



**Independent Limited Assurance Report on the selected sustainability  
information included in the Desjardins Group Climate Action at Desjardins  
Report 2021**

For the year ended December 31, 2021

Prepared in accordance with International Standard on Assurance Engagements 3410,  
*Assurance Engagements on Greenhouse Gas Statements* ('ISAE 3410')

The contents of this report are strictly confidential, and its use is restricted.  
Unauthorized use of this report, in whole or in part, is strictly forbidden.



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## **SECTION I: Independent practitioner’s limited assurance report on the “Desjardins Group 2021 Greenhouse Gas Emissions Report” included in the Desjardins Group Climate Action at Desjardins Report 2021**

### **To the Board of Directors and Management of the Desjardins Group**

We have undertaken a limited assurance engagement of the “Desjardins Group 2021 Greenhouse Gas Emissions Report” (“the subject matter”) contained in the Climate Action at Desjardins Report (“Climate Action Report”) of the Desjardins Group for the year ended December 31, 2021. This engagement was conducted by a multidisciplinary team including assurance practitioners and individuals with environmental experience.

#### **Scope and subject matter**

Our scope is limited only and exclusively to “Desjardins Group 2021 Greenhouse Gas Emissions Report” (see Section II) and is not extended to any other information, note, section and paragraph of the Climate Action Report 2021 of the Desjardins Group.

We were not engaged to report on comparative figures presented within the subject matter for the prior years and we were not engaged to report on trends, variances and any other additional information not specifically mentioned in this paragraph on the Scope and subject matter of our engagement.

#### **Management’s responsibility**

Management is responsible for the preparation of the “Desjardins Group 2021 Greenhouse Gas Emissions Report” following the methodology outlined in the *GHG Protocol – A Corporate Accounting and Reporting Standard Revised Edition* (the “Applicable Criteria”), applied as explained in Section II. Management is also responsible for such internal control as management determines necessary to enable the preparation of a subject matter that is free from material misstatement, whether due to fraud or error.

#### **Inherent Uncertainty**

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for the determining, calculating, sampling, or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

We have not carried out any work on data reported for prior reporting periods nor in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our conclusion to the above-mentioned subject matter.



## **Our Responsibility**

Our responsibility is to express a limited assurance conclusion on the “Desjardins Group 2021 Greenhouse Gas Emissions Report” based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the “Desjardins Group 2021 Greenhouse Gas Emissions Report” is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement, whether due to fraud or error, in preparing the “Desjardins Group 2021 Greenhouse Gas Emissions Report” in accordance with the Applicable Criteria are likely to arise.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of Desjardins Group’s control environment and information systems relevant to key performance indicators and emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation, or test their operating effectiveness;
- Evaluated whether Desjardins Group’s methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Desjardins Group’s estimates;
- Checked the mathematical accuracy of the calculation related to the Greenhouse Gas emissions variations on the comparative period January 1, 2020 to December 31, 2020 reported in the “Desjardins Group 2021 Greenhouse Gas Emissions Report”.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## **Our Independence and Quality Control**

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies Canadian Standard on *Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



## **Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the “Desjardins Group 2021 Greenhouse Gas Emissions Report” included in the Desjardins Group Climate Action Report 2021 prepared in accordance with the Applicable Criteria for the year ended December 31, 2021, is not prepared, in all material respects, in accordance with the Applicable Criteria.

## **Purpose of statement and restriction on distribution and use of our report**

The “Desjardins Group 2021 Greenhouse Gas Emissions Report” has been prepared in accordance with the Applicable Criteria to assist Management in reporting on the company’s sustainability performance and activities. As a result, the “Desjardins Group 2021 Greenhouse Gas Emissions Report” may not be suitable for another purpose. Our report is intended solely for the Desjardins Group.

We acknowledge the disclosure of our report, in full only, by the Desjardins Group at its discretion, within the Desjardins Group Climate Action Report 2021, to enable Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report on the selected information contained in the report. We make no representations or warranties of any kind to the Board of Directors and Management of the Desjardins Group or any other third party in respect of this report.

Our report should not be distributed to parties other than the Desjardins Group.

<sup>1</sup>  
*PricewaterhouseCoopers LLP*

## **Partnership of Chartered Professional Accountants**

Montréal, Québec

February 25, 2022

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<sup>1</sup> CPA auditor, CA, public accountancy permit No. A113424

**SECTION II: “Desjardins Group 2021 Greenhouse Gas Emissions Report”**

The Desjardins Group Greenhouse Gas Emissions (GHG) Report was prepared in compliance with the principles and requirements presented in the most recent version of the *GHG Protocol Corporate Accounting and Reporting Standard (2015- revised edition)*. We used the following report to disclose our GHG emissions to the CDP and to prepare the Climate Action at Desjardins report according to the recommendations of the TCFD. The Desjardins Group reported a total **33,552 metric tons** of carbon dioxide equivalent (CO<sub>2</sub>e) of emissions for scopes 1, 2 and 3.

