors, other corrections and minor changes resulting from improved collection methods.

Due to the difficulty of obtaining reliable information and the lack of control over the operations of rented buildings, the inventory does not include any rental spaces occupied by Desjardins.

To improve the completeness and the quality of the data, a change in methodology was introduced for the energy consumption of the Desjardins caisses. Data from previous years has been restated to reflect this change.

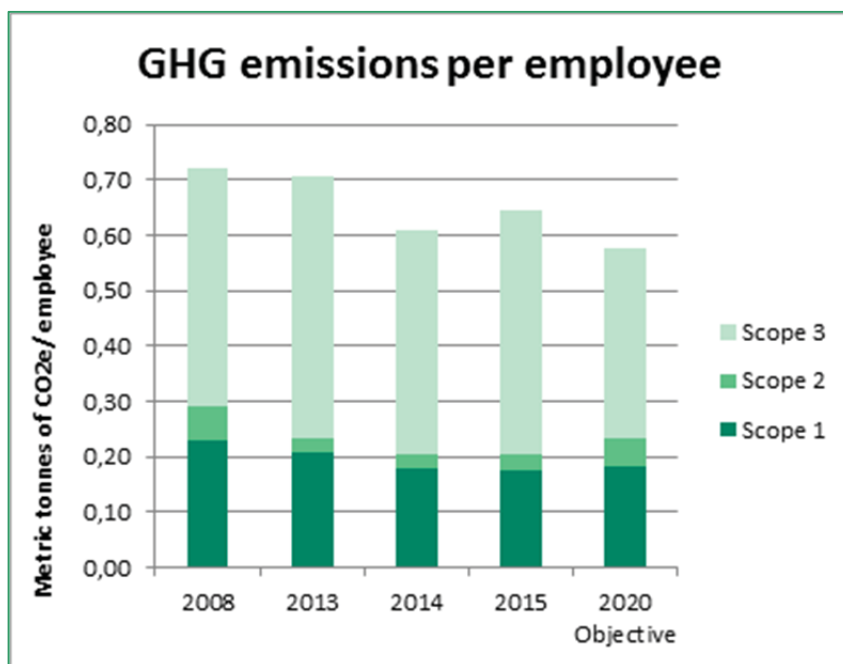
ⁱⁱ Sources of direct emissions (Scope 1) include those related to fuel consumption and leakage of coolants and extinguishing agents in Desjardins Group's buildings and vehicle fleet.

ⁱⁱⁱ Sources of indirect emissions (Scope 2) include electricity and steam consumed in spaces occupied by Desjardins Group, including rental spaces. However, rental space belonging to Desjardins Group but occupied by third parties (real estate investments) are not inventoried due to the difficulty of obtaining reliable information and the lack of control over the operations of these buildings.

^{iv} Sources of other indirect emissions (Scope 3) include business trips made with rental vehicles and personal vehicles, business trips made by plane, bus and train, and paper consumption (calculated using the Environmental Paper Network's Paper Calculator).

^v 2015 data covers all of Desjardins Group and was collected for the following components:

- Fédération des caisses Desjardins du Québec
- Desjardins General Insurance Group
- Desjardins Financial Security
- Desjardins Venture Capital
- Desjardins Property Management
- Développement international Desjardins
- Caisse centrale Desjardins
- Desjardins Global Asset Management
- Desjardins Securities
- Desjardins Technology Group
- Desjardins Investment Product Operations Management
- Desjardins Investments
- Desjardins Shared Services Group
- Western Financial Group
- State Farm



6.0 GRI

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6.0 GRI

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FS11	Assets subject to positive or negative environmental or social screening

ENVIRONMENTAL

EN2	Percentage of materials used that are recycled input materials
EN3	Energy consumption within the organization
EN5	Energy intensity
EN8	Total water withdrawal by source
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)
EN18	Greenhouse gas (GHG) emissions intensity
EN19	Reduction of greenhouse gas (GHG) emissions
EN23	Total weight of waste
EN27	Initiatives to mitigate the environmental impacts of products and services (EN27 : see pages 61 and 70)
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

6.2 METHODOLOGY - GRI

GENERAL STANDARD DISCLOSURE

STRATEGY AND ANALYSIS (4-1 AND 4-2)

G4-1 – PRESIDENT'S STATEMENT

Go to [pages 4 to 6](#) to read the president's statement.

G4-2 – KEY IMPACTS, RISKS AND OPPORTUNITIES

IDENTIFICATION AND MANAGEMENT OF MAIN RISKS

The Board of Directors is responsible for identifying the main risks for the Fédération des caisses Desjardins du Québec (the Federation) and Desjardins Group, setting risk tolerance and appetite limits and ensuring that management sets up the required systems to manage these risks in an integrated manner. The Federation is supported in these tasks by Desjardins Group's Operations and Performance Executive Division and the Risk Management Office. Backed by the Risk Management Commission, the Board works with the Audit and Inspection Commission, which is responsible for risks related to the financial disclosure process. The same applies to Caisse centrale Desjardins and Desjardins Trust Inc. The Management Committee also supports the Board in carrying out its financial disclosure responsibilities. At every one of their sessions, the members of the Risk Management Commission hold closed-door meetings with the Chief Risk Officer of Desjardins Group as well as closed-door meetings which are not attended by management. The Board can count on the contribution of the Desjardins Group Finance and Risk Management Committee and the Integrated Risk Management Committee, which mainly comprise managers from finance, risk management, compliance and IT, as well as the business sectors.

A detailed presentation of the risk management principles applied at Desjardins Group can be found in the Risk Management section of the annual report's Management's Discussion and Analysis (<https://www.desjardins.com/annualreport>).

The complete mandate and composition of the commissions and committees that support the Federation's Board of Directors in the performance of its duties are available on our website at www.desjardins.com/ca/about-us/desjardins/governance-democracy/index.jsp. Additional information about the Risk Management Commission and its governance practices can also be found there.

ENVIRONMENTAL RISK

Environmental risk is the risk of financial, operational or reputational loss for Desjardins Group as a result of the impact of environmental issues, whether they occur through our credit or investment activities or our operations.

In addition to the potential financial losses that could be incurred through poor management of environmental risk, there is increased credit risk through the impairment of assets pledged as collateral, and greater reputational risk should assets taken as collateral become the subject of discussions in the media about social and environmental issues.

Environmental risk is an integral part of our Integrated Risk Management Framework. Risks associated with climate change were subjected to a comprehensive assessment in 2013 and 2014 in order to identify any risks for which measures had not been taken that should be integrated into our current risk management.

Another way we continue to be a leader in sustainable development is through our line of responsible investment products, which factor in not only environmental risks, but also social and governance aspects of the companies that shares are held in. We also reviewed our policy on our commitment to sustainable development and adopted nine action plans for its implementation, which will help us achieve a number of targets, including those related to our involvement in the Carbon Disclosure Project. We also have clear performance indicators for social responsibility, which we report on to ensure transparency and rigour, and which help us evaluate the results of our commitments and actions. An internal audit conducted in 2015 confirmed our compliance with the Global Reporting Initiative G4 Guidelines.

We've also implemented a reputational risk assessment process, which is managed by the Marketing, Communications and Cooperation Executive Division in conjunction with the Risk Management Office. Lastly, the Desjardins Cooperative Institute now provides training on social acceptability upon request.

Our concern with sustainability is apparent in many of the products and services we offer our members and clients, and in how we operate, as shown in this report.

