Independent practitioner's limited assurance report on the "2023 Desjardins Group Greenhouse Gas Emissions subject to limited assurance Report"

To the Board of Directors and Management of Desjardins Group

We have undertaken a limited assurance engagement on the following select performance metrics (the subject matter) presented in the "2023 Desjardins Group Greenhouse Gas Emissions subject to limited assurance Report" detailed in Schedule 1 for the year ended December 31, 2023.

Subject matter

- Scope 1 Greenhouse Gas (GHG) emissions:
  - Fossil fuel consumption in buildings under Desjardins Group's operational control;
  - Refrigerant leaks (ODS); and
  - Fuel consumption for the Desjardins Group vehicle fleet and shuttle.
- Scope 2 GHG emissions:
  - Steam and electricity consumption of buildings under Desjardins Group's operational control.
- Scope 3 GHG emissions:
  - Category 1 – Purchased goods and services and Category 5 – Waste generated in operations: Paper consumption;
  - Category 6 – Business Travel: Fossil fuel consumption for business travel; and
  - Category 15 – Financed emission for the following asset classes:
    - Mortgages;
    - Motor vehicle loans;
    - Commercial real estate (investments); and
    - Listed equity and corporate bonds (insurers' own investments).

Management's responsibility

Management is responsible for the preparation of the subject matter in accordance with the principles and requirements presented in the most recent version of *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (2015 revised edition) and the principles and requirements presented in the *Partnership for Carbon Accounting Financials (PCAF) Financed Emissions Standard* (2nd Edition 2022) (the applicable criteria). Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

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Our responsibility
Our responsibility is to express a limited assurance conclusion on the subject matter based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements (ISAE) 3410, *Assurance Engagement on Greenhouse Gas Statements*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement 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 subject matter in accordance with the applicable criteria are likely to arise.

Our engagement included, among others, the following procedures performed:

- Through inquiries, obtained an understanding of Desjardins Group's control environment and information systems relevant to GHG emissions quantification and reporting;
- Evaluated whether Desjardins Group's methods for developing estimates were 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;
- Analytical reviews and trend analysis of reporting data for the subject matter; and
- Reviewed the subject matter disclosure in the appendices to ensure consistency with the evidence obtained.

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 management
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 behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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.

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 Desjardins Group's subject matter for the year ended December 31, 2023, is not prepared, in all material respects, in accordance with the applicable criteria.

Purpose of statement and restriction of use
The subject matter has been prepared in accordance with the applicable criteria to assist Desjardins Group with the reporting on their sustainability performance and activity. As a result, the subject matter may not be suitable for another purpose. Our report is intended solely for Desjardins Group.

We acknowledge the disclosure of our report, in full only, by Desjardins Group at its discretion. We make no representations or warranties of any kind to any third party in respect of this report.

PricewaterhouseCoopers LLP

Partnership of Chartered Professional Accountants

Montréal, Québec
March 21, 2024

Schedule 1

2023 Desjardins Group Greenhouse Gas Emissions subject to a limited assurance Report

The Desjardins Group Greenhouse Gas (GHG) Emissions Report was prepared in compliance with the principles and requirements presented in the most recent version of The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2015 revised edition). We've used the following report to prepare the Climate Action at Desjardins report according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and to disclose our GHG emissions to CDP.

The table below reports Desjardins Group's [1] emissions for scopes 1, 2 and some categories of scope 3 for the year ended December 31, 2023.

