PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2013/14

Desjardins Investment Inc.

UNEP Finance Initiative Changing finance, financing change | United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the PRI website, ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six Principles for Responsible Investment. It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🏳	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

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Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Public							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓					✓	
SAM 07	Appointment considerations (listed assets)	✓	Private				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 13	Description of RI considerations in 'other' asset classes	🔒	n/a	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

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Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 04	Objectives for engagement activities	🔒	n/a		✓					
LEA 05	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

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PRI Principles for Responsible Investment

Desjardins Investment Inc.

Reported Information

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Organisational Overview

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Basic Information

OO 01 | Mandatory | Gateway/Peering | General

OO 01.1 Select the services you offer.

☑ Fund management

% of assets under management (AUM) in ranges

- ◉ <10%
- ○ 10-50%
- ○ >50%

☑ Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- ○ <10%
- ○ 10-50%
- ◉ >50%

☑ Other, specify

12,404 G$ CAD of asset under management untouched to offer the garanteed portion of the various index-linked term deposits we offer.

% of assets under management (AUM) in ranges

- ○ <10%
- ◉ 10-50%
- ○ >50%

☐ Execution and advisory only services

OO 02 | Mandatory | Peering | General

OO 02.1 Select the location of your organisation's headquarters.

Canada

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ◉ 1
- ○ 2-5
- ○ 6-10
- ○ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

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	FTE

95

OO 03	Mandatory	Descriptive	General

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ○ Yes
- ◉ No

OO 04	Mandatory	Gateway/Peering	General

OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		31	332	000	000
Currency	CAD				
Assets in USD		29	746	461	293

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

- ◉ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- ○ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ◉ Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	1	47
Fixed income – corporate	6	18
Fixed income – government	10	13
Fixed income – other	0	0
Private debt	0	0

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Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	1	0
Other (1), specify	4	0
Other (2), specify	0	0

'Other (1)' specified

Derivatives.

○ Publish our asset class mix as broad ranges

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png,.bmp and .gif)

OO 07	Mandatory to Report Voluntary to Disclose	Peering	General

OO 07.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

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	% of externally managed assets
Segregated mandate(s)	○ 0% ○ <10% ○ 10-50% ◉ >50 %
Pooled fund(s)	○ 0% ◉ <10% ○ 10-50% ○ >50 %
Total externally managed assets	*100%*

OO 07.2 Indicate the proportion of your externally managed assets in fund-of-funds.

	% of externally managed assets
Fund-of-funds	◉ 0% ○ <10% ○ 10-50% ○ >50 %

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General

OO 08.1 Indicate the breakdown of your organisation's AUM by market.

Market breakdown	**% of AUM**
Developed Markets	○ 0% ○ <10% ○ 10-50% ◉ >50 %
Emerging, Frontier and Other Markets	○ 0% ◉ <10% ○ 10-50% ○ >50 %

OO 09	Voluntary	Descriptive	General

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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

Desjardins Investments Inc. (DI) manufactures more than 70 specialized savings products distributed in Quebec and throughout Canada. DI is wholly-owned by Desjardins Group, the largest financial cooperative institution in Canada.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General

OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- ☐ We incorporate ESG issues into investment decisions on our internally managed assets
- ☑ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- ☑ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☑ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 10.2	Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

- ◉ Yes, our total listed equities are 10% or more of our total AUM
- ○ No, our total listed equities are less than 10% of our total AUM

OO 11	Mandatory	Gateway	General

OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- ☐ Fixed income – corporate
- ☐ Fixed income – government
- ☐ Cash
- ☑ Other (1)
- ☐ None of the above

	'Other (1)' [as defined in OO 05]

Derivatives.

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OO 11.2	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

☐ Fixed income – corporate

☐ Fixed income – government

☑ None of the above

OO 12	Mandatory	Gateway	General

OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

☑ Organisational Overview

☑ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Listed Equity active ownership

☑ Engagements

☑ (Proxy) voting

RI implementation via external managers

	Indirect - Selection, Appointment and Monitoring of External Managers

☑ Listed Equities

Closing module

☑ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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Desjardins Investment Inc.

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Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General

OA 01.1 Indicate if you have a responsible investment policy.