ORGANIZATIONAL PROFILE (4-3 TO 4-16)

G4-3 – NAME OF THE ORGANIZATION

Desjardins Group

G4-4 – PRIMARY BRANDS AND SERVICES

We offer a wide assortment of financial products and services for individuals, associations, cooperatives and businesses:

- Savings
- Investment funds and securities
- Debit, credit and prepaid cards
- Payment services
- Personal and commercial loans
- Property and casualty insurance
- Life and health insurance
- Group plans
- Wealth management

Our brand architecture looks like this:

- Master brand (Desjardins)
- Commercial brands, which include:
 - Pillar brands
 - Identity brands
- Institutional brands
- Endorsed brands
- Stand-alone brands

OUR BRANDS

COMMERCIAL BRANDS

Pillar brands



Identity brands



INSTITUTIONAL BRANDS



ENDORSED BRANDS



Brands for DSF independant brokers



STAND-ALONE BRANDS



G4-5 – LOCATION OF HEADQUARTERS

100 rue des Commandeurs
Lévis QC G6V 7N5

G4-6 – GEOGRAPHIC BREAKDOWN

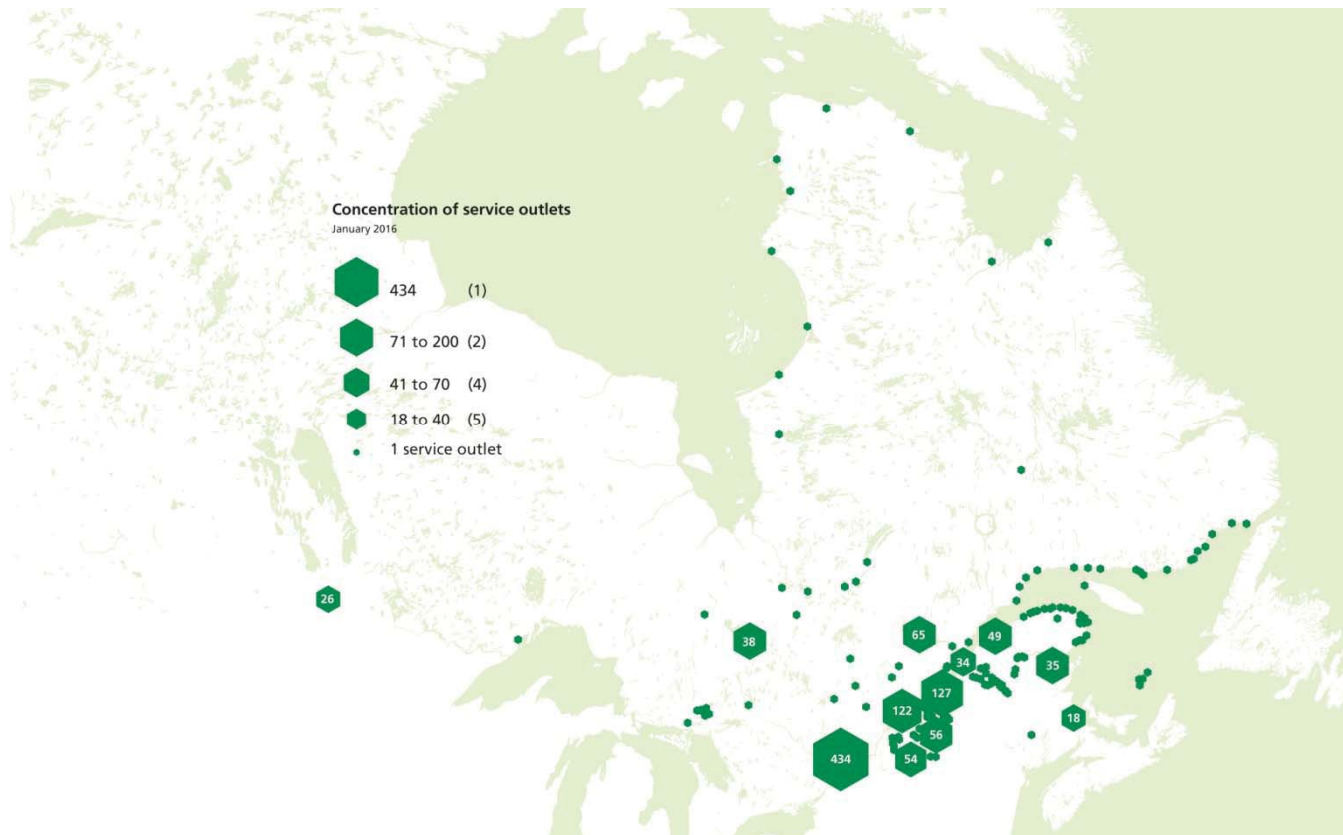
We conduct most of our business in Canada. In the province of Quebec, Desjardins is the predominant financial institution, with a particularly strong presence in outlying areas with low population densities, where we are often the only financial institution.

 To learn more, see [Accessibility services for all our members](#)

We have a presence in the United States, where we do business as Desjardins Bank, National Association (a retail banking provider) and Caisse centrale Desjardins US Branch (which supports business members and clients in Florida). We also have a representative office in Paris, France.

In addition, our non-profit organization Développement international Desjardins (DID) operates in 29 countries across five continents. DID is active in the following three areas:

- Advisory services
- Investments
- Creating and operating entrepreneur financial centres



DÉVELOPPEMENT INTERNATIONAL DESJARDINS

ACTIVE PARTNERS FOR STRENGTHENING
MICROFINANCE IN NEARLY 30 COUNTRIES
ON FOUR CONTINENTS



G4-7 – LEGAL FORM

Desjardins Group includes a network of Desjardins caisses located in Quebec and Ontario as well as the Fédération des caisses Desjardins du Québec (the Federation) and its components, which include Capital Desjardins inc., Caisse centrale Desjardins (CCD), the Fédération des caisses populaires de l'Ontario Inc. and Fonds de sécurité Desjardins.

The Quebec caisses, CCD, Fonds de sécurité Desjardins and the Federation are incorporated under the *Act respecting financial services cooperatives*, CQLR c C-67.3.

The Ontario caisses and the Fédération des caisses populaires de l'Ontario Inc. are incorporated under the *Credit Unions and Caisses Populaires Act*, 1994, S.O. 1994.

G4-8 – MARKETS SERVED

We serve individuals, businesses, self-employed workers, non-profit organizations, public institutions and all three levels of government. We also strive to be the provider of choice for Canada's credit unions and other cooperatives, both inside and outside the financial services industry.

We offer customers across Canada a range of financial services for banking, payments and wealth management, as well as property and casualty insurance and life and health insurance products for individuals and groups. We also assist clients who do business abroad.

Our banking services in Florida are provided through Desjardins Bank, National Association and Caisse centrale Desjardins US Branch.

G4-9 – SCALE OF THE ORGANIZATION – 2015

Total number of employees	47,654
Total income	\$15,286 million as at December 31, 2015
Total assets	\$248.1 billion as at December 31, 2015
Number of caisses and caisse points of service in Quebec and Ontario	1,122
Product portfolio	FS7 FS8

G4-10 – WORKFORCE DISTRIBUTION

Workforce distribution	2015	2014	2013	2012
Desjardins Group business sectors and support functions	28,280	25,653	22,938	21,454
Caisse network	19,374	20,313	22,281	23,488
Quebec	40,402	40,779	40,248	40,373
Ontario	4,677	2,849	2,759	2,639
Other provinces	2,445	2,256	2,126	1,840
Outside Canada	130	82	86	90
Permanent	90.6%	89.9%	89.7%	89.4%
Contract	9.4%	10.1%	10.3%	10.6%
Senior managers	1.0%	1.1%	1.2%	1.2%
Managers	7.6%	7.5%	7.4%	7.2%
Employees	91.4%	91.4%	91.4%	91.6%
Total workforce	47,654	45,966	45,219	44,942

G4-11 – COLLECTIVE AGREEMENTS

In Canada, the right to organize is protected by law. Desjardins is fully compliant with all applicable labour legislation. In 2015, collective agreements covered:

- 18.3% of all employees
or
- 26.7% of caisse network employees, including employees in the Desjardins business centres

We consider all potential legal implications prior to any actions we take. It is our policy to respect the right to organize and to respect negotiated working conditions.

