

2024 Sustainable Bond Report

To fostering a balanced economic and social transition



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Desjardins and Sustainable Development

Sustainability is part of Desjardins Group's (Desjardins) mission and cooperative values. It's an integral part of our strategic plan that contributes to local vitality and drives overall performance for the benefit of our members and clients. For more than 120 years, Desjardins' focus has always been to enrich the lives of people and their communities.

As a strong advocate for a just energy transition, Desjardins champions green, eco-responsible products and services with a view to positively influencing our members and clients. Desjardins is backed by the strength of a collective group moving toward a more human economy and the sustainable development of our communities. To learn more, visit desjardins.com/sustainabledevelopment.



Message from the Chief Treasury Officer

As a financial institution committed to a more responsible future, we are delighted to present our report on sustainable bonds. This report illustrates our commitment to integrating sustainable practices into our financial activities and supporting projects that promote the transition to a low-carbon economy.

In 2024, Desjardins completed its third issuance under our sustainable bond program, this time a green bond in the European market, amounting to 500 million euros (approximately 749 million Canadian dollars). This issuance will finance climate and environmental projects that highlight, among other things, renewable energy, green buildings, and clean transportation.

We firmly believe that sustainable bonds are not only a high-performing financial tool for investors but also an effective means of creating a positive impact on our environment and communities.

We hope you find this insightful!

Yassir Berbiche
Desjardins Group Chief Treasury Officer

Sustainable Bonds in circulation

Type of debt	Issue date	Currency	Term	Amount (equivalent in CAD)	ISIN
 Senior Green notes	September 5, 2024	EUR	5 years	\$748.75 million ¹	XS2892967949
 Senior Sustainable notes	August 16, 2023	CAD	5 years	\$500 million	CA31430WZM95
 Senior Sustainable notes	September 10, 2021	CAD	5 years	\$500 million	CA31430WHX52
TOTAL				\$1,748.75 million	

¹ Converted to Canadian dollars at a rate of 1.4975 as of September 5, 2024.

About the program

Sustainable bond framework summary

To finance initiatives with environmental and social impacts, Desjardins created the [Sustainable Bond Framework](#) (Framework) in April 2021, allowing it to issue green bonds, social bonds or sustainability bonds that align with its strategy and business vision.

For each green, social or sustainable bond issued, Desjardins will apply the following practices, as set out in the Framework.

Used of Proceeds	Process for Project Evaluation and Selection	Management of Proceeds	Reporting
Financing or refinancing in the following categories: <ul style="list-style-type: none"> Renewable energy Energy efficiency Green buildings Clean transportation Sustainable food production Environmentally sustainable management of living natural resources and land use Sustainable water and wastewater management Pollution prevention and control Affordable housing Employment generation through SME financing Access to essential services 	Eligible assets will be subject to additional due diligence by the Sustainable Finance Working Group, which is made up senior representatives of the following teams: <ul style="list-style-type: none"> Treasury Sustainable Development and Responsible Finance Capital Markets Personal & Commercial Banking Risk Management Legal Affairs 	Desjardins intends to maintain an aggregate amount of eligible assets that is at least equal to the aggregate net proceeds of all Desjardins sustainable bond issuances concurrently outstanding. In the event that the aggregate value of eligible assets in the Desjardins sustainable bond portfolio is less than the total amount of Desjardins sustainable bonds outstanding, the surplus will be held in line with Desjardins' general liquidity guidelines until it is allocated to eligible assets.	As long as there are outstanding Desjardins sustainable bonds, Desjardins will publish every year a Sustainable Bond Report detailing the allocation of the proceeds and the impact of the assets. These reports will be submitted to an external auditor for review.

Second-party opinion

Desjardins had Moody's MIS (formerly Vigeo Eiris) conduct an external review of the Desjardins Sustainable Bond Framework. Moody's MIS considers that the program is in line with the 4 key principles of the Green Bond Principles (2018) and Social Bond Principles (2020), and is consistent with Desjardins' strategic priorities. The expected impact is considered of the highest level, «advanced.» The Framework is based on a «robust» risk management and ESG performance.

The Second-party opinion is available on the Desjardins websites.