- ○ Yes
- ◉ No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- ◉ Yes
- ○ No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Several policies were adopted over the years that do refer to specific responsible investment implementation strategies, such as an environmental evaluation policy (in the context of investment through stock markets), a proxy voting policy, etc. Lastly, we have communicated our responsible investment commitment to our clients through multiple public communications, which materializes in 6 specialized savings products. The RI approach is stated in each of those product's investment policies.

OA 02	Mandatory	Core Assessed	PRI 6

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- ◉ Yes
  - ○ Yes, all
  - ◉ Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

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Policy or document name	URL
Proxy voting policy	http://www.fondsdesjardins.com/information/droit_vote_en.pdf
Our responsible investment approach	http://www.fondsdesjardins.com/information/sri.jsp
Investment policy of RI products	http://www.fondsdesjardins.com/information/legal-financial.jsp

○ No

OA 03	Mandatory	Core Assessed	PRI 1,2

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
☐ Policy setting out your overall approach	○ Applicable policies cover all AUM
☑ (Proxy) voting policy	◉ Applicable policies cover a majority of AUM
☐ Engagement/active ownership policy	○ Applicable policies cover a minority of AUM
☐ Specific guidelines on corporate governance	
☑ Specific guidelines on environmental issues	
☐ Specific guidelines on social issues	
☐ Asset class-specific guidelines	
☑ Screening/exclusion policy	
☐ Other, specify	
☐ Other, specify	

OA 03.3 Additional information. [Optional]

Coverage for the Proxy voting policy is applicable to the majority of the AUM. Coverage for other items is limited to responsible investment specific products.

OA 04	Mandatory	Core Assessed	General

OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

◉ Yes

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OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

Desjardins Investments Inc. (DI) has put in place a code of ethics that all employees need to read and sign annually. Furthermore, DI also has an independent review committee that deals with potential conflicts of interests. Finally, DI offers a whistleblowing mechanism to encourage employees to report questionable behaviour.

○ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General

OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.

◉ Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.

◉ At least once per year

○ Less than once per year

OA 05.3	Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

◉ Quarterly

○ Biannually

○ Annually

○ Every two years or less

○ It is not reviewed

○ No

OA 06	Voluntary	Descriptive	General

OA 06.1	List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☑ Add responsible investment objective 1

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Objective 1	Commercial success
Key performance indicators	Net sales of RI products
Describe the progress achieved	Exceed objective

☐ Add responsible investment objective 2

☐ Add responsible investment objective 3

OA 06.2	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

☑ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Commercial success
Key performance indicators	Net sales of RI products

☑ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Define RI objectives for the whole year
Key performance indicators	On their way to be determine and approve by management

☐ Add responsible investment objective 3 for the next reporting year

Governance and human resources

OA 07	Voluntary	Descriptive	General

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OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Responsible investment is an approach DI uses in 6 investment products (Desjardins Environment Funds, 4 SocieTerra portfolios and PrioriTerra index linked term deposit).

The implementation and revision process of those products begins with a marketing strategy analysis (diagnosis) that helps us better understand the needs of our existing and potential clients. Then, the implementation or the revision of products takes place, which then goes into market, thanks to the help of the marketing and promotion team, and they are then offered by financial advisors to our members and clients through our network of caisses.

Throughout the process, special attention is paid to responsible investments, which is integrated at all stages. Activities related to raising awareness towards RI and collaborating with other organization complements DI's core operations. A senior advisor dedicated entirely to responsible investment is also involved at all stages of the process. This advisor is also the spokesperson of the organisation on the subject of responsible investment.

Formal oversight is ensured by both DI's operational committee and DI's exploitation committee. A member of DI's top management oversees day to day operations.

Policies are adopted by DI's board of directors after being approved by the above mentioned committees.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General

OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

	Roles present in your organisation

☑ Board members or trustees

- ☑ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☑ Oversight/accountability for responsible investment
- ☑ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Other Chief-level staff or head of department, specify

Senior Director

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☐ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Portfolio managers

☐ Investment analysts

☑ Dedicated responsible investment staff

☐ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ External managers or service providers

☐ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Other role, specify

☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

	Number

1

OA 08.3	Additional information. [Optional]

Other staff members are working on RI on a part-time basis. Compiling their time would bring the total of full time employees to the equivalent of 3.

