

# Security

is everyone's responsibility!



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**The Desjardins Group Security Office is responsible for supporting the entire organization in identifying and responding to all types of security challenges.**





# Mission of the Desjardins Group Security Office

The mission of the Desjardins Group Security Office (DGSO) is to protect Desjardins Group members and clients, their assets and their personal information. The DGSO is responsible for identifying and responding to all types of security challenges in any manner of situations.

The DGSO is headed up by Desjardins Group's Chief Security Officer, who reports to the Senior Executive Vice-President and Chief Operating Officer.

Currently, more than 1,600 professionals work in the DGSO, all experts in their respective fields. In addition to fulfilling its main mission, the DGSO continues to develop an organization-wide awareness regarding security. The DGSO also coordinates a consistent approach across the following security practices:

- Fraud prevention
- Financial crime prevention
- Personal information protection
- Data governance
- Information security
- Physical security

# Accomplishments

Desjardins Group continually invests in security enhancements to address the risks it faces. The DGSO takes a rigorous approach to improving operational control and the efficiency of its teams, all in the name of better protecting Desjardins Group's members and clients.

In 2023, Desjardins Group continued to show its commitment to security. The investments made have had a positive impact on members and clients. This is reflected in the DGSO's most recent accomplishments:

## 2023 – Optimization at the Fraud Client Relations Centre

The Fraud Client Relations Centre has made improvements that have considerably reduced the average wait time to speak to a Desjardins advisor.

## January 2023 – Data Privacy Week

In January 2023, Data Privacy Week was observed across Canada and around the world. Desjardins Group took this opportunity to raise employee awareness and broaden knowledge.

## March and October 2023 – Mailbox scam awareness

Desjardins Group led a campaign to raise members and clients awareness about mailbox scams. At the same time, Desjardins Group and the provincial police force (Sûreté du Québec) introduced a joint initiative to fight this type of scam.

## September 2023 – An Act to modernize legislative provisions as regards the protection of personal information (Law 25)

On September 22, 2023, parts of Quebec's Law 25 came into force and Desjardins Group endeavoured to comply with its provisions. Desjardins Group also prepared a reference guide and awareness video for employees.

## September 2023 – New and improved voice biometrics service

In September 2023, Desjardins Group expanded the use of voice biometrics to include outbound calls from the Fraud Client Relations Centre. With this new feature, the rate of members and clients who use voice authentication has almost doubled.

## September to december 2023 – Fraud and security campaign



From September 18 to December 31, 2023, Desjardins Group held an awareness campaign on social and traditional media to educate members and clients about adopting and maintaining good cybersecurity and fraud prevention practices.

# Mandatory security training

## Security is everyone's responsibility!

Desjardins Group's commitment to security extends to its people. The organization has an engaged workforce equipped with the tools and accountability needed to implement robust and thorough security processes.

### Mandatory training for all employees and consultants

All Desjardins Group employees and consultants must take the following mandatory training :

- **Introduction to Security** - This training path has 7 videos to help employees learn about the different security practices overseen by the DGSO.
- **Privacy Policy and Consents** - This course recaps the evolution in Desjardins Group's privacy policy and types of consent.
- **Identifying Phishing Emails** - This course teaches employees how to recognize red flags in fraudulent emails so employees don't fall for phishing attempts.
- **Protecting Personal and Confidential Information Is Everyone's Business!** - This course teaches employees how to identify personal information and confidential information, understand the roles and responsibilities of the organization and its employees, and apply the principle of necessity in protecting information.
- **Preventing Fraud** - This training teaches employees how to recognize situations of external and internal fraud.

- **Committed to the Fight Against Money Laundering and Terrorism Financing** - This training explains the role Desjardins Group plays to counteract money laundering and terrorist financing activities.
- **Committing to the fight against tax evasion** - This training explains the role Desjardins Group plays in fighting tax evasion.
- **Complying with International Economic Sanctions Obligations** - This training explains Desjardins Group's role in applying international economic sanctions and measures.

### Continuous training program

Desjardins Group has a continuous training program with up-to-date content to help employees stay vigilant and knowledgeable about security.

In 2023, the themes addressed in the training were physical security, confidential data management, information security best practices, internal fraud and security incident reporting.

# Mandatory security training

**Security is everyone's responsibility!**

## Mandatory training for managers

The following training is mandatory for managers. It is also available for all Desjardins Group employees and consultants :

- **Desjardins Identity and Access Management (IAM): A Specific Training Program Designed for Managers!** - This course covers identity and access management best practices and the responsibilities of managers.
- **International Economic Sanctions** - This course teaches employees about economic sanctions in the context of correspondent banking relationships with foreign financial institutions.
- **Anti-Corruption** - This course explains what corruption is and teaches employees how to recognize high-risk situations and respond appropriately. The aim is to protect the organization and do what's best for members, clients and communities.