Use of proceeds

As at December 31, 2024

Sustainable Portfolio

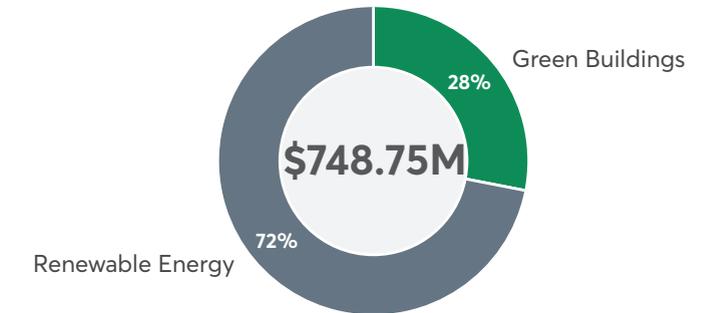
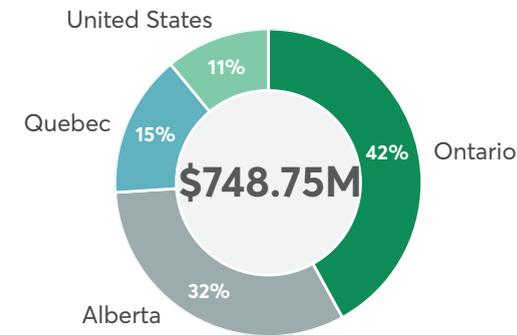
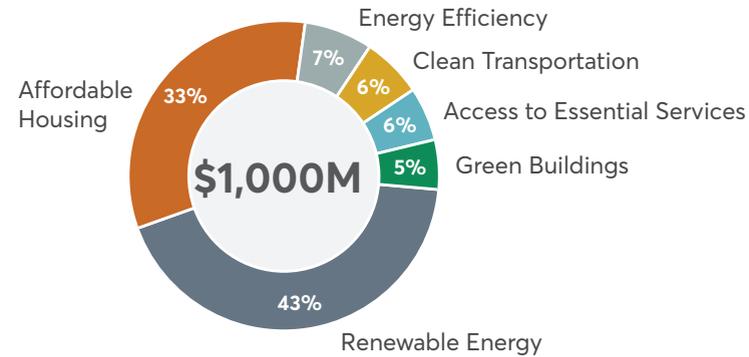
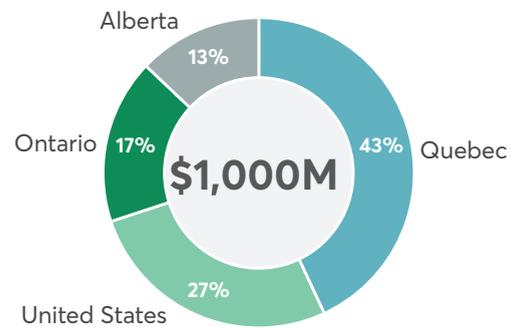
Green Portfolio

Geographic allocation

Allocation by asset class

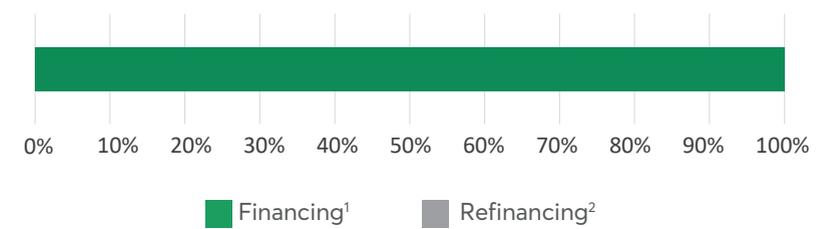
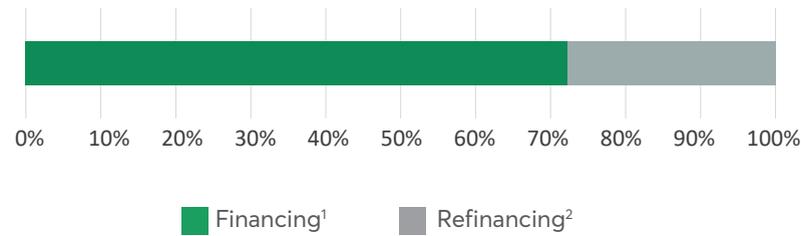
Geographic allocation

Allocation by asset class



Financing allocation 

Financing allocation 



As at December 31, 2024, 100 % of funds were allocated in accordance with the Framework.

1. "Financing" refers to assets with initial financing taken during the 36 months preceding the issuance of a bond, or between the issue date and December 31, 2024.
2. "Refinancing" refers to assets for which financing was renewed or renegotiated with the client during the same period.

Positive impact

Impact reporting

Impact assessment methodology

The impact assessment for the various categories is based on the most recent funded project data from publicly available sources as at December 31, 2024.