G4-12 – SUPPLY CHAIN

At Desjardins, our procurement policy is standardized organization-wide and approved by the boards of directors of our various subsidiaries. The policy stipulates that any acquisitions, including products regularly used throughout the caisse network, must be made by the Procurement and Administrative Services Division.

We have a special **Supplier centre** section on Desjardins.com. It includes detailed reference information about our supply and payment services, our values and principles, our supplier selection process, our code of conduct for suppliers, and the full procurement process from requisition to payment.

Professional services and technology represent the lion's share of purchases made by Desjardins.



To learn more about our procurement practices, see section 5, [Our procurement practices](#)

G4-13 – SIGNIFICANT CHANGES

- On January 1, 2015, Desjardins Group completed the acquisition of all the Canadian operations of State Farm®.
- On August 1, 2015, a new regulated holding company (Desjardins Financial Corporation Inc.) was created to serve as an additional financing vehicle.
- On October 22, 2015, Desjardins Group obtained financial holding company status in the United States.
- \$989 million in Federation capital shares were issued in 2015, for a total of \$3.5 billion to date.

G4-14 – PRECAUTIONARY PRINCIPLE

At Desjardins Group, we take our environmental impact seriously and have incorporated environmental risk in our risk management framework. In reviewing credit applications from commercial, industrial, real estate or agricultural borrowers, we examine potential environmental risks against current standards. Environmental considerations are also an integral part of the risk analyses we conduct as part of our organizational development projects.

G4-15 – CHARTERS AND PRINCIPLES

As a corporate citizen committed to sustainable community development, Desjardins supports the following initiatives:

- Member, United Nations Environment Programme Financial Initiative (2003)
- Signatory, Carbon Disclosure Project (2013)
- Signatory, Declaration of the International Co-operative Alliance
- Signatory, final declarations of the International Summit of Cooperatives (2012 and 2014)
- Signatory, Principles for Responsible Investment (Desjardins Investments in 2009)
- Member, National Steering Committee on Financial Literacy
- Signatory, Statement by Financial Institutions on Energy Efficiency (2015)
- Signatory, European Association of Co-operative Banks COP21 statement (2015)

DID has supported the following initiatives:

- Principles for Responsible Investment, April 2014
- Global Impact Investing Network, April 2014
- Smart Campaign for the protection of microfinance clients, March 2011

G4-16 – ASSOCIATIONS

Desjardins maintains close relationships with a number of associations, institutions and public agencies. This may involve a member of Desjardins senior management or of the board of directors sitting on the board of one of our partners or participating in an advisory committee or working group, or it may take the form of financial support.

Cooperatives and mutuals

International Co-operative Alliance
 Conseil québécois de la coopération et de la mutualité
 Conseil de la Coopération de l'Ontario
 Co-operatives and Mutuals Canada
 International Confederation of Popular Banks
 Filene Research Institute
 Crédit industriel et commercial (subsidiary of Crédit Mutuel)
 Fondation pour l'éducation à la coopération et la mutualité
 European Association of Co-operative Banks
 International Cooperative and Mutual Insurance Federation (and its regional association for the Americas)
 International Summit of Cooperatives
 International Raiffeisen Union (IRU)
 Cooperative leaders on B20 committees

Finance and insurance

Canadian Insurance Claims Managers Association
 Insurance Bureau of Canada
 Canadian Association of Direct Relationship Insurers
 Canadian Association of Special Investigation Units
 Canadian National Insurance Crime Services
 Centre de développement en assurances et services financiers (Puissance Onze)
 Chambre de l'assurance de dommages
 Corporation des assureurs directs de dommages du Québec
 International Cooperative and Mutual Insurance Federation
 Facility Association
 Finance Sustainability Initiative
 General Insurance Statistical Agency
 Groupement des Assureurs Automobile
 Health Claims for Auto Insurance
 Institut d'Assurance de Dommages du Québec
 Montreal Institute of Structured Finance and Derivatives
 Property and Casualty Insurance Compensation Corporation
 Proxfin
 Réseau PRI Québec (Principles for responsible investment)

Community sustainable development

Alberta Severe Weather Management Society
 Teens Against Drinking and Driving (New Brunswick)
 Alliance SWITCH
 Arrive Alive
 Canadian Education Association
 Consumer associations
 Bourse Scol'ÈRE
 Centre for Interdisciplinary Research and Information on Community Enterprises
 Chambre de commerce du Montréal métropolitain
 Coalition pour la souveraineté alimentaire
 Confédération québécoise des coopératives d'habitation
 Canada Safety Council
 Montreal Council on Foreign Relations
 COOP carbone
 Canadian Red Cross
 Éco Entreprises Québec
 Écotech Québec
 Équiterre
 Espace québécois de concertation sur les pratiques d'approvisionnement responsable

Community sustainable development (cont'd)

Fédération des chambres de commerce du Québec
Fédération québécoise des municipalités
Fédération des Villages-relais du Québec
Fondation québécoise en environnement
David Suzuki Foundation
Habitat for Humanity Canada
Institut québécois des hautes études internationales at Université Laval
Institute for Governance of Private and Public Organizations
Institute for Catastrophic Loss Reduction
Kids Now Canada
Mouvement québécois de la qualité
Ontario Chamber of Commerce
Parachute Canada
Place aux jeunes en région
Climate Reality Project Canada
Regroupement national des conseils régionaux en environnement
Réseau des carrefours jeunesse-emploi du Québec
Réseau québécois du crédit communautaire
Smart Prosperity
Solidarité rurale du Québec
Southlake Regional Hospital Foundation
Soutien-O-sinistréS
Students Against Drinking & Driving Alberta
Tablée des Chefs
Traffic Injury Research Foundation
United Way (Centraide)

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES (4-17 TO 4-23)

G4-17 – ENTITIES INCLUDED

The main components included in the group scope of Desjardins Group were incorporated in Canada, and their principal place of business is also in Canada.

The following table presents the nature of the operations of these components and the proportion of ownership interests held in each of them:

Component	Nature of operations	As at December 31, 2015 ^[1]	As at December 31, 2014 ^[1]	As at December 31, 2013 ^[1]
Caisse centrale Desjardins	Desjardins Group treasurer and financial agent on the Canadian and international markets	98,1%	97,9%	97,3%
Capital Desjardins inc.	Capital issuances on financial markets and financing for the Desjardins caisses	100%	100%	100%
Desjardins Technology Group Inc.	Development, maintenance and modernization of Desjardins Group technology	100%	100%	100%
Desjardins Financial Holding Inc.^[2]	Holding company	100%	100%	100%
Zag Bank	Financial institution	100%	100%	100%
Desjardins Financial Corporation Inc.^[3]	Holding company	100%	100%	100%

Component	Nature of operations	As at December 31, 2015 ^[1]	As at December 31, 2014 ^[1]	As at December 31, 2013 ^[1]
Desjardins Global Asset Management Inc. ^[4]	Asset management	100%	100%	100%
Desjardins General Insurance Group Inc. ^[4]	Property and casualty insurance	100%	100%	100%
Property and casualty insurance subsidiaries ^[5]	Property and casualty insurance	90%	90%	90%
Desjardins Financial Security Life Assurance Company ^[4]	Life and health insurance and financial services	100%	100%	100%
Desjardins Investments Inc. ^[4]	Design, administration and distribution of insurance and investment products	100%	100%	100%
Western Financial Group Inc. ⁽⁴⁾	Insurance brokerage and financial services	100%	100%	100%
Western Life Assurance Company ⁽³⁾	Life and health insurance	100%	100%	100%
Western Financial Insurance Company ⁽³⁾	Property and casualty insurance	100%	100%	100%
Desjardins Trust Inc.	Custody and trust services	100%	100%	100%
Qtrade Canada Inc.	Online brokerage and wealth management services	70.1%	61.1%	40%
Desjardins Securities Inc.	Securities brokerage	100%	100%	100%

⁽¹⁾ Also represents the proportion of voting rights held by Desjardins Group in these subsidiaries, with the exception of Qtrade Canada Inc. and Caisse centrale Desjardins, in which Desjardins Group holds 100% of the voting rights.