The table below reports Desjardins Group's <sup>1</sup> emissions for scopes 1, 2 and 3 for the year ended December 31, 2021.

Scope	Source of GHGs	Emissions in metric tons of CO <sub>2</sub> e		Annual Variance
		2020 <sup>2</sup>	2021 <sup>3</sup>	
Scope 1	Fossil fuel consumption in buildings under Desjardins's operational control	6,938	5,489	(21%) <sup>5</sup>
	Refrigerant leaks (ODS)	310	385	24% <sup>4</sup>
	Fuel consumption for the Desjardins vehicle fleet and shuttle	940	746	(21%) <sup>5</sup>
<b>Total Scope 1</b>		<b>8,188</b>	<b>6,620</b>	<b>(19%)</b>
Scope 2	Steam and electricity consumption of buildings under Desjardins's operational control	1,844	1,303	(29%) <sup>5</sup>
<b>Total Scope 2</b>		<b>1,844</b>	<b>1,303</b>	<b>(29%)</b>
Scope 3	Energy consumption for buildings from direct real estate investments (for which Desjardins has no operational control)	15,075	16,005	6% <sup>6,7</sup>
	Fossil fuel consumption for business travel	3,477	1,636	(53%) <sup>5</sup>
	Paper consumption	11,553	7,988	(31%) <sup>5</sup>
<b>Total Scope 3</b>		<b>30,105</b>	<b>25,629</b>	<b>(15%)</b>
<b>Total</b>		<b>40,137</b>	<b>33,552</b>	<b>(16%)</b>

<sup>1</sup> Data for 2021 has been calculated for Desjardins Group as a whole, covering the following components: Desjardins caisse network and business centres, Fédération des caisses Desjardins du Québec, Desjardins General Insurance Group, Desjardins Financial Security, Desjardins Capital, Desjardins Property Management, Développement international Desjardins, Desjardins Global Asset Management, Desjardins Securities, Desjardins Technology Group, Desjardins Investment Product Operations, Desjardins Investments and Desjardins Shared Services Group. Other Desjardins Group components not specified in this list are excluded from the calculations.

<sup>2</sup> The corrections made in 2020 are derived only from the recalculation of the energy consumption in corporate sites leased by Desjardins. A new, more precise source of data was identified in 2021 to estimate the distribution of energy sources consumed for this category of buildings (change from 42,631 to 40,137 tonnes of CO<sub>2</sub>e for total in 2020).

<sup>3</sup> Reporting periods: January 1, 2021 to December 31, 2021 for paper consumption, business travel and ODS data, and October 1, 2020 to September 30, 2021 for building energy data.

<sup>4</sup> This increase of 24% in emissions related to refrigerant leaks is due mainly to the update of emission factors based on to the IPCC Sixth Assessment Report (13%) and leakage from site equipments that were repaired or replaced (11%).

<sup>5</sup> These significant decreases are mainly due to the COVID-19 pandemic. For the 12 months of 2021 (compared to 9.5 months in 2020), all business travel was suspended and telework was mandatory for 90% of employees, which had a major impact on reducing consumption of paper and, to a lesser extent, energy. For electricity, a reduction in the electricity grid emission factors for Quebec (-29%) and Ontario (-6%) also contributed to the decrease in scope 2 emissions. Finally, efforts managed by our procurement teams to replace non-recycled paper with 100% recycled paper has contributed to lower emissions from paper consumption.

<sup>6</sup> Financed emissions stemming from Desjardins Group's direct investments in real estate will be, starting this year, presented separately from operational emissions and included in the total for financed emissions (Category 15 – investments) in relevant reports.

<sup>7</sup> The slight increase in emissions is due to an increase in the estimated natural gas consumption from the buildings in the direct real estate investment portfolio.

## Methodology and assumptions

### *New scope breakdown in 2021*

In 2021, the breakdown by scope of the Desjardins Group Emissions Report changed, with respect to our building-related GHG emissions. Scope 1 and 2 contain solely the emissions from sites under the operational control of Desjardins, in other words, the buildings for which Desjardins has influence on the energy consumed by its users (sites used/occupied by Desjardins employees) and scope 3 contains emissions from direct real estate investments for which Desjardins has no operational control (Scope 3, category 15 according to the GHG Protocol). The breakdown by scope of emissions related to business travel and paper remains unchanged. Emissions for previous years have been reallocated accordingly to reflect this change.

### **Scope 1**

#### *Fossil fuel consumption in buildings under Desjardins's operational control*

For sites for which fossil fuel consumption volumes are known, information from invoices and reports from our utility providers was compiled by our energy data collection systems. These volumes include diesel, heating oil and natural gas consumed per site.

For sites for which only energy costs are known, volumes were estimated based on the average unit cost per province for each type of fuel.