## Mandatory security training for board members

**Security is everyone's responsibility!** training is mandatory for all Desjardins Group board members, no matter which board they serve on.

This training covers the potential consequences of non-secure practices and the main risks for the organization, and explains how board members can apply appropriate security measures to rectify high-risk situations.

- **Unusual Transaction Report** - This course is designed to help employees be more vigilant about reporting unusual transactions and events. The aim is to better protect the organization's reputation by ensuring regulatory compliance.
- **Introduction to Fraud Prevention** - This course teaches employees to recognize external and internal fraud in different situations.

## Mandatory training for DGSO employees

All DGSO employees and consultants are required to complete the courses listed below. They're also mandatory for other Desjardins Group employees and consultants if the topic is specific to their job :

- **MISSION POSSIBLE: Fighting Money Laundering and Terrorist Financing** and **BEHIND THE SCENE: Fighting Money Laundering and Terrorist Financing** - These courses help employees identify and understand how and where criminal activities related to money laundering and terrorist financing take place.

# Mandatory security training

**Security is everyone's responsibility!**

## Phishing tests

As part of its ongoing awareness program, Desjardins Group continued to regularly send out phishing tests to employees and board members in 2023. These tests are designed to make employees and board members more aware of phishing.

Last year, Desjardins Group increased the difficulty factor for the phishing tests and gave employees the opportunity to voluntarily take an additional test in October as part of Cyber Security Awareness Month.

## Security for Everyone dashboard

The Security for Everyone dashboard is available to all Desjardins Group employees. It's a learning platform containing mandatory training courses, informative videos and useful resources. Managers can also use it to monitor their employees' security posture.

In 2023, Desjardins Group continued to optimize the Security for Everyone dashboard to simplify the experience for employees and managers. Employees can now see the history of their security posture and compare it to the Desjardins Group benchmark.

The security posture reflects all the employees' learning. It's an integral part of the employees' performance evaluation.

## Security Forum

The DGSO held the 14th and 15th editions of its Security Forum in May and October 2023. This semi-annual event is open to all employees. It's designed to give them the tools they need and help them adopt secure practices on a daily basis. Internal and external experts give talks on current topics.

In May, the Chief Privacy Officer held an interactive quiz with Desjardins Group employees to test their knowledge of the personal information protection security practice.

In October, focus was on cyber security, while the Security Forum took place during Cyber Security Awareness Month.





# The 3 lines of defence and external audits

In line with industry best practices, Desjardins Group uses a 3 lines of defence model. The DGSO is part of the **first line of defence**.

To ensure effective protection mechanisms and security, the DGSO has an organizational structure that fosters collaboration, transparency, and the sharing of security data between its security practices.

The DGSO prepares quarterly integrated security reports in connection with Desjardins Group's risk management reporting. These reports are intended for the Desjardins Group's governance bodies.

Desjardins Group's **second line of defence** provides governance and oversight of the DGSO's operations. This role is assumed by the Risk Management Executive Division.

The Desjardins Group Monitoring Office is the **third line of defence**. It provides an independent assessment of the relevance and effectiveness of the management framework. As required by regulations, it also conducts an independent compliance assessment of each of Desjardins Group's reporting entities every 2 years.

Desjardins Group is periodically audited by regulatory authorities to ensure compliance with its legal obligations. In addition, external audits are conducted by independent entities using standard control frameworks. These audits make it possible to certify compliance with standards such as ISO 27001, an international standard for information security management systems.



# Chief officer roles

at Desjardins Group

## **Chief Anti-Money Laundering Officer and Head of Economic Sanctions:**

Responsible for ensuring sound management of risks associated with money laundering, terrorist financing and international economic sanctions. The organization's program, policies, procedures and training are regularly adjusted, mainly to reflect regulatory changes. These measures help detect and report transactions associated with money laundering and terrorist financing.

**These roles  
are assumed  
by senior  
management**

## **Chief Anti-Corruption Officer:**

Responsible for overseeing the implementation of control measures to mitigate corruption risk, with support from a specialized team. Desjardins Group has a strict anti-corruption policy and endeavours to comply with all applicable laws and maintain the public's trust. The organization's anti-corruption framework is designed to prevent, identify, assess, handle, report and impose penalties for cases of corruption, in compliance with best practices and applicable laws.