⁽²⁾ As at December 31, 2014, the name of this subsidiary was Desjardins Financial Corporation Inc.

⁽³⁾ Subsidiaries created in Q2 2015.

⁽⁴⁾ As at December 31, 2014, these subsidiaries were owned directly by Desjardins Financial Holding Inc.

⁽⁵⁾ Represents a group of six property and casualty insurance subsidiaries.

G4-18 – PROCESS FOR DEFINING REPORT CONTENT

The Materiality Principle was used to determine the content of our social and cooperative responsibility report.

Specifically, we identified elements that are significant to a cooperative financial institution operating primarily in Canada and that address the concerns raised in our member consultations. The final choice of indicators was made based on the reliability and materiality of the available data. In all, we identified 50 performance indicators and 23 economic, social and environmental aspects.

As in our 2014 report, some of the GRI G4 indicators have been adapted to reflect our cooperative reality and membership structure, namely:

- G4-55 – Board attendance figures (Governance)
- G4-EC10 – Supplier assessment (Procurement Practices)
- G4-PR10 – Initiatives developed by the organization to raise employee awareness of data protection (Member and Client Privacy and Data Protection)

Moving forward, our materiality determination process will continue to be improved by further stakeholder consultation.

G4-19 – MATERIAL ASPECTS

The table below shows all 23 aspects covered in the 2015 Desjardins Group annual report:

Economic aspects	Social aspects	Environmental aspects
1 Governance	9 Financial and Cooperative Education	17 Postconsumer Recycled Materials
2 Ethics and Integrity	10 Local Communities	18 Energy Consumption
3 Economic Performance	11 Labour/Management Relations	19 Water Consumption
4 Indirect Economic Impacts	12 Occupational Health and Safety	20 Greenhouse Gas (GHG) Emissions
5 Product Portfolio	13 Training and Education	21 Residual Waste
6 Responsible Investment	14 Diversity and Equal Opportunity	22 Environmental Initiatives
7 Procurement Practices	15 Anti-corruption	23 Transport
8 Member and Client Experience	16 Member and Client Privacy and Data Protection	

G4-20 AND G4-21 – ASPECT BOUNDARY WITHIN/OUTSIDE THE ORGANIZATION

Aspect	Boundary of aspects covered in this report	
	Within Desjardins: Cooperative network and components directly involved in financial operations	Outside Desjardins: Members, clients, suppliers, business partners, governments, ^[1] local communities, etc.
1. Governance	Included	Included - Members, clients, governments and local communities
2. Ethics and Integrity	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Members, clients, suppliers, business partners, governments and local communities
3. Economic Performance	Included	Included - Members, clients, suppliers, business partners, governments and local communities
4. Indirect Economic Impacts	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Local communities and governments
5. Product Portfolio	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Members, clients and business partners
6. Responsible Investment	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Members, clients, business partners and local communities
7. Procurement Practices	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Suppliers
8. Member and Client Experience	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Members and clients
9. Financial and Cooperative Education	Included, with the exception of Western Financial Group Inc. and State Farm entities ^[2]	Included - Members, clients and local communities
10. Local Communities	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Members, clients, governments and local communities
11. Labour/Management Relations	Included, with the exception of Western Financial Group Inc. ^[2]	Not included
12. Occupational Health and Safety	Included, but internal data is only available for Quebec	Included - Governments

Boundary of aspects covered in this report

Aspect	Within Desjardins: Cooperative network and components directly involved in financial operations	Outside Desjardins: Members, clients, suppliers, business partners, governments, ^[1] local communities, etc.
13. Training and Education	Included, but internal data is only available for Quebec	Not included
14. Diversity and Equal Opportunity	Included, but internal data is only available for Quebec	Included - Members and governments
15. Anti-corruption	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Members, clients, suppliers, business partners, governments and local communities
16. Member and Client Privacy and Data Protection	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Members, clients, business partners, governments and suppliers
17. Postconsumer Recycled Materials	Included, but internal data is only available for Quebec	Included - Members, clients and suppliers
18. Energy Consumption	Included, but internal data is only available for Quebec, excluding the caisse network and any buildings rented by Desjardins	Included - Suppliers
19. Water Consumption	Included, but internal data is only available for Quebec, excluding the caisse network and any buildings rented by Desjardins	Included: Governments
20. Greenhouse Gas (GHG) Emissions	Included, but internal data is only available for Quebec	Included - Governments
21. Residual Waste	Included, but internal data is only available for Quebec, excluding the caisse network and any buildings rented by Desjardins	Included - Governments
22. Environmental Initiatives	Included, with the exception of Western Financial Group Inc. ^[2]	Included - Members, clients, suppliers, business partners, governments and local communities
23. Transport	Included	Included - Governments

1 The term government refers to the three levels: federal, provincial and municipal.

2 System incompatibility made it impossible to include Western Financial Group's data in these aspects.

G4-22 – RESTATEMENTS OF INFORMATION

Where minor restatements were necessary, it has been indicated in the text. No major restatements were necessary.

G4-23 – SIGNIFICANT CHANGES

This report reflects Desjardins Group's commitment to complying with the strictest social responsibility communication standards, namely GRI G4 methodology and integrated reporting. Changes made in 2015, which mainly concern stakeholder consultation, are compliant with GRI G4 requirements as well as the internal audit report.

STAKEHOLDER ENGAGEMENT (4-24 TO 4-27)

G4-24 – LIST OF STAKEHOLDERS

As a financial services cooperative, we've chosen our members and clients as our primary stakeholders.

We have an online participation and liaison tool, in the form of a survey, which we use to consult our members. For the caisses, it's a way to encourage participatory governance outside of the annual general meetings and to build stronger ties between them and their members, who aren't just clients but also owners.

To reach the clients of our subsidiaries, we made the survey available through our mobile apps.

The survey gave all our members and clients the opportunity to voice their opinions on Desjardins Group's social responsibility priorities.

In 2016, we intend to undertake a more traditional consultation process with both our internal and external stakeholders.

G4-25 – SELECTION CRITERIA

The survey was available via AccèsD and Desjardins's various mobile apps. It was available to Desjardins members and clients only.

A total of 4,488 people (both English- and French-speaking) responded to the survey, which was conducted between October 15 and 31, 2015.

G4-26 – APPROACH

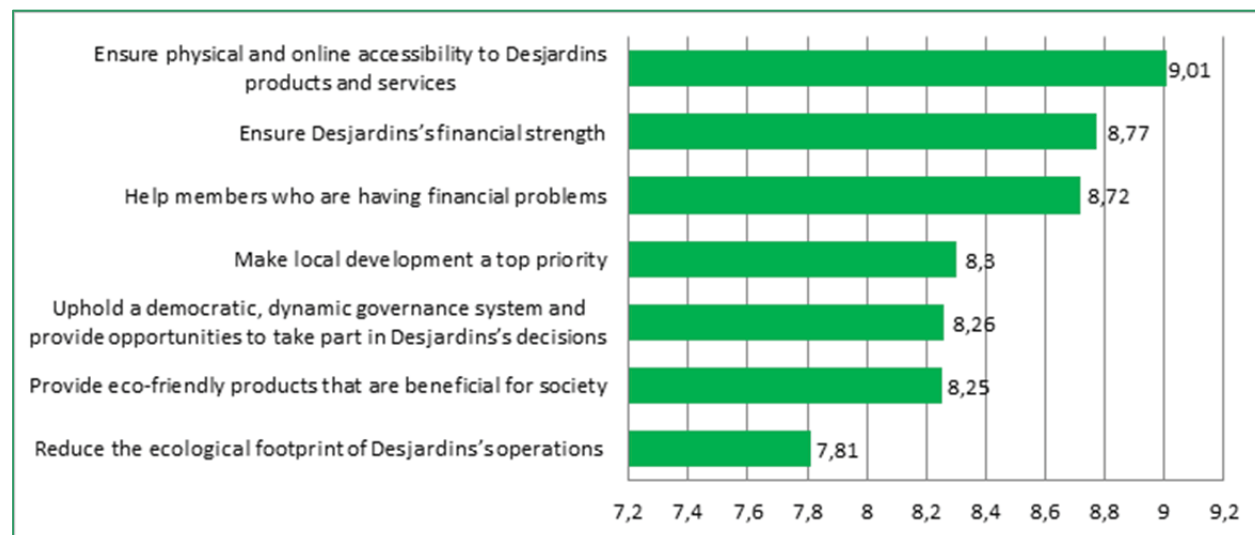
We took advantage of Co-op Week to test out our innovative new consultation tool via our website and mobile apps. The initiative was a way to make cooperation and social responsibility more tangible, visible and concrete for our members and clients.