OA 09	Voluntary	Additional Assessed	General

OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

☐ Responsible investment included in personal development and/or training plan

☑ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

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☐ Responsible investment KPIs and/or goals included in objectives

☐ Responsible investment included in appraisal process

☐ Variable pay linked to responsible investment performance

☐ Responsible investment included in personal development and/or training plan

☑ None of the above

Other C-level staff or head of department

Senior Director

☑ Responsible investment KPIs and/or goals included in objectives

☐ Responsible investment included in appraisal process

☐ Variable pay linked to responsible investment performance

☐ Responsible investment included in personal development and/or training plan

☐ None of the above

Dedicated responsible investment staff

☑ Responsible investment KPIs and/or goals included in objectives

☑ Responsible investment included in appraisal process

☑ Variable pay linked to responsible investment performance

☑ Responsible investment included in personal development and/or training plan

☐ None of the above

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

◉ Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

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PRI Principles for Responsible Investment

☐ Asian Corporate Governance Association

☐ Association for Sustainable & Responsible Investment in Asia

☐ Australian Council of Superannuation Investors

☐ CDP Climate Change

☐ CDP Forests

☐ CDP Water

☐ CFA Institute Centre for Financial Market Integrity

☐ Council of Institutional Investors (CII)

☐ Eumedion

☐ Extractive Industries Transparency Initiative (EITI)

☐ Global Investors Governance Network (GIGN)

☐ Global Real Estate Sustainability Benchmark (GRESB)

☐ Institutional Investors Group on Climate Change (IIGCC)

☐ Interfaith Center on Corporate Responsibility (ICCR)

☐ International Corporate Governance Network (ICGN)

☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)

☐ Investor Network on Climate Risk (INCR)/CERES

☐ Local Authority Pension Fund Forum

☐ Principles for Responsible Investment

☑ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Responsible Investment Association (Canada)

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☑ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

DI has been very involved in the past and was one of the founders of the Social Investment Organisation in Canada (SIO), now called the Responsible Investment Association (RIA). Since mid-2013, we have reduced our implication and are involved only in one committee, the policy and advocacy committee. We still sponsor the RIA annual conference.

☐ Shareholder Association for Research and Education (Share)

☑ United Nations Environmental Program Finance Initiative (UNEP FI)

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Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☐ United Nations Global Compact

☑ Other collaborative organisation/initiative, specify

PRI Network of Signatories in Quebec

Your organisation's role in the initiative during the reporting year (see definitions)

☐ Basic

☐ Moderate

☑ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

DI is very active in the coordination of the local PRI signatories network (Québec) and our RI staff is coordinating the steering committee. Exceptionally, a representative of DI is also helping the PRI secretariat with the PRI in Person 2014 planning.

☐ Other collaborative organisation/initiative, specify

☑ Other collaborative organisation/initiative, specify

Boreal Leadership Council

Your organisation's role in the initiative during the reporting year (see definitions)

☐ Basic

☐ Moderate

☑ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

DI is a member of the Boreal Leadership Council, and a representative of DI is very active in the coordination of one of the working group (Free, Prior and Informed Consent of First Nations Working Group). DI's RI staff is also a member of the Executive Committee. Another representative sits on the Communication's committee.

☑ Other collaborative organisation/initiative, specify

Responsible Investment Initiative

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Your organisation's role in the initiative during the reporting year (see definitions)

☐ Basic

☑ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

DI is committed to a 5 years partnership with this research initiative led by Tessa Hebb and Carleton University. DI has given access to its data for a research and DI is also represented on the Steering committee by its RI dedicated staff.

○ No

OA 11	Mandatory	Core Assessed	PRI 4

OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

◉ Yes

OA 11.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☑ Provided financial support for academic or industry research on responsible investment

☑ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☑ Spoke publicly at events and conferences to promote responsible investment

☐ Wrote and published in-house research papers on responsible investment

☑ Encouraged the adoption of the PRI

☐ Other, specify

○ No

OA 11.3 Additional information. [Optional]

DI representatives gave 15 media interviews, made 17 presentations to financial advisors and planners in its network and 17 presentations to the general public. DI has created an educational video available on youtube in both French and English http://www.youtube.com/watch?v=SJogna_yp5g.