Scope	Source of GHGs		Emissions in metric tons of CO2e		Annual Variance (2023 vs 2022)
			2022	2023[3]	
Scope 1	Fossil fuel consumption in buildings under Desjardins Group's operational control		3 981[2]	3 813	(4%) [4]
	Refrigerant leaks (ODS)[1]		125[5]	141	13%[5]
	Fuel consumption for the Desjardins Group vehicle fleet and shuttle		927	1 009	9%[7]
		Total Scope 1	**5 033**	**4 963**	**(1%)**
Scope 2	Steam and electricity consumption of buildings under Desjardins Group's operational control		1 163[2]	1 083	(7%)[4]
		Total Scope 2	**1 163**	**1 083**	**(7%)**
Scope 3	Category 1 – Purchased Goods and Services & Category 5 – Waste Generated in Operations	Paper consumption	8 298	7 039	(15%)[6]
	Category 6 – Business Travel	Fossil fuel consumption for business travel	4 518	6 309	40%[7]
		Total Scope 3	**12 816**	**13 348**	**1%**
		Total	**19 012**	**19 394**	**2%**

1. 2023 data covers all of Desjardins Group's components and subsidiaries, with the exception of refrigerant leaks which are calculated only for head offices (Le Complexe and Cité Lévis). The operational GHG emissions report also includes data for Desjardins International Development, the Desjardins Foundation, and the Desjardins Group Pension Plan.

2. The corrections we made in 2022 only involved recalculating the energy consumption in corporate sites leased by Desjardins Group. More accurate data was made available to estimate the total energy consumption and the breakdown of energy sources consumed for this category of buildings (For scope 1, from 4,403 to 3,981; for scope 2, from 1,218 to 1,163). These adjustments have not been part of the PwC limited assurance engagement.

3. Reporting periods: January 1, 2023, to December 31, 2023, for paper consumption, business travel and ozone-depleting substances (ODS) data, and October 1, 2022, to September 30, 2023, for building energy data.

4. These decreases are due to a reduction in the total area of buildings leased by Desjardins Group in 2023.

5. This increase is due to more refrigerant leaks in 2023 compared to 2022. We've adjusted our 2022 capacity from 74 tonnes to 125 tonnes after an updated inventory. These adjustments have not been part of the PwC limited assurance engagement.

6. The reduction in paper-related emission is explained by transversal initiatives to reduce printing and using 100% recycled paper.

7. These significant increases are mainly due to the travel resuming. For all 12 months of 2021, all business travel was suspended, and work-from-home was mandatory for 90% of employees. Since normal operations resumed, particularly the shuttle service and business travel, there's been a similar, albeit reduced, trend to pre-pandemic emissions (2019).

The following table reflects Desjardins Group's financed emissions as of December 31, 2023 and is based on the principles and requirements of the Partnership for Carbon Accounting Financials (PCAF) Financed Emissions Standard (2nd Edition 2022).

Scope	Category	Asset class (at 31 décembre 2023)	Emissions (Scope 1 and 2, $ktCO_2e$)
Scope 3	Category 15 – Financed emissions	Mortgages[8]	328
		Motor vehicle loans[9]	325
		Commercial real estate (Investments)[10]	13
		Listed equity and corporate bonds (insurers'own investments)[11]	316
Total			**982**

[8] The mortgages asset class includes Desjardins Group's portfolio of mortgage loans to individuals. With a coverage of 96%, the calculation excludes mortgage loans used for construction and renovation, among other categories that do not meet PCAF'S definition for the asset class.

[9] The motor vehicle loans asset class includes Desjardins Group's vehicle loans to individuals. With a coverage of 59%, the calculation includes automobiles and motorcycle loans and excludes recreational vehicles and boats.

[10] The commercial real estate (investments) includes Desjardins Group's own investments in commercial real estate. Buildings occupied by Desjardins Group employees are excluded as these emissions are already accounted in Desjardins Group's operational emissions.

[11] The listed equity and corporate bonds (insurers' own assets) includes only the own assets of Desjardins Group insurance entities (Desjardins Financial Security and Desjardins General Insurance) which amount to 66% of total equity and corporate bonds in Desjardins Group balance sheet. Our calculation covers 86% of this portfolio because it excludes investments in companies for which the attribution factor could not be calculated.