The survey was made up of two opinion questions. The first provided a list of sustainability commitments and asked respondents to assign a number to each based on how important they are to them. The second was an open-ended question about Desjardins's cooperative nature and what we should do to set ourselves apart from the competition.

G4-27 – KEY TOPICS AND CONCERNS

On the first question, where respondents were asked to assign a level of importance to a list of sustainability commitments, six of the seven commitments scored above 8. This shows our members' and clients' strong support of sustainability issues, both environmental and social. The commitments that ranked highest were:

- Ensure physical and online accessibility to Desjardins's products and services
- Ensure Desjardins's financial strength
- Help members who are having financial problems



To the second question, about what we should do to set ourselves apart from the competition, the most popular answers were:

- Use a personalized and accessible approach
- Offer distinctive products, services, prices and rates
- Recognize caisse members wherever they do business with Desjardins
- Better explain Desjardins's cooperative difference

REPORT PROFILE (4-28 TO 4-33)

G4-28 – REPORTING PERIOD

This annual report covers the period from January 1 to December 31, 2015.

G4-29 – DATE OF PREVIOUS REPORT

This annual report covers the period from January 1 to December 31, 2015.

G4-30 – REPORTING CYCLE

Since publishing our *2007 Social and Cooperative Responsibility Report*, we have been disclosing our social and cooperative responsibility performance every year. See the full list of our past reports.

<https://www.desjardins.com/ca/about-us/investor-relations/annual-quarterly-reports/social-responsibility/index.jsp>

G4-31 – CONTACT POINT

- For any questions about this report, contact the social responsibility team using the Comments section at the bottom of this page :
https://desjardins.com/ca/about-us/investor-relations/annual-quarterly-reports/desjardins-group/2014-annual-report/2014-glance/index.jsp?utm_campaign=vanity-url&utm_medium=vanity&utm_source=desjardins&utm_term=/rapportannuel/index.jsp
- For more information about social and cooperative responsibility at Desjardins, visit the Social responsibility and cooperation page on our website.
<https://www.desjardins.com/ca/about-us/social-responsibility-cooperation/index.jsp>

G4-32 – “IN ACCORDANCE” OPTION

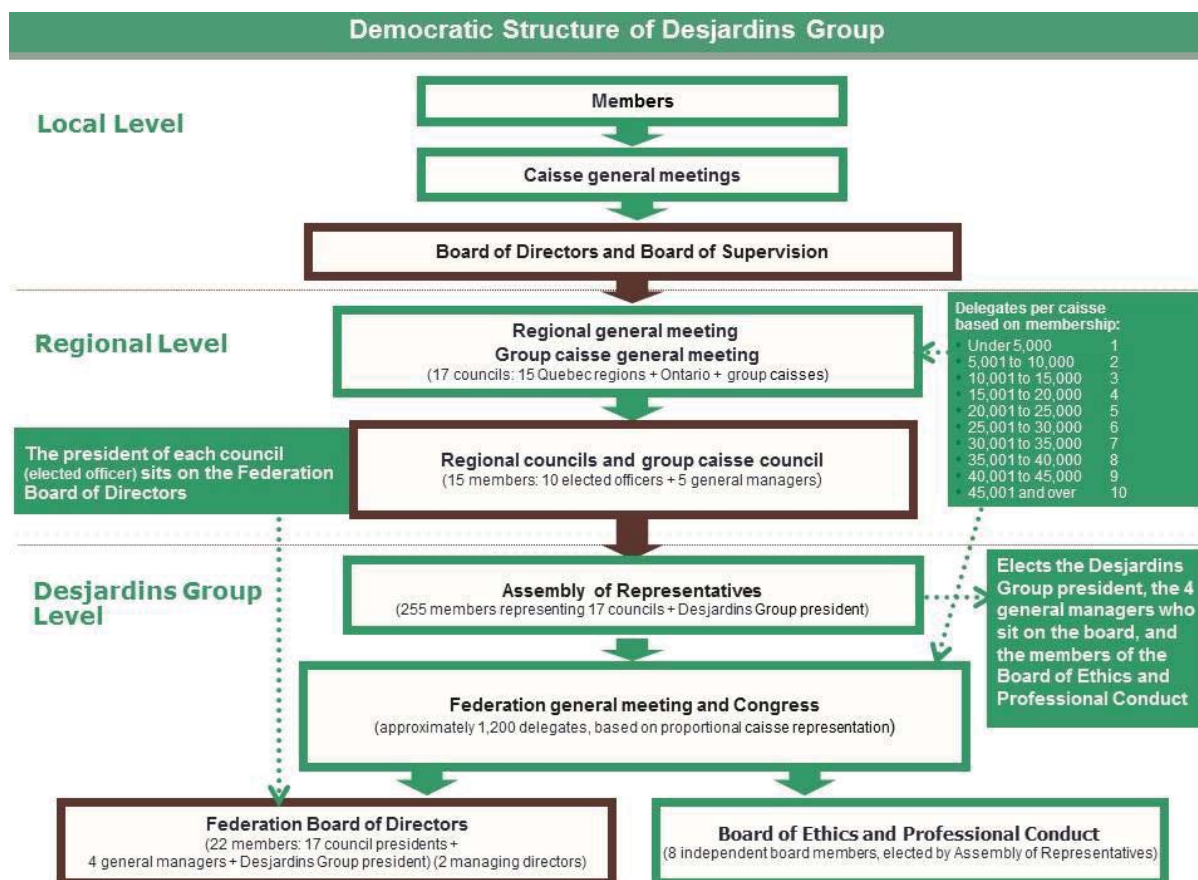
Desjardins Group affirms that this report was produced in accordance with the Core option of the Global Reporting Initiative G4 Guidelines.

G4-33 – EXTERNAL ASSURANCE

Although this report has not been audited externally, all disclosed data has been validated internally by senior management. Our 2013 and 2014 reports also underwent an internal audit, and corrections were incorporated in this 2015 report.

GOVERNANCE (4-34 TO 4-55)

G4-34 – GOVERNANCE STRUCTURE



The purpose of Desjardins Group's 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 Fédération des caisses Desjardins du Québec (the Federation) oversees the development and application of a Desjardins-wide governance program that takes into account its cooperative nature, its social responsibility objectives, the complexity of its activities, and Autorité des marchés financiers (AMF) guidelines. This program covers the activities of the Federation, Caisse centrale Desjardins (CCD), the Fonds de sécurité Desjardins, the Fédération des caisses populaires de l'Ontario Inc., Desjardins's subsidiaries and the caisses. As certain components are subject to specific regulations, the program largely complies with rules established by the Canadian Securities Administrators and the Office of the Superintendent of Financial Institutions, as well as industry best practices.