For sites for which neither volume nor cost was available, we estimated the consumption volume using an average cost per area ( $\$/m^2$ ) per energy source. For some sites in this category, the distribution of energy sources is based on the results of a building survey conducted by the Desjardins Property Management team. The distribution of energy sources for sites that did not respond to the survey is estimated based on provincial statistics.

Emissions were calculated by multiplying fossil fuel volumes by corresponding emission factors.<sup>i</sup>

#### *Refrigerant leaks (ODS)*

We determined the accidental release of ODS by compiling data provided by property managers. Emissions were calculated by applying the Global Warming Potential (GWP) for each substance.<sup>ii</sup>

#### *Fuel consumption for the Desjardins vehicle fleet and shuttle*

We calculated the fuel consumption of our Desjardins vehicle fleet in litres of gasoline and diesel using kilometres travelled and each vehicle's fuel consumption rating. For the Desjardins shuttle, direct diesel consumption was used. The total volume of diesel consumed is calculated based on the number of trips. The Desjardins shuttle service has two buses with a capacity of 35 passengers that transport our employees between Levis and Montreal four days a week. However, due to the Covid-19 pandemic, this service has been suspended indefinitely since March 20, 2020.

Emissions for the vehicle fleet in 2021 and the 2020 reference year for the Desjardins shuttle were calculated by multiplying fossil fuel volumes by Canadian emission factors.<sup>i</sup>



## Scope 2

### *Steam and electricity consumption of buildings under Desjardins's operational control*

Steam and electricity consumption data (in Canadian dollars or kilowatt-hours) is provided per site. Volumes are obtained as follows:

- For sites for which electricity consumption is known, information from invoices and reports from our electricity providers was compiled by our energy data collection systems.
- For sites for which only electricity costs are known, volumes were estimated based on the average unit costs in kilowatt-hours per province.
- For sites for which neither volume nor cost was available, we estimated the consumption volume using an average cost per area (\$/m<sup>2</sup>) per energy source (including steam and electricity). For some sites in this category, the distribution of energy sources is based on the results of a building survey conducted by the Desjardins Property Management team. The distribution of energy sources for sites that did not respond to the survey is estimated based on provincial statistics.

Emissions were calculated by multiplying electricity and steam consumption by corresponding emission factors.<sup>i</sup>

## Scope 3

### *Energy consumption for buildings from direct real estate investments (for which Desjardins has no operational control)*

For sites for which energy consumption volumes are known, information from invoices and reports from our utility providers was compiled by our energy data collection systems.

For sites for which neither energy cost nor consumption was available, we estimated a consumption average based on the size of the building in square metres. We calculated the average using actual consumption volumes for the same year from other buildings owned by Desjardins.

Emissions were calculated by multiplying energy volumes by corresponding emission factors.<sup>i</sup>

### *Fossil fuel consumption for business travel*

We calculated fuel consumption for rental vehicles by compiling the total amount spent on fuel in Canadian dollars and converted it to litres using the annual average cost of fuel by geography.

The total distance travelled by personal vehicles is calculated by converting reimbursement costs (\$), based on the distance in kilometres. This distance is then converted into gasoline consumption (litres) based on an average vehicle's consumption.

Emissions are calculated using the same methodology described above for fossil fuels. Desjardins assumes all personal vehicles and rental vehicles run on gasoline.

Air travel data, represented in kilometres, was obtained from our travel agency and includes flight segments and distance travelled. Flight distance is converted to metric tons of CO<sub>2</sub>e using corresponding emission factors.<sup>iii</sup>

Rail travel data was provided by VIA Rail. CO<sub>2</sub> emissions were calculated by multiplying kilometres travelled by corresponding emission factors.<sup>iv</sup>

As data on business travel by intercity bus is difficult to obtain from suppliers and represents a small percentage of GHG emissions from travel (less than 0.05%), it has been excluded from our emissions since 2019. The data collection process is being revised in 2022.

### *Paper consumption*

Most of the paper we consume comes directly from our main suppliers. However, we had to estimate paper consumption for the Caisses network for the portion of paper provided by other suppliers, for which we do not have data. To determine the estimate, we took the total quantity of paper sourced by the Caisses and divided it by the percentage of Caisses that have accounts with our main supplier. GHG emissions on paper consumption are calculated based on the volume and recycled content of the different types of paper using the Environmental Paper Network's Paper Calculator.

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<sup>i</sup> National Inventory Report 1990-2019: Greenhouse Gas Sources and Sinks in Canada (part 2 and part 3); US Energy Information Administration. Commercial Sector Energy Consumption Estimates, 2019; Ministère de la transition écologique, France. Chiffres clés de l'énergie – Édition 2020.

<sup>ii</sup> Intergovernmental Panel on Climate Change Sixth Assessment Report (2021); ASHRAE Standard 34.

<sup>iii</sup> 2021 Government Greenhouse Gas Conversion Factors for Company Reporting, Department for Business, Energy & Industrial Strategy (UK) (Table 37)

<sup>iv</sup> Sustainability Report 2019, VIA Rail Canada (page 46).