1. Scope 1, 2 and 3 of Desjardins Group's operational activities

Methodology and assumptions

The breakdown by scope of the Desjardins Group GHG Emissions Report is similar to the previous year, 2022. To clarify the coverage of scope 3 by this verification, we have included in the summary table the names of the scope 3 categories according to the definitions of the Greenhouse Gas Protocol.

Scope 1

Fossil fuel consumption in buildings under Desjardins Group'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 some of the corporate sites, the energy consumption (GJ/m^2) and the breakdown of energy sources consumed are estimated using provincial data. If available, the results of energy audits carried out in some sites of this category are used to improve this estimate. The Desjardins Real Estate Group team also conducts surveys for each building to collect relevant information to improve this estimate.

Emissions were calculated by multiplying fossil fuel volumes by corresponding emission factors.[12]

Refrigerant leaks (ODS)

The volume of accidental releases of ozone-depleting substances (ODS) is established by adding together the release volumes provided by property managers. Emissions were calculated by applying the Global Warming Potential (GWP) of each substance.[13]

Fuel consumption for the Desjardins vehicle fleet and shuttle

For vehicles owned by Desjardins Group entities, including the caisse network, fuel consumption (in litres of diesel and gasoline) is calculated based on mileage data and the fuel consumption rating for each vehicle.

The Desjardins shuttle service has 2 buses with a capacity of 35 passengers that transport our employees between Lévis and Montreal. The shuttle service resumed in early 2022 and the number of weekly trips increased in 2023 based on employee travel needs. The diesel consumption per shuttle trip is available. The annual consumption is calculated on the basis of the number of trips.

The vehicle fleet and the shuttle emissions for 2023 were calculated by multiplying these volumes of fossil fuels by the relevant emission factors.

Scope 2

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

Steam and electricity consumption data (in Canadian dollars or in kWh) are obtained as follows:

- For sites for which electricity consumption is known, information from invoices and reports from our electricity providers are 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, the consumption volume was estimated using an average cost per area ($/$m^2$) per energy source and then converted in quantity.

[12] National inventory report 1990–2021: Greenhouse gas sources and sinks in Canada (Part 2); US Energy Information Administration. Commercial Sector Energy Consumption Estimates, 2021; Agence de la transition écologique, France, Centre de ressources sur les bilans de gaz à effet de serre – 2022

[13] Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2021); ASHRAE Standard 34.

- For some of the corporate sites, the energy consumption (GJ/m^2) and the breakdown of energy sources consumed are estimated using provincial data. If available, the results of energy audits carried out in some sites of this category are used to improve this estimate. The Desjardins Property Management team also conducts surveys for each building to collect relevant information in order to improve this estimate.

Emissions were calculated by multiplying electricity and steam consumption by corresponding emission factors.[14]

Scope 3

Paper consumption

Most of the paper we consume comes directly from our main suppliers. However, we had to estimate paper consumption 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 from 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.

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 ($/L) by geography.[15]

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. For hybrid vehicles, the consumption average (L/100km) is adjusted based on the average use of the best-selling models of the year.[16] For electric vehicles, a factor (kWh/km) is assigned, then multiplied by an emission factor linked to the province's energy.[17]

Emissions are calculated using the same methodology described above for fossil fuels.

Air travel data, represented in kilometres, was obtained from our travel agency and includes flight segments and distance travelled. Flight distance is converted to tonnes of CO_2e using corresponding emission factors.[18]

[14] National inventory report 1990–2021: Greenhouse gas sources and sinks in Canada (Part 3); US Energy Information Administration. Commercial Sector Energy Consumption Estimates, 2021; Agence de la transition écologique, France, Centre de ressources sur les bilans de gaz à effet de serre – 2022; Énergie et Ressources naturelles Québec, Vapeur, 2023.

[15] Statistics Canada: Monthly average retail prices for gasoline and fuel oil, by geography, 2023

[16] Association des véhicules électriques du Québec, Electric transportation, 2022; PCAF's web-based emission factor database.