MANDATE OF THE BOARD OF DIRECTORS

Pursuant to the *Act respecting financial services cooperatives*, the Board is responsible for managing the affairs of the Federation, with support from its commissions and committees. It ensures that the necessary mechanisms and structure are in place for it to play its full part as the organization that guides, plans, coordinates, monitors and controls all Desjardins Group operations. The organizational structure, which is built around the business sectors and support functions, serves to optimize overall performance, streamline the organization and improve financial and risk management. The Board's responsibilities include the following:

- Culture of integrity
- Strategic and financial planning process
- Identification and management of main risks
- Succession planning
- Integrity of internal control and management reporting systems
- Strategic communications

THE FEDERATION'S COMMISSIONS, COMMITTEES AND BOARD OF ETHICS AND PROFESSIONAL CONDUCT

The Board creates a number of committees and commissions and defines their mandates in order to support and streamline its strategic direction, planning, supervisory and control activities. These commissions and committees are made up entirely or almost entirely of independent parties. At the end of each meeting, these commissions and committees hold closed-door sessions which management members do not attend, except for the Chair of the Board and CEO (unless his or her recusal is necessary for independence reasons). The composition and mandate of these commissions and committees are reviewed annually. Any work carried out by a commission or committee is documented in a report, which is presented at the next Board meeting. The detailed mandates of these bodies are available on Desjardins.com, under **About us > Governance and democracy**.

EXECUTIVE COMMITTEE

This committee has the same functions and powers as the Board of Directors, with the exception of those which the Board may reserve for itself or assign to another committee or commission. It held nine meetings, including three conference calls, in 2015.

DESJARDINS GROUP MANAGEMENT COMMITTEE

This committee supports the President and CEO of Desjardins Group and the Board of Directors in their responsibility to provide a management structure for Desjardins Group. The committee helps the Board incorporate the strategic directions of the cooperative network, business sectors and support functions and implement business development strategies. It also ensures the smooth running of operations in accordance with the frameworks and requirements set by the Board of Directors and other Desjardins Group governing bodies. The Management Committee is responsible for operational files with economic, environmental and social significance that have an impact on Desjardins Group.

BOARD OF ETHICS AND PROFESSIONAL CONDUCT

Pursuant to the *Act respecting financial services cooperatives*, the Federation has a Board of Ethics and Professional Conduct that is independent of the Board of Directors. The eight members of this board are independent Desjardins Group elected officers. The Board of Ethics and Professional Conduct is supported by a team that reports to the Governance and Social Responsibility Division and Secretariat General, which enables it to organize education and training activities and provide advisory services.

One of the main responsibilities of this board is to ensure the independence and objectivity of the Federation's inspection and audit services for the caisses (Desjardins Group Monitoring Office) and make recommendations to the President and CEO of Desjardins Group regarding the appointment of the person responsible for managing these services. The role of the Board of Ethics and Professional Conduct also includes:

- Adopting the rules of conduct applicable to the officers of Desjardins Group and the subsidiaries and to the employees of the Federation and the caisses
- Presenting said rules for approval to the Board of Directors and ensuring the caisses and the Federation comply with them
- Supporting the caisses and the Federation in applying the rules of conduct
- Issuing advice, observations and recommendations on ethical and professional conduct issues (Desjardins Group's mission and values), particularly in cases of misconduct
- Notifying the Board of Directors of violations to the rules of ethics and professional conduct or if the Federation violates the provisions of the *Act respecting financial services cooperatives* or the regulations governing restricted party transactions and conflicts of interest
- Ensuring that complaints about the Federation originating from the caisses or other Federation members (CCD, holding companies or subsidiaries) are addressed

The Board of Ethics and Professional Conduct holds closed-door meetings that are not attended by management.

It held 12 meetings, including five conference calls, in 2015. The members of the Board of Ethics and Professional Conduct were also invited to participate in the Quebec Organizational Ethics Network's conference.

COOPERATION AND NETWORK LIAISON COMMISSION

This commission assists the Board of Directors with issues related to Desjardins Group's cooperative culture and the relationship between the Federation's democratic bodies and the caisse network. The commission ensures the effective and efficient implementation of mechanisms for collaboration, participation and connection with the network. In addition, it examines Desjardins Group's social and cooperative responsibility report and recommends its adoption to the Board. It also makes recommendations to the Board, if need be. It held five meetings in 2015.

CORPORATE GOVERNANCE COMMISSION

This commission supports the Board of Directors in applying and updating the corporate governance program. It examines the guidelines and reports issued by regulatory agencies. It has no say in selecting the members of the Federation's Board of Directors but oversees the selection process for the directors of Desjardins Group's subsidiaries. It is responsible for supervising the performance review program for members of the Board of Directors and its commissions and committees, as well as the integration and skills development program for Federation officers. It also administers the sustainable development and voting rights policies. It held 12 meetings, including one conference call, in 2015.

RISK MANAGEMENT COMMISSION

This commission assists the Board of Directors in identifying and monitoring major risks to the Federation and Desjardins Group. It held five meetings in 2015.

OTHER COMMISSIONS AND COMMITTEES

The following commissions and committees are indirectly involved in social responsibility issues:

- Audit and Inspection Commission
- Human Resources Commission
- Commission on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group
- Investment Commission
- Desjardins Group Retirement Committee (DGRC)
- DGRC Investment Committee
- DGRC Risk Management Advisory Committee
- Pan-Canadian Advisory Committee

G4-35 – PROCESS FOR DELEGATING AUTHORITY

The Management Committee is responsible for operational files with economic, environmental and social significance that have an impact on Desjardins Group.

The Governance Commission is responsible for the Desjardins Group policy on our commitment to sustainable development and its related directives and standards.

G4-36 – RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

The Secretary General of Desjardins Group apprises the Board of economic, environmental and social issues and is responsible for ensuring that such issues are considered in the decision-making process at each meeting.

G4-37 - CONSULTATION ON ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

This item is described in indicators G4-24 through G4-27.

The Desjardins Group Management Committee read a full report on the results of our member consultation.

G4-38 – COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES

COMPOSITION OF THE BOARD OF DIRECTORS

The Federation's Board of Directors consists of 22 directors, six (27%) of whom are women, and the majority of whom are independent directors.

The vice-presidents of two regional councils (Outaouais, Abitibi-Témiscamingue and Nord du Québec; and Bas-Saint-Laurent and Gaspésie-Îles-de-la-Madeleine) also serve on the Board as managing directors and, as such, have no voting rights.

Additionally, three management members support the Board by attending its meetings: the Senior Executive Vice-President of Desjardins Group and General Manager of the Federation; the Senior Vice-President of Finance and Chief Financial Officer; and the Desjardins Group Secretary General. The Secretary General apprises the Board of economic, environmental and social issues and is responsible for ensuring that such issues are considered in the decision-making process at each meeting.

G4-39 – NON-SEPARATION OF CHAIR AND EXECUTIVE OFFICER ROLES

PRESIDENT AND CEO

In keeping with Desjardins's cooperative nature, the President and CEO of Desjardins Group is chosen by a 255-person electoral college made up of representatives from Quebec and Ontario caisses (the members of the regional councils and the group caisse council), plus the sitting President and CEO of Desjardins Group. Although the Board of Directors does not appoint the incumbent, it oversees the succession process, by determining the main parameters for the mandate of the Desjardins Group President and CEO, who serves a four-year term

The electoral process is governed by a Federation by-law and Desjardins Group's *Code of Professional Conduct*, and is overseen by an election committee made up of elected officers, independent from the Board of Directors, whose responsibility is to establish the rules of the electoral process and the rules of conduct to which the electoral college, candidates, employees and elected officers must adhere. There is a limit of two consecutive four-year terms for the position of President and CEO of Desjardins Group. In addition to these parameters, the Board of Directors also establishes the profile for the role and develops a candidate evaluation guide based on this profile to be used by the members of the electoral college.

SENIOR EXECUTIVE VICE-PRESIDENT OF DESJARDINS GROUP AND GENERAL MANAGER OF THE FEDERATION

For the purposes of independence, stability and succession planning, and pursuant to applicable legislation, the Senior Executive Vice-President of Desjardins Group and General Manager of the Federation is appointed by the Board. The Board also adopts organizational practices for Desjardins Group's strategic management and the associated macrostructure.