These impacts are evaluated to the extent possible based on the proportion financed by the Desjardins sustainable bond program (balance as at December 31, 2024) compared to the total financing provided by all lenders, including debt and equity. When Desjardins co-finances an asset, the reported impacts relate only to the Desjardins-financed portion.

No impact is measured when the financing balance is zero, even if the credit facilities remain in place.



Impact for green asset

Eligible categorie	Selected impact reporting metrics	Types of eligible assets	% of eligible assets
Renewable Energy	337 MW total installed capacity	<ul style="list-style-type: none"> Wind energy Solar energy Hydropower with power density > 5W/m² 	72% \$538.8M
Green Buildings	3 units built ²	<ul style="list-style-type: none"> Construction of commercial or residential buildings that will receive LEED Gold or Platinum certification 	28% \$210.0M



Impact for sustainable asset

Eligible categorie	Selected impact reporting metrics	Types of eligible assets	% of eligible assets
Renewable Energy	279 MW total installed capacity	<ul style="list-style-type: none"> Wind energy Solar energy Hydropower with power density > 5W/m² 	43% \$431.7M
Affordable Housing ¹	966 units	<ul style="list-style-type: none"> Construction or renovation of housing that meets accredited affordable housing definitions 	33% \$326.5M
Energy Efficiency	65% reduction in GHG emissions compared to 2005	<ul style="list-style-type: none"> Heating/air conditioning systems, resulting in at least 30% energy savings 	7% \$71.4M
Clean Transportation	37 km of rail built ²	<ul style="list-style-type: none"> Building an electrified rail network 	6% \$63.0M
Access to Essential Services	12 rooms built	<ul style="list-style-type: none"> Long-term care infrastructure 	6% \$55.9M
Green Buildings	1 unit built ²	<ul style="list-style-type: none"> Construction of commercial or residential buildings that will receive LEED Gold or Platinum certification 	5% \$51.5M

¹ The «Affordable Housing» impact measures based on Desjardins's total financing and the estimated cost per affordable housing unit according to Société de l'habitation du Québec.

² The benefits for public transportation projects, in the «Clean Transportation» category, are assessed for the entire project, not only the portion financed by Desjardins' sustainable bond program.

Real-Life stories : Our members and clients

Since its launch in September 2021, our sustainable bond program has supported many member and client projects. In addition to the positive impacts presented above, here is an overview of some especially inspiring projects.

Renewable Energy



Photo [Desjardins](#)

Alliance de l'Énergie de l'Est (Quebec)

The Eastern Energy Alliance is a group representing 209 municipal and Indigenous entities in Eastern Quebec, the Magdalen Islands, and the Wolastoqiyik Wampanoag First Nation, with a mandate to develop and operate electricity production projects from all renewable energy sources.

Desjardins has made available up to \$350 million in financing to support the development of renewable energy projects and to qualify for Hydro-Québec's calls for tenders.

Six wind farm projects, proposed in collaboration by the Alliance and its partners, have been selected in the latest Hydro-Québec calls for tenders, totaling 1,409 MW. These projects bring together the expertise (development, construction, operation) and knowledge of energy issues of the Alliance members and the concerned promoters, all for the benefit of the community.

Access to Essential Services



Photo [HDR inc.](#)

St. Paul's Hospital (British Columbia)

The St. Paul's new hospital project represents a major opportunity for the construction of an innovative and integrated hospital. It will have 115 more beds than the existing one, for a total of 548 beds. It will offer various services in areas such as cardiac and pulmonary care, HIV/AIDS, mental health, emergency care, critical care, and Indigenous health.

Upon its scheduled opening in 2027, patients will be able to rely on a wide range of integrated care programs and services, better coordination between care providers and clinics, individual rooms with bathrooms and family space, new technologies, senior-friendly design, spaces for wellness and spiritual support, as well as a center for discovery, research, and innovation in healthcare. Finally, sustainability measures have been included to meet LEED Gold certification.

Green Buildings



Photo [EllisDon](#)

489-539 King St. West (Ontario)

The development project at 489-539 King St. West involves the construction of mixed-use buildings and the preservation of heritage buildings on King Street in Toronto. Inspired by Habitat 67 in Montreal, the project will house commercial spaces, offices, and 440 residential units. Additionally, the buildings will surround a large inner courtyard, designed to accommodate large crowds for various events. The rectilinear volumes will be topped with abundant vegetation, and the composition of the facade panels has been carefully considered for superior energy efficiency. Finally, this project aims for LEED Gold certification and compliance with the Toronto Green Standard.