[17] National inventory report 1990–2021: Greenhouse gas sources and sinks in Canada (Part 2 and Part 3); US Energy Information Administration. Commercial Sector Energy Consumption Estimates, 2021; Agence de la transition écologique, France, Centre de ressources sur les bilans de gaz à effet de serre – 2022

[18] 2023 Government Greenhouse Gas Conversion Factors for Company Reporting, Department for Business, Energy & Industrial Strategy (UK) (Table 36).

Rail travel data was taken from VIA Rail reports. CO_2e emissions were calculated by multiplying kilometres travelled by corresponding emission factors.[19]

[19] Sustainable Mobility Report 2019, VIA Rail Canada.

2. Desjardins Group's financed emissions

Mortgages

Context and perimeter

The calculation of mortgage-related financed emissions includes on-balance-sheet loans for specific consumption purposes, namely the purchase and refinancing of residential real estate, including single-family homes and multi-family dwellings with a small number of units. Here's the calculation we follow:

$$Financed\ emissions\ = \sum_{b,e} \frac{Outstanding\ amount}{Property\ valuet\ at\ origination\ _b}\ x\ Energy\ consumption_{b,e}\ x\ Emissions\ factor_e$$

(with b=building and e=energy source)

Mortgages to individuals for buildings of 5 or more units are often separated in disclosure, as these loans are generally considered commercial. However, we have decided that regardless of the number of units, residential financing for an individual is included in this asset class.

We exclude home equity lines of credit, as they are not required as part of this methodology, given that these products are generally consumer loans for general consumption purposes.

We exclude mortgages for construction or renovations at this stage, as the owner is not directly responsible for emissions.

Methodology and assumptions

To calculate our emissions factors, Desjardins Group used the PCAF database methodology, and we recalculated them using energy consumption data by energy source and number of units by housing type provided by Natural Resources Canada[20]. To calculate GHG emissions for electricity consumption, we used the most recent data for consumption intensity g CO2e/kWh[21] from the National Inventory Report.

[20] Comprehensive Energy Use Database , Natural Ressources Canada, 2023

[21] National inventory report 1990–2021: Greenhouse gas sources and sinks in Canada

Motor vehicle loans

Context and perimeter

The purpose of this indicator is to quantify the GHG emissions of loans granted for motor vehicles in order to assess the portion attributed to Desjardins Group. It is calculated using the PCAF methodology as follows:

$$Financed\ emissions\ = \sum_{v} \frac{Outstanding\ amount}{Total\ value\ at\ origination_v}\ x\ Vehicle\ emissions_v$$

(with v = vehicle or vehicle fleet)

We calculate financed emissions for personal vehicles and motorcycles, which represent 59% of our portfolio on December 31, 2023. We do not calculate financed emissions for other motor vehicles (boats, trucks, snowmobiles, etc.), due to the lack of recognised methodology and specific data for these vehicles.

Methodology and assumptions

To obtain the emissions of the vehicles we finance, we use the average annual distance travelled per vehicle by province[22], the CO2 emissions and electricity consumption (kWh) by vehicle type[23] and the emission factors per kWh of electricity by province[24].

To calculate financed motorcycle emissions, we use the Scope 1 emissions per province provided by PCAF multiplied by the attribution factor.

[22] Table 32: Car Explanatory Variables . Comprehensive Energy Use Database, Natural Resources Canada, 2023.

[23] Fuel consumption ratings, Natural Resources , 2023.

[24] For Québec : GHG Emissions and Hydro-Québec Electricity, 1990-2022
For other provinces : National inventory report 1990–2021: Greenhouse gas sources and sinks in Canada (part 3)

Commercial real estate (investments)

Context and perimeter

The calculation of financed emissions from commercial real estate includes on-balance-sheet loans for investment purposes. Here is the calculation we follow*:*

$$\textit{Financed emissions} = \sum_b Attribution\ factor_b\ \ x\ Building\ emissions_b$$

(with b=building)

We include the entire portfolio of direct investments in commercial real estate of Desjardins Group in the calculation of our financed emissions, except for buildings occupied by Desjardins employees, since emissions from these buildings are included in our operational scope 1 and 2. For this asset class, the attribution factor is calculated based on the percentage of ownership of the building by Desjardins Group.