POSITION AGAINST SEPARATING THE FUNCTIONS OF CHAIR OF THE BOARD FROM THOSE OF CEO

The responsibilities of the President and CEO of Desjardins Group are set out in the Federation's Internal By-Laws. The functions of Chair of the Board and President and CEO of Desjardins Group have not been separated. This decision was made by the Federation's General Meeting and has been integrated into its Internal By-laws.

Desjardins Group's current position is that non-separation promotes the legitimacy and independence of the President and CEO of Desjardins Group. The main arguments in favour of this position are the following:

- The Desjardins CEO is elected by an electoral college of 255 Federation member representatives and the current or outgoing President and CEO. This individual's primary responsibility is to ensure that the interests of Desjardins members are protected.
- The Chair of the Board and CEO of Desjardins Group has no influence over the choice of directors because he or she cannot recommend candidates, and each director is elected at either a regional or group *caisse* general meeting or the Assembly of Representatives, where the Chair of the Board and CEO has no voting rights. The same applies to the selection of the members of the Board of Ethics and Professional Conduct.
- The Board of Directors created the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group (CAR). The CAR is chaired by the Vice-Chair of the Board of Directors, who plays the role of lead director, and is made up entirely of independent directors, to eliminate any risk of conflict of interest. The CAR's meetings are closed-door, and it also holds working sessions with the Board of Directors, which the Chair does not attend.
- Owing to the complex nature of Desjardins Group's management structure and operations, and to the expectations of regulators and the general public, it is essential that the Chair of the Board be thoroughly familiar with the operations, business and projects of both the Federation and Desjardins Group in order to effectively act as a leader and uniting force for the elected officers, the management teams of the Desjardins components, *caisse* members, and clients.
- Desjardins Group's structure is designed to free its CEO from the everyday operational concerns of the Federation and Desjardins Group so that he or she may focus more on other areas, such as cooperative initiatives within Desjardins and in the community, the organization's growth and key strategic files, governance, and the engagement of Desjardins Group's elected officers and employees.
- For the same reasons, the Senior Executive Vice-President of Desjardins Group and General Manager of the Federation:
 - Plays a supervisory and coordination role with the business sectors, to promote better unity and synergy between Desjardins Group's various growth and development activities (with each business sector falling under the purview of a senior vice-president and general manager)
 - Assumes line authority over the major Desjardins Group support functions

G4-40 – NOMINATION AND SELECTION PROCESSES

NOMINATION PROCESS

In accordance with the democratic structure of Desjardins Group and the principle of delegation, 17 of the 22 members of the Board of Directors are directly elected by the delegates of the Federation member *caisses* at regional or group *caisse* meetings. These individuals, who represent their communities, chair the regional councils and the group *caisse* council.^[4] The Federation therefore benefits from having directors who have comprehensive knowledge of the activities of Desjardins Group yet remain independent of management. Their in-depth knowledge of the organization's activities is one of the considerable advantages of Desjardins Group's democratic structure.

The presidents of the regional councils and the group *caisse* council are also responsible for ensuring, firstly, that their *caisses* have a full understanding of the strategic directions established by the Board, and secondly, that the Board takes into consideration the concerns of the *caisses*. They play an important leadership role in helping to achieve regional objectives, managing performance and promoting intercooperation.

Four of the remaining positions on the Board are filled by *caisse* general managers who are elected during the Assembly of Representatives of the Federation. The final position is reserved for the President and CEO of Desjardins Group. Having four *caisse* general managers on the Board is a way to ensure that the directions adopted by the Board reflect the concerns and needs of the *caisses*.

The methods for selecting the members of the Board and its Chair are designed so that each position is subject to a separate electoral process and a separate electoral college. This approach reinforces the independence of Board members from management.

Board members have three-year renewable terms, and each year one-third of the Board members are outgoing. At Desjardins Group's 21st Congress of Officers in 2013, it was decided that there should be a limit of four terms for Federation and CCD board members and members of the Board of Ethics and Professional Conduct. While a legislative amendment would be required to make this limit official, in 2014, all members voluntarily committed to limiting their service to four consecutive terms. As a transitional measure, anyone completing their fourth term at the time of this commitment may seek a fifth and final term.

The composition of the Board of Directors is thus determined by Desjardins's own electoral process. The Federation does not employ a candidate search committee or have a policy dictating the officer candidate search and selection process. Members of the Board of Directors are all products of the Federation's democratic structure.

One outcome of this is that the Board cannot consider or seek to promote female representation. Although there is no Federation policy in this regard, each individual caisse embraced a voluntary commitment in 2014 to harmonize its gender representation with the overall makeup of its membership within the next three years. Over the medium term, this commitment will also affect representation on regional councils and the group caisse council, as well as within Desjardins Group entities, since caisse membership is split relatively equally between men and women. Achieving gender-balanced representation at local levels also helps attain this objective at the regional level and, consequently, at the Federation Board level.

All caisse officers are provided with a guide outlining the terms, conditions and processes that pertain to the responsibilities of Federation directors and regional or group caisse council presidents. The purpose of this guide is to assist those interested in applying for these positions, and to provide guidance for those voting to elect Federation officers. The guide also emphasizes the important role that diversity and socioeconomic profile play in how we select representatives, particularly to achieve gender balance.

⁽⁴⁾ The regional councils and the group caisse council have the power to influence decisions affecting major priorities of the Federation, specifically regarding Desjardins Group's strategic planning process and key projects. They represent the caisses in their region, making sure they maintain relationships with the Federation and their communities. They also adhere to and promote the values of the caisses and Desjardins Group, acting in their best interests at all times. They are mainly responsible for keeping the caisses active in their community, identifying business development opportunities, updating the distribution network and overseeing the relationships among the caisses, management and other Federation governing bodies.

G4-41 – CONFLICT OF INTEREST PROCESSES

N/A

G4-42 – ROLE OF THE HIGHEST GOVERNANCE BODY

N/A

G4-43 – MEASURES TAKEN TO ENHANCE COLLECTIVE KNOWLEDGE OF ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

N/A

G4-44 – PROCESS FOR EVALUATION OF COLLECTIVE KNOWLEDGE

N/A

G4-45 – HIGHEST GOVERNANCE BODY'S ROLE IN THE IDENTIFICATION AND MANAGEMENT OF ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS, RISKS AND OPPORTUNITIES

N/A

G4-46 – HIGHEST GOVERNANCE BODY'S ROLE IN REVIEWING THE EFFECTIVENESS OF RISK MANAGEMENT PROCESSES

N/A

G4-47 – FREQUENCY OF THE HIGHEST GOVERNANCE BODY'S REVIEW OF IMPACTS, RISKS AND OPPORTUNITIES

N/A

G4-48 – REPORT APPROVAL

Upon the recommendation of the Cooperation and Network Liaison Commission, the Board of Directors approves the cooperative and social responsibility section of the annual report.

G4-51 – REMUNERATION POLICIES

DIRECTOR COMPENSATION POLICY

The Board reviews, whenever it deems it necessary and at least every three years, its policy on the compensation of its directors, members of the Board of Ethics and Professional Conduct, and members of the regional councils and group caisse council. The Board receives recommendations from the Corporate Governance Commission, which keeps a close eye on industry developments, especially within large cooperatives and cooperative financial groups. The policy's compensation rates are consistent with those of comparable cooperative organizations in Quebec, Canada and Europe.

The policy includes guidelines for calculating the compensation for elected officers of the caisses and the Federation as well as for directors of subsidiaries.

In accordance with the *Act respecting financial services cooperatives*, the total budget for the payment of attendance fees to members of the Board, the regional councils, the group caisse council and the Board of Ethics and Professional Conduct is authorized by the Federation's general meeting. The total compensation budget (annual stipends plus attendance fees) is reported to the general meeting. The general meeting receives a report on changes to the compensation budget every year. The total budget for 2015 was \$2,550,000, the same as in 2014.