Photo Lucie Ouellet

Disclaimer

This report is provided for informational purposes only and is subject to change without notice. After the date of this document, Desjardins Group does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events or otherwise. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein. No liability whatsoever is or will be accepted by Desjardins Group for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

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This report may contain forward-looking statements regarding, among other things, Desjardins Group's business objectives and priorities, financial targets, vision, operations, and maturity profile. Such statements are typically identified by words or phrases such as "target", "objective", "timing", "outlook", "believe", "expect", "foresee", "anticipate", "intend", "have as a goal", "estimate", "plan", "forecast", "aim",

"purpose", "should" and "may", words and expressions of similar import, and future and conditional verbs, in all grammatical variants.

By their very nature, such statements require assumptions and they are subject to inherent risks and uncertainties, both general and specific. We caution readers against placing undue reliance on these forward-looking statements for decision making, as various factors, many of which are beyond Desjardins Group's control and the impact of which it is difficult for Desjardins Group to predict (including difficulty identifying assets that meet the eligibility criteria, and the risk that eligible projects may not be completed within any specified period, or at all, or with the results or outcome originally anticipated by Desjardins Group), may affect, in isolation or collectively, the accuracy of the assumptions made, predictions, forecasts or other forward-looking statements, including those referred to in this report. It is also possible that such assumptions, predictions, projections or other statements, as well as Desjardins Group's objectives and priorities may not materialize or may prove to be inaccurate and that actual results differ significantly.

Factors that may influence the accuracy of the forward-looking statements in this report are discussed in Desjardins Group's most recently published annual and any subsequent quarterly MD&As. It is important to note that the list of factors that could influence future results discussed in Desjardins Group's most recently published annual and any subsequent quarterly MD&As is not exhaustive. Other factors could have an adverse effect on Desjardins Group's results. Readers who rely on these forward-looking statements must carefully consider these risk factors and other uncertainties and potential events, including the uncertainty inherent in forward-looking statements.

None of Desjardins Group, FCDQ or their affiliates undertakes to update any oral or written forward-looking statements that could be made from time to time by or on behalf of Desjardins, FCDQ or their affiliates, except as required under applicable securities legislations.



Independent practitioner's limited assurance report on Desjardins Group's 2024 Sustainable Bond Report

To the Board of Directors of the Desjardins Group

We have conducted a limited assurance engagement on the select key performance indicators of the Desjardins Group's (Desjardins) 2024 Sustainable Bond Report (the Report) as detailed below (the subject matter) as at December 31, 2024 and for the year then ended.

Subject matter

Key performance indicators	Value	Report page
Total amount of Sustainable Bonds in circulation in Canadian dollars	\$1,748.75 M	3
Use of proceeds allocated to eligible assets, value as at December 31, 2024, in Canadian dollars:		
• sustainable portfolio	\$1,000 M	5
• green portfolio	\$748.75 M	5
Total percentage of allocated funds as at December 31, 2024	100%	5

Responsibilities for the subject matter

Management of Desjardins is responsible for:

- the preparation of the subject matter in accordance with the Desjardins Sustainable Bond Framework published in April 2021 (the applicable criteria);
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the subject matter, in accordance with the applicable criteria, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T.: +1 514 205 5000, F.: +1 514 876 1502, Fax to mail: ca_montreal_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the subject matter is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the subject matter.

We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information* (CSAE 3000) and International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board.

As part of a limited assurance engagement in accordance with CSAE 3000 and ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Desjardins' use of the applicable criteria as the basis for the preparation of the subject matter.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Desjardins' internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the subject matter. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the subject matter. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



The nature, timing and extent of procedures selected depend on professional judgment, including the identification of where material misstatements are likely to arise in the subject matter, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- obtained an understanding of Desjardins' reporting processes relevant to the preparation of the subject matter by making enquiries of Desjardins' management, including those with responsibility for sustainable and green bond governance, management and reporting;
- evaluated whether all information identified by the process to identify the information reported in the subject matter is included in the subject matter;
- performed inquiries of relevant personnel and analytical procedures on selected information in the subject matter; and
- performed substantive assurance procedures on selected information in the subject matter.

Limited assurance 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 subject matter as at December 31, 2024 and for the year then ended is not prepared in all material respects, in accordance with the applicable criteria.

Restriction on use

Our report has been prepared solely for the Board of Directors of Desjardins for assisting management in reporting to the directors on its select performance metrics. The subject matter therefore may not be suitable, and is not to be used, for any other purpose. Our report is intended solely for Desjardins.

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

PricewaterhouseCoopers LLP

Partnership of Chartered Professional Accountants

Montréal, Quebec
February 28, 2025