OA 12	Voluntary	Additional Assessed	PRI

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			4,5,6

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

- ○ Yes
- ◉ No

ESG issues in asset allocation

OA 13	**Voluntary**	**Descriptive**	**PRI 1**

OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

- ○ Yes
- ◉ No

OA 14	**Voluntary**	**Descriptive**	**PRI 1**

OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- ○ Yes
- ◉ No

Asset class implementation not reported in other modules

OA 15	**Voluntary**	**Descriptive**	**General**

OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	**Describe what processes are in place and the outputs or outcomes achieved**
Other (1) [as defined in Organisational Overview module]	Multiple RI implementation strategies are used to make sure that the PrioriTerra product reflects our responsible investment approach: screening and environmental evaluation. Some thematic are screened from the investment universe, namely tobacco, nuclear, weapon, oil&gaz and mining. Then a complete environmental evaluation of about 40 securities each year is performed (the same investment universe). From this universe, only the companies who are deemed eligible according to our policy are selected. Issuers in the investment universe are then used to select derivatives.

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OA 15.2	Additional information.

Our PrioriTerra web site gives the following explanations: "The 15 companies that make up the Priority Terra Guaranteed Investment are actively committed to reducing the environmental impact of their operations. A 5-step analysis was done on each company. Our guaranteed investment managers performed a financial analysis and our partners, NEI Investments and the Desjardins Funds Environmental Advisory Group, performed an environmental analysis.

Web site: http://www.desjardins.com/ca/personal/savings-investment/market-linked-guaranteed-investments/priority-terra-guaranteed-investment/index.jsp

Assurance of responses

OA 19	Voluntary	Additional Assessed	General

OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

◉ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.

☑ Reviewed by Board, CEO, CIO or Investment Committee

☐ Validated by internal audit or compliance function

☐ Assured by an external independent provider, specify name

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.

Information was gathered from multiple Desjardins departments and reviewed by management and finally reviewed and approved by DI's CEO.

○ No

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PRI Principles for Responsible Investment

Desjardins Investment Inc.

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

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PRI Principles for Responsible Investment

Overview

SAM 01	Voluntary	Descriptive	PRI 1-6

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PRI Principles for Responsible Investment

SAM 01.1	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Among the variety of products offered by Desjardins Investment inc. (DI), 6 use a responsible investment approach. 4 are funds of funds (SocieTerra Portfolios) for which SRI screening is done by a specialized firm (NEI) and 1 retail mutual fund (Desjardins Environment Fund) with a SRI philosophy. The 6th product is managed internally.

SocieTerra Portfolios (Manager: NEI Investments):

Canada's leader in SRI, NEI Investments is a pioneer in developing methodologies for carrying out ESG evaluations of Canadian companies. NEI Investments has a team of experts dedicated exclusively to ESG evaluation (environmental, social and governance), corporate commitments, research and public policies and standards.

The ESG Department studies all of the companies in which the Ethical Funds invest, including some that are held in the SocieTerra Portfolios.

This multidisciplinary team, the largest in Canada, draws on the areas of expertise of its eight members - economics, trade, finance, the environment and natural sciences.

Sub-advisors managing the SocieTerra Portfolios rely on pre-selected universe of Canadian companies in which they can invest. International and foreign securities need to be pre-approved by NEI before investment as well but no pre-defined universes exist.

Desjardins Environment Fund (RI considerations by the Environmental Advisory Group):

Created in 1990, the Desjardins Environment Fund is the only one in Canada with access to a group of independent experts (Environmental Advisory Group) to assess company eligibility based on environmental assessment criteria.

The Environmental Advisory Group is made up of specialists from a variety of fields such as biology, law, environmental management, ethics, etc.

Five-step environmental evaluation process:

1. The list of companies (the stocks that make up the Canadian S&P/TSX Index) is reviewed twice yearly.
2. The research report by NEI Investments' ESG Services Department is reviewed.
3. The members of the Group analyze the report individually.
4. The Group meets to discuss the report.
5. Recommendations are issued: reject, eligible or wait-list to obtain additional information

The Group's only mission is to issue recommendations based on the environmental evaluation policy. It makes no investment decisions. Exclusion (arms/tobacco/nuclear) and inclusion (ESG) filters are used to screen the Canadian equity universe.

The Environmental Advisory Group identifies the listed securities that qualify with ESG issues and provides the external portfolio manager with the buy list. The external portfolio manager then chooses from the list the best candidates for purchase in the portfolio according to his fundamental investment approach. The external portfolio manager can propose an investment idea to the Desjardins consulting group for ESG review. He needs Environmental Advisory Group agreement to purchase the security. It is Environmental Advisory Group responsibility to check ESG compliance and constraints and to provide/review/update the purchasing securities list on a quarterly basis.