## **Chief Anti-Tax Evasion Officer:**

Responsible for overseeing the organization's regulatory compliance program, including compliance with the intergovernmental agreement between Canada and the United States, known as the Foreign Account Tax Compliance Act, and the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development. These require Desjardins Group to obtain tax residence and US citizenship information from members and clients, where applicable, and report it to the Canada Revenue Agency every year.

# Chief officer roles

## at Desjardins Group

### **Chief Information Security Officer:**

Responsible for overseeing Desjardins Group's cybersecurity strategy. This role involves defining, developing and evaluating the effectiveness of the governance framework to address information security risks. It also involves making sure that Desjardins Group's actions are in line with the governance documents it issues. The Chief Information Security Officer also determines the investments required to mitigate information security risks and plans these accordingly. The role also involves developing and updating information security awareness materials for Desjardins Group employees.

### **Chief Data Officer:**

Responsible for providing leadership, structure, expertise and direction to encourage stakeholders across the organization to recognize data as a strategic asset and to manage data in the best interests of Desjardins Group's members and clients.

### **Chief Privacy Officer:**

Responsible for implementing and overseeing Desjardins Group's personal information protection program to ensure that personal information is handled in compliance with applicable laws.

### **Chief Fraud Prevention Officer:**

Responsible for a management framework that encompasses fraud prevention, detection and response to internal and external fraud. This framework considers the life cycle of members and clients, employees, managers, board members, suppliers and Desjardins products. This provides a 360° view that helps the organization protect its people and assets. The approach to fraud prevention is continually updated in response to new threats.

# Key governance documents

## at Desjardins Group

The DGSO implemented the Desjardins Group Security Policy, which provides a general framework for developing an organization-wide awareness of security and ensuring consistency across security practices. Each security practice is also supported by tactical and operational governance documents to ensure operations run smoothly and strategies are applied effectively. Desjardins Group regularly updates all of its governance documents and enforces strict compliance with them.

### General frameworks

- Desjardins Code of Professional Conduct<sup>1</sup>
- Conflict of Interest Management Directive
- Anti-Corruption Policy

### Financial crime prevention

- Anti-Money Laundering and Anti-Terrorist Financing Regulatory Compliance Policy
- Policy on Compliance with International Anti-Tax Evasion Regulations

### Personal information protection

- Privacy Policy

### Physical security

- Desjardins Group Rule on Physical Security

### Desjardins Group data governance

- Directive on Data Quality

The DGSO's governance framework is based on 2 international information security governance frameworks: ISO 27000 and the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

### Information security

- Information Security and Technology Risk Management Policy and Directive
- Desjardins Group Information Security Policy
- Desjardins Group Acceptable Use of Technology Directive
- Desjardins Group Rule on Identity and Access Management
- Desjardins Group Rule on Information Security Classification
- Desjardins Group Rule on Information Security for Supplier Relationships in the Context of Products and Services Acquisitions
- Electronic Monitoring Rule

### Fraud prevention

- Anti-Fraud Policy
- Rule on Security and Credit Checks for Consultants and Suppliers
- Rule on the Authentication of Members, Clients and Prospects

<sup>1</sup>Every year, all Desjardins Group employees must sign a commitment to comply with this code.



# Partnerships

## to boost cybersecurity research and innovation

Desjardins Group collaborates and builds security partnerships with industry peers to promote research and innovation in the field. The organization also helps develop local talent.

- Desjardins Group's involvement with CyberCap and CyberEco has helped raise awareness about digital security among 6,227 young people ages 12 to 17. CyberEco has run its Citizenship in the Digital Age and Cybersecurity program more than 250 times. The program encourages young people to choose careers in IT and gets them thinking about how they use technology.
- Desjardins Group has renewed its partnership with Université de Montréal's research chair in cyber crime prevention, which contributes to the advancement of research on cyber crime.
- Desjardins Group's partnership with Université du Québec à Chicoutimi has led to the creation of a research chair in cyber defence and personal data protection that will develop computer systems to ensure cyber defence.
- Desjardins Group is backing the launch of 4 research projects as part of Polytechnique Montréal's Sentinel MI initiative<sup>2</sup>. The goal of these research projects is to help identify, analyze, automate and prevent internal threats.
- The Safari de l'innovation event returned for a second year, giving 10 innovative organizations an opportunity to meet with Desjardins Group Security Office employees and present new solutions and approaches to emerging security technologie.

<sup>2</sup> MI is referring to « menace interne » (insider threat).