Compensation rates for the members of the Boards of Directors of the Federation, CCD and Desjardins Trust Inc., and the members of the Boards of Ethics and Professional Conduct of the Federation and CCD

	Federation	CCD	Desjardins Trust	Subsidiaries
Chair of the Board of Directors ⁽¹⁾	\$0 This position is held by the President and CEO of Desjardins Group	\$0 This position is held by the President and CEO of Desjardins Group	\$0 This position is held by the President and CEO of Desjardins Group	\$10,000
Annual stipend for the chair of a commission or committee of the Board of Directors ⁽²⁾	\$6,500	\$6,500	\$6,500	\$6,500
Annual stipend for the Vice-Chair of the Board of Directors	\$6,667	\$6,667	\$6,667	--
Annual stipend for a member of the Board of Directors ⁽³⁾	\$10,667	\$10,667	\$10,667	\$10,000
Annual stipend for a member of a commission or committee of the Board of Directors ⁽⁴⁾	\$2,000	\$2,000	\$2,000	\$2,000
Attendance fee for a meeting of the Board of Directors ⁽⁴⁾	\$1,200 (daily maximum)	\$1,200 (daily maximum)	\$1,200 (daily maximum)	\$1,200 (daily maximum)
Attendance fee for commission or committee meetings ⁽⁵⁾	\$600 (per half-day)	\$600 (per half-day)	\$600 (per half-day)	\$600 (per half-day)
Conference call	\$200	\$200	\$200	\$200

	Federation	CCD	Desjardins Trust	Subsidiaries
Attendance fee for a meeting of the Board of Ethics and Professional Conduct or the Ethics Committee	\$2,400 for the chair \$1,200 for members	\$2,400 for the chair \$1,200 for members	\$2,400 for the chair \$1,200 for members	\$600 (per half-day)
Annual stipend for the president of a regional council or the group caisse council ⁽³⁾	\$15,000	N/A	N/A	N/A
Attendance fee for a meeting of a regional council or the group caisse council	\$300	N/A	N/A	N/A

N/A: not applicable

- (1) The position of Chair of the Board of the following subsidiaries is held by a member of the Federation's Board of Directors: Développement international Desjardins, Desjardins General Insurance Group Inc., Desjardins Financial Security Life Assurance Company, Desjardins Financial Holding Inc., Desjardins Financial Corporation Inc. and Desjardins Securities Inc.
- (2) The attendance fee is doubled in lieu of the annual stipend for the chairs of commissions or committees that hold fewer than four meetings per year, except for the chair of the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group.
- (3) Federation Board members receive an annual stipend of \$32,000 for their service as directors of the Federation, of CCD and of Desjardins Trust. This amount is equally allocated among these three components. The stipend paid to the two managing directors is \$24,800, with an additional \$7,500 for their roles as vice-presidents of their respective regional council.
- (4) The annual member stipend is paid regardless of the number of commissions or committees the member sits on for the Federation, CCD or Desjardins Trust. In other words, a single stipend is paid for all positions held for all three entities.
- (5) The maximum daily attendance fee is \$1,200, regardless of the number of Board, commission or committee meetings a member attends in a single day. Every effort is made to schedule multiple meetings on the same day to keep costs to a minimum. The Federation's Board of Directors may invite any elected caisse officer to sit on any of its committees. The Board of Directors determines the compensation to be paid based on the nature of the responsibilities entrusted to the officer and the compensation schedule.

G4-52 – PROCESS FOR DETERMINING REMUNERATION

COMMITTEE ON THE AGGREGATE REMUNERATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF DESJARDINS GROUP

This committee, whose members are all independent directors, is mandated to make recommendations to the Board regarding the remuneration, working conditions and annual objectives of the President and CEO.

G4-53 – CONSULTATION ON REMUNERATION

The Desjardins Group officer compensation policy includes guidelines for calculating the compensation of elected officers of the caisses and the Federation, as well as for directors of the subsidiaries. A governance mechanism was implemented to allow the Board of Directors to invite delegates of the Federation's annual general meeting to hold an advisory vote on the compensation guidelines for Desjardins Group staff members, including senior management.

G4-54 – COMPENSATION RATIO

This is the ratio of the annual total compensation of the president and CEO to the average annual total compensation for all permanent, full-time Desjardins Group employees.

The compensation ratio is calculated by the Committee on the Aggregate Remuneration of the President and Chief Executive Officer of Desjardins Group every year. The 2015 ratio is 40 times the average compensation of permanent full-time employees.

See the 2015 Annual Information Form of the Fédération des caisses Desjardins du Québec.

G4-55 – BOARD ATTENDANCE FIGURES

The members of the Federation's Board of Directors have an average meeting attendance rate of 96.5%.

ETHICS AND INTEGRITY (4-56 TO 4-58)

G4-56 – ORGANIZATIONAL VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOUR

CULTURE OF INTEGRITY

The Board of Directors is responsible for promoting the values of Desjardins Group: money at the service of human development, democratic action, personal commitment, integrity and rigour in the cooperative enterprise, solidarity with the community, and intercooperation. The Board is also responsible for enforcing Desjardins Group's rules of professional conduct.

Desjardins Group's *Code of Professional Conduct*, which is available to the public on Desjardins.com, applies to all Desjardins Group entities. It includes a section on ethics and how they relate to Desjardins Group's mission and values, and a section that outlines all the rules of professional conduct. In addition, online training on professional conduct is provided for all Desjardins employees and officers. All employees must sign an acknowledgement every year that they have read the Code.

G4-57 – MECHANISMS FOR SEEKING ADVICE

The Board of Ethics and Professional Conduct adopts rules of professional conduct for the officers of Desjardins, including those of its subsidiaries, and for the employees of the Federation and the caisses. As indicated in the description of its mandate in Indicator G4-34, these rules must be ratified by the Board of Directors before they come into effect. Furthermore, the Board of Ethics and Professional Conduct works collaboratively with the subsidiaries, but has no authority over them.

Within the caisse network, the Board of Supervision of each caisse oversees the operations of the caisse in terms of ethics, professional conduct and cooperation. It issues opinions and makes recommendations to the Board of Directors. It also:

- Ensures that the values, principles and rules of the *Code of Professional Conduct* are promoted, and handles professional conduct issues that fall under its purview
- Identifies and analyzes situations that raise ethical issues for the caisse, particularly those relating to Desjardins's mission and values

The Federation also offers advisory services for all of Desjardins Group.

G4-58 – REPORTING MECHANISMS

The Federation has a Board of Ethics and Professional Conduct whose members are all independent of Desjardins Group management and the Board of Directors. For Desjardins caisses, responsibility for ethics and professional conduct rests with the Board of Supervision in Quebec, and with an Audit Committee comprising caisse officers in Ontario. Desjardins Group also has a policy for reporting actions that violate laws and regulations or the *Code of Professional Conduct*. The policy features a confidential reporting mechanism to preserve the anonymity of individuals who use it.

The Federation oversees the financial reporting process and the disclosure of any material changes that may affect the financial position of Desjardins Group. It also uses various channels to ensure effective communication with its many stakeholders.

These mechanisms include:

- The Ombudsman
- The Desjardins Group ethics and professional conduct support team
- The caisse complaint handling procedure (Your Satisfaction Is My Priority)

Other mechanisms within Desjardins Group:

- Annual general meetings
- Disclosure of quarterly financial results
- Desjardins publications (including annual reports)
- Toll-free telephone numbers
- Intranet portals (including one designed especially for caisse officers)
- Desjardins.com (which includes information on the Co-opme Program on education, cooperation and dialogue with our members and clients, as well as a member relations section)
- The Federation's Member Services Committee
- Procedure for reporting violations of the *Code of Professional Conduct* and other governance documents
- Newsletters
- Social media tools (Facebook, YouTube, LinkedIn, Twitter, etc.)



Cooperating in building the future