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PRI Principles for Responsible Investment

SAM 02	Mandatory	Core Assessed	PRI 4

SAM 02.1 Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

◉ Yes

SAM 02.2 Indicate how your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. [Optional]

☑ We use investment consultants in our selection and appointment of external managers

	Asset class
☑	Listed Equity (LE)
☑	Fixed income - corporate (FIC)
☑	Fixed income - government (FIG)

☐ We use investment consultants in our monitoring of external managers

☐ We use fiduciary managers

SAM 02.3 Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants and/or fiduciary managers.

☐ Responsible investment is included in the selection process for investment consultants

☐ Consultants' responsibilities in relation to responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them

☐ Responsible investment is considered when reviewing investment consultants' advice on manager selection and performance monitoring

☑ We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

○ No

SAM 02.4 Additional information. [Optional]

Desjardins Investments Inc. (DI) uses NEI Investments Inc. (NEI) services, 50 % owned by Desjardins Group, for the majority of the funds of the 4 SocieTerra portfolios. NEI is a specialized firm in SRI responsible for selecting, the appointment and monitoring of external managers.

SAM 03	Mandatory	Gateway	General

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SAM 03.1	Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	☑	☑	☑

SAM 03.2	Additional information. [Optional]

For our RI products only.

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

SAM 04	Mandatory to Report Voluntary to Disclose	Gateway/Peering	General

SAM 04.1	Provide a breakdown of your externally managed listed equities, corporate fixed income and government fixed income by passive, active quant, active fundamental and other active strategies.

	Listed equity (LE)

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Type of strategy	As % of externally managed listed equity
Passive	○ 0% ◉ <10% ○ 10-50% ○ >50%
Active - quantitative (quant)	○ 0% ○ <10% ◉ 10-50% ○ >50%
Active - fundamental and other active	○ 0% ○ <10% ○ 10-50% ◉ >50%

Fixed income - corporate (FIC)

Type of strategy	As % of externally managed corporatefixed income
Passive	◉ 0% ○ <10% ○ 10-50% ○ >50%
Active - quantitative (quant)	○ 0% ◉ <10% ○ 10-50% ○ >50%
Active - fundamental and other active	○ 0% ○ <10% ○ 10-50% ◉ >50%

Fixed income - government (FIG)

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Type of strategy	As % of externally managed government fixed income
Passive	◉ 0% ○ <10% ○ 10-50% ○ >50%
Active - quantitative (quant)	○ 0% ◉ <10% ○ 10-50% ○ >50%
Active - fundamental and other active	○ 0% ○ <10% ○ 10-50% ◉ >50%

SAM 05 | **Mandatory** | **Gateway** | **PRI 1,2**

SAM 05.1 Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	LE		
Screening	☑		
Thematic	☐		
Integration	☐		
None of the above	☐		

Passive investment strategies

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Passive investment strategies	LE		
Screening	☐		
Thematic	☐		
Integration	☐		
None of the above	☑		

SAM 05.2 Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	
We engage directly or via service providers on our externally managed assets	☑	
We require our external managers to engage on our behalf	☐	
None of the above	☐	

SAM 05.3 Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	☑
We require our external managers to cast our (proxy) votes on our behalf	☐
None of the above	☐

Selection

SAM 06 | **Mandatory** | **Core Assessed** | **PRI 1-6**

SAM 06.1 Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

General

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	LE		
Review the manager's responsible investment policies	☑		
Discuss managers' governance and management of responsible investment activities	☑		
Meet staff with responsible investment responsibilities to assess their skills and competence	☑		
Discuss minimum responsible investment expectations that managers must meet	☑		
Discuss the role managers have played in collaborative initiatives	☐		
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	☐		
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	☑		
Discuss the type of ESG reporting you expect	☑		
Assign specific weighting to ESG factors in your manager evaluation	☐		
Other general aspects in your selection process, specify	☐		
None of the above	☐		

ESG incorporation

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	LE		
Evaluate the quality and coverage of ESG research used by managers	☐		
Assess how the manager incentivises brokers to provide ESG research	☐		
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	☑		
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	☐		
Other ESG incorporation issues in your selection process, specify	☐		
None of the above	☐		

SAM 06.2 Provide additional information relevant to your organisation's selection approach for listed assets. [Optional]

These selection tasks are performed by NEI Investments Inc. who is Desjardins Investments Inc. (DI) investment consultant for the majority of the funds composing the SocieTerra portfolios. For all others products and investment consultants, the answer is non of the above.