Methodology and assumptions

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 where Desjardins Group has information on neither energy costs nor consumption, volumes were estimated using a more accurate model in 2023. We used the Government of Canada's clean energy management software, RETScreen, to calculate energy estimates for certain buildings.[25] These models take into account site-specific data collected during a verification process, including fuel types for each end-use, the efficiency of installed equipment, as well as temperature set points and operating schedules. Subsequently, we estimated energy consumption using ENERGY STAR Portfolio Manager for buildings that have not been verified and for which we have no actual consumption data.[26] These estimates take into account surface area, main usage and temperature. The fuel mix was estimated with a combination of information provided by Desjardins Group and averages from other similar buildings within the portfolio.

[25] Natural Resources Canada, RETScreen, 2023

[26] ENERGY STAR Portfolio Manager, 2023

Listed equity and corporate bonds (insurers' own investments)

Context and perimeter

This asset class includes only the portfolio of listed equity and corporate bonds of Desjardins Group insurance entities, Desjardins Financial Security and Desjardins General Insurance Group, which represents approximately 66% of the own assets in listed equity and corporate bonds held by Desjardins Group on December 31, 2023. Here is the calculation we follow*:*

$$Financed\ emissions\ = \sum_{c} \frac{Assets\ under\ management}{Enterprise\ Value\ Including\ Cash\ \ (EVIC)_c}\ x\ Company\ emissions_c$$

(with c= borrower or investee company)

We include scope 1 and 2 emissions from companies in Common Shares (including Exchange Traded Funds), Preferred Shares and Corporate Bonds.

Our calculation covers 86% of this portfolio because it excludes investments in companies for which the attribution factor could not be calculated.

Private investments and sovereign bonds are not included in our calculations.

Methodology and assumptions

According to the attribution approach by the PCAF standard, Desjardins Group insurance entities' investments are responsible for a portion of the company's annual GHG emissions. This is determined by the attribution factor, which is the ratio between the value of Desjardins Group insurance entities' publicly traded shares or bonds in the company, that is, our assets under management (AUM), and the value of the financed company. The value of listed shares is defined on the basis of their market value and the value of the bonds is defined on the basis of the carrying value of the debt. The value of the financed enterprise is defined by the Enterprise Value Including Cash (EVIC) of the company.

To access the information needed to calculate our carbon footprint according to PCAF, we use data from the MSCI ESG Manager (MSCI) platform. Using the market values of each security, we calculate our assets under management. The enterprise value including cash (EVIC) of each company in the portfolio comes from MSCI or is calculated from data in the WorldScope and DataStream database. We multiply each attribution factor by each company's GHG emissions, also obtained from MSCI, to calculate our total financed emissions.

Recalculation policy for all asset classes

In accordance with the requirements of the GHG Protocol and the Science Based Targets (SBT) Initiative, Desjardins Group may recalculate the emissions funded for the reference year for multiple reasons. We have established, as a general rule, a quantitative change threshold of +/- 5% of the base year emissions. The following list provides examples of changes that would require recalculation if the impact exceeds this threshold:

1. Structural changes in the organization, such as mergers, acquisitions, divestments, outsourcing and internalization, that would affect any of the reported categories;
2. Changes in calculation methods and/or data sources, improvement of data accuracy or data availability of the issuing entity, or discovery of significant errors;
3. Changes in the classes or activities included in the asset class or scope 3 inventory reported;
4. Important updates in the latest climate science and/or changes in target-setting projection models.

Recalculations will be performed at least every five years prior to the SBT target update. If possible, recalculations will be done annually as required.