Monitoring

SAM 08 | **Mandatory** | **Core Assessed** | **PRI 1**

SAM 08.1 Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

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	LE		
Include responsible investment as a standard agenda item at performance review meetings	☑		
Highlight examples of good responsible investment practice by other managers	☐		
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	☑		
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	☐		
Include responsible investment criteria as a formal component of overall manager performance evaluation	☑		
Other general aspects of your monitoring, specify	☐		
None of the above	☐		

ESG incorporation

	LE		
Request information on ESG incorporation in specific investment decisions	☐		
Other ways you monitor ESG incorporation, specify	☐		
None of the above	☑		

SAM 08.2 Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]

These monitoring tasks are performed by NEI Investments Inc. who is Desjardins Investments Inc. (DI) investment consultant for the majority of the funds composing the SocieTerra portfolios. For all others products and investment consultants, the answer is non of the above.

Outputs and outcomes

SAM 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1-6

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SAM 14.1	Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.

	%

70

Communication

SAM 16	Mandatory	Core Assessed	PRI 6

SAM 16.1	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

◉ Yes, we disclose information publicly

	provide URL

http://www.fondsdesjardins.com/information/sri.jsp

SAM 16.2	Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

◉ Yes

SAM 16.3	Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

☐ How responsible investment considerations are included in manager selection, appointment and monitoring processes

☑ Details of the responsible investment activities carried out by managers on your behalf

☑ E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership

☐ Other, specify

○ No

○ Yes, we disclose information to clients/beneficiaries only

○ We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 16.4	Additional information. [Optional]

We publish a newsletter quarterly on our responsible investment activities and results.

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Desjardins Investment Inc.

Reported Information

Public version

Direct - Listed Equity Active Ownership

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PRI Principles for Responsible Investment

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2

LEA 01.1	Provide a brief overview of your organisation's approach to engagement.

Our socially responsible approach relies on 4 main strategies and engagement is one of them. As a corporate shareholder, we use several levers to exert influence: dialogue to improve practices, shareholder proposals to stimulate change, exercising voting rights at company general meetings.

LEA 02	Mandatory	Gateway	PRI 1,2,3

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	☐ To support investment decision-making (e.g. company research) ☐ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved ESG disclosure ☐ Other, specify ☑ We do not engage via internal staff
Collaborative engagements	☐ To support investment decision-making (e.g. company research) ☐ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved ESG disclosure ☐ Other, specify ☑ We do not engage via collaborative engagements
Service provider engagements	☑ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via service providers

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Process

Process for engagements conducted with/on your behalf by service providers

LEA 07	Mandatory	Core Assessed	PRI 2,4

LEA 07.1 Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

◉ Yes

LEA 07.2 Indicate what role you play in engagements that your service provider conducts on your behalf.

☑ Specify the issues for the engagement
☑ Specify the objectives for the engagement
☑ Select the companies to be engaged with
☑ Participate directly in the engagements with your service provider
☑ Actively monitor and review the activities of the service provider
☐ Other, specify

○ No

LEA 08	Mandatory	Core Assessed	PRI 2,6

LEA 08.1 Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

☑ The subject (or ESG issue(s)) of engagement
☑ The objectives of the engagement
☑ The rationale for engagement
☑ The frequency/intensity of interactions with companies
☑ Progress towards achieving engagement goals
☑ Outcomes that have been achieved from the engagement
☑ Next steps for engagement activity
☑ Other, specify

The disclosure and reporting to our investors

☐ None of the above

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2

LEA 09.1 Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

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Type of engagement	Insights shared
Service provider engagements	○ Yes, systematically ◉ Yes, occasionally ○ No

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2

LEA 10.1	Indicate if you track the number of companies you engage with.

Type of engagement	Tracking engagements
Service provider engagements	◉ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2

LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)
Service provider engagements	13

LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Service provider engagements	◉ >50% ○ 10-50% ○ <10% ○ None

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LEA 11.4	Indicate for which part of your service provider engagements you were highly involved during the reporting year. [Optional]

Type of engagement	% High involvement
Service provider engagements	○ >50% ○ 10-50% ◉ <10% ○ None

LEA 11.5	Additional information. [Optional]

Out of the 13 companies, we were closely involved with our service provider in one. Information provided for indicators LEA 11.1 to 11.5 covers only the Desjardins Environment Fund. Details about engagement for other funds composing the SocieTerra Porfolios can be found in NEI Investment reporting.

LEA 12	Voluntary	Additional Assessed	PRI 2

LEA 12.1	Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Service provider engagements	☑ Environmental ☐ Social ☐ Corporate Governance ☐ We do not track this information

LEA 12.2	Provide an estimated breakdown by E, S and/or G issues.

	Service provider engagements

	% Environmental only
	100

100%

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LEA 12.3	Additional information.

This covers only the Desjardins Environment Fund. Details about engagement for other funds composing the SocieTerra Porfolios can be found in NEI Investment reporting.

LEA 13	Voluntary	Descriptive	PRI 2

LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.

◉ Yes

LEA 13.2	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.

	Number of company changes or commitments to change
Service provider engagements	7

○ No

LEA 13.3	Additional information.

See the reporting to our clients: http://www.fondsdesjardins.com/information/bulletin-monde-en-action-2013-t3-en.pdf

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6

LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.

◉ We disclose it publicly

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	please provide URL

http://www.fondsdesjardins.com/information/bulletin-monde-en-action-2012-t4-en.pdf

	please provide URL

http://www.fondsdesjardins.com/information/bulletin-monde-en-action-2013-t3-en.pdf

LEA 15.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

◉ Yes

LEA 15.3	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

	Engagement information disclosed

☑ Details of the selections, priorities and specific goals of engagement

☑ Number of engagements

☑ Breakdown of engagements by type/topic

☐ Breakdown of engagements by region

☐ An assessment of the current status of the engagement

☑ Outcomes that have been achieved from the engagement

☐ Other information

LEA 15.4	Indicate how frequently you typically report engagements information.

○ Disclosed continuously (prior and post engagements)

○ Disclosed quarterly

◉ Disclosed annually

○ Disclosed every two years or less

○ Other, specify

○ No

○ We disclose it to clients and/or beneficiaries only

○ We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.6	Additional information. [Optional]

We disclose to our clients our targets at the beginning of each year and report on results at the end of the year.

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PRI Principles for Responsible Investment

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2

LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

As manager, Desjardins Investments Inc. (DI) exercises the voting rights attached to the securities it owns on proposals submitted at the general meetings of the companies held in the Desjardins Fund portfolios.

Accordingly, it votes on behalf of all Desjardins Funds unit holders.

The Desjardins Funds comply with the provisions of Regulation 81-106 of the Canadian Securities Administrators as regards the policy on proxy voting.

Our proxy voting policy is very extensive and covers a broad range of ESG issues.

Process

LEA 17	Mandatory	Descriptive	PRI 2

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

	Approach

○ We use our own research or voting team and make our own voting decisions without the use of service providers.

○ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

◉ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

	Based primarily on

○ the service provider voting policy signed off by us

◉ our own voting policy

○ our clients requests or policy

○ other, explain

○ We hire service provider(s) which make voting decisions on our behalf.

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LEA 17.2	Additional information.[Optional]

We review most of the votes casted by our service provider, and we occasionally cast the vote ourselves.

LEA 18	Mandatory	Descriptive	PRI 2

LEA 18.1	Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.

Percentage of voting recommendations your organisation reviewed

- ◉ >20%
- ○ 5-20%
- ○ 1-5%
- ○ <1%

Reasons for review

- ☐ Specific ESG issues
- ☐ Votes where a significant level of ownership is held
- ☐ Votes against management or abstentions
- ☐ Conflicts of interest
- ☐ Corporate actions such as M&A, disposal, etc.
- ☑ Other, explain

  We review most of the votes casted by our service provider, and we occasionally cast the vote ourselves.

LEA 19	Voluntary	Descriptive	PRI 2

LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.

- ☐ Obtain confirmation that votes have been lodged:
- ☑ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☐ None of the above

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LEA 19.2	Provide additional information on your organisation's vote confirmation efforts.

As you might know, it is not possible for shareholders in North America to obtain confirmation that the vote was received by the issuer. All we get is a confirmation, through our service provider, that it was casted. We have been consulted by regulators and did provide both feedback and willingness to contribute to future projects, in order to correct this situation.

LEA 20	Voluntary	Additional Assessed	PRI 2

LEA 20.1	Indicate if your organisation has a securities lending programme.

◉ Yes

LEA 20.2	Indicate how voting is addressed in securities lending programme.

Please select one of the following

○ We recall most securities for voting on all ballot items

○ We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria

○ We occasionally recall some securities for voting on some ballot items on an ad-hoc basis

○ We empower our securities lending agent to decide when to recall securities for voting purposes

◉ We do not recall our shares for voting purposes

○ Other (please specify)

○ No

LEA 21	Mandatory	Core Assessed	PRI 2

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

○ Yes, in most cases

○ Sometimes, in the following cases:

◉ No

○ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2

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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

◉ We do track or collect this information

Votes cast (to the nearest 1%)

%

97

Specify the basis on which this percentage is calculated

◉ of the total number of ballot items on which you could have issued instructions

○ of the total number of company meetings at which you could have voted

○ of the total value of your listed equity holdings on which you could have voted

○ We do not track or collect this information

LEA 22.3	Additional information. [Optional]

For this information specifically, our reporting period is from July 1st 2012 to June 30th 2013, which is the reporting period stated by the 81-106 regulation.

LEA 23	Voluntary	Descriptive	PRI 2

LEA 23.1	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

◉ Yes, we track this information

LEA 23.2	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:

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Voting instructions	Breakdown as percentage of votes cast
For (supporting) management proposals	% 83
Against (opposing) management proposals	% 17
Abstentions	% 0

100%

○ No, we do not track this information

LEA 23.4	Additional information.

For this information specifically, our reporting period is from July 1st 2012 to June 30th 2013, which is the reporting period stated by the 81-106 regulation.

LEA 24	Voluntary	Descriptive	PRI 2

LEA 24.1	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

○ Yes

◉ No

LEA 25	Voluntary	Descriptive	PRI 2

LEA 25.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

☑ Add Example 1

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Topic or ESG issue	Executive compensation
Decision made by	☐ Internal staff ☑ Service provider
Objectives	Article 4 .2 .C) of our proxy voting policy indicates that we will vote AGAINST the creation of stock option plans for managers or directors, and will vote AGAINST any addition to existing plans, except for start-up and small cap companies.
Scope and Process	This applies not only to proposal related to creation or renewal of stock options plans, but it is also one factor in our analysis to advisory vote on executive compensation (say on pay) proposals when available and to candidacies of of actual executive committee members when not available.
Outcomes	Overall, during this period, Desjardins Investments Inc. votes totalled close to 50% against proposals concerning an increase in officer compensation.

☐ Add Example 2

☐ Add Example 3

☐ Add Example 4

☐ Add Example 5

☐ Add Example 6

☐ Add Example 7

☐ Add Example 8

☐ Add Example 9

☐ Add Example 10

LEA 25.2 Additional information.

For this information specifically, our reporting period is from July 1st 2012 to June 30th 2013, which is the reporting period stated by the 81-106 regulation.

Communication

LEA 26 | **Mandatory** | **Core Assessed** | **PRI 2,6**

LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

◉ We disclose it publicly

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provide URL

http://www.fondsdesjardins.com/information/droit_vote_en.pdf

provide URL

http://vds.issproxy.com/SearchPage.php?CustomerID=3564&language=en

LEA 26.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

◉ Yes

LEA 26.3 Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

◉ All voting decisions
○ Some voting decisions
○ Only abstentions and opposing vote decisions
○ Summary of votes only

Indicate what level of explanation you provide

○ Explain all voting decisions
○ Explain some voting decisions
○ Only explain abstentions and votes against management
◉ No explanations provided

LEA 26.4 Indicate how frequently you typically report voting information.

○ Continuously (primarily before meetings)
○ Continuously (soon after votes are cast)
○ Quarterly or more frequently
◉ Between quarterly and annually
○ Less frequently than annually
○ Other, specify

○ No

○ We disclose it to clients/beneficiaries only
○ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

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LEA 26.6	Additional information. [Optional]

The first website refers to our policy and the second one to our voting record.

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