



# Shareholder Engagement 2017

DESJARDINS FUNDS

2017 was a transformative year for the economy, politics and society. Against this background of change, Desjardins Funds continued to rely on shareholder engagement as the foundation for its dialogue with the companies in which it invests.

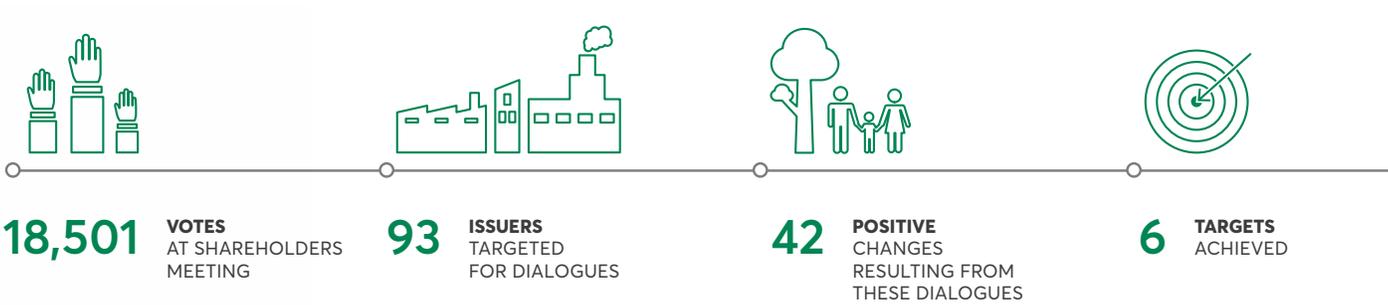
---

**Éric Landry**

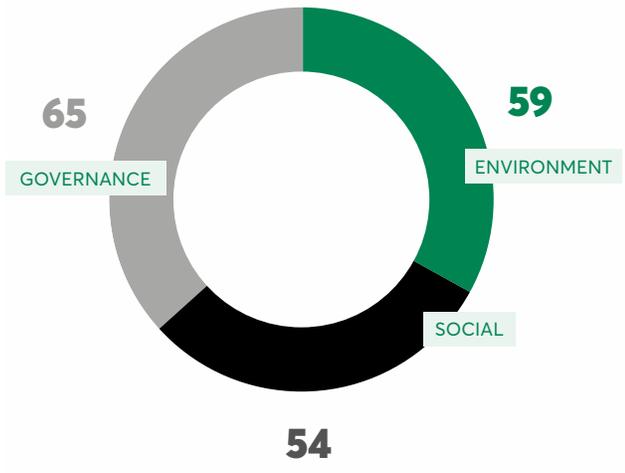
Chief Operating Officer  
Desjardins Investments Inc.  
Desjardins Group

# Our results at a glance

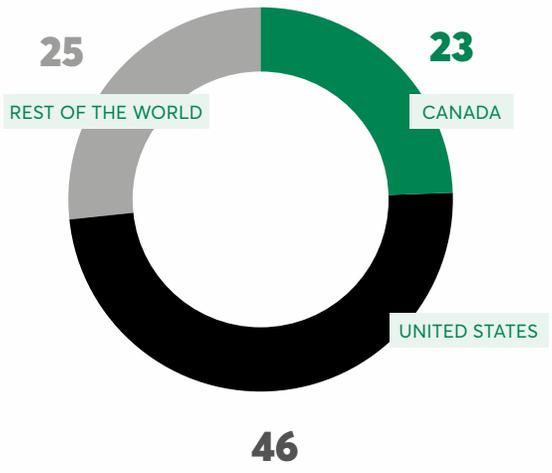
## SHAREHOLDER ENGAGEMENT 2017\*



## DISTRIBUTION OF INTERVENTIONS BY ISSUE TYPE



## GEOGRAPHIC DISTRIBUTION OF DIALOGUES



\* Data correspond to the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2017, except for the voting rights who have been exercised from July 1<sup>st</sup>, 2016 to June 30<sup>th</sup>, 2017.

# Message from the Chief Operating Officer

2017 was a transformative year for the economy, politics and society. Against this background of change, Desjardins Funds continued to rely on shareholder engagement as the foundation for its dialogue with the companies in which it invests.

This dialogue naturally involved exercising the voting rights earned through our investments, as well as using the direct influence of our portfolio managers to change or encourage these companies to adopt best practices. As you will see in the report, our portfolio managers engaged in dialogue with nearly 100 different companies over the past year on a variety of subjects related to each company's specific situation. It's also worth noting that all SocieTerra Fund managers have signed the UN's Principles for Responsible Investment. These principles promote a long-term investment approach focused on sustainable development. Furthermore, almost all Desjardins Fund managers have signed these same principles.

One of the most important developments in 2017 was the publication of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in June. These cover disclosures made by businesses on the environment and climate change. They will help standardize the information disclosed and ensure it meets the needs of investors, making it possible for market participants to more accurately evaluate corporate profiles in terms of climate change and address the related risks. Access to good information was one of the key requests made by our portfolio managers in their discussions with company leadership.

At the end of the year, we further expanded our range of responsible funds by launching the Desjardins SocieTerra Canadian Equity Fund. This new fund invests in the shares of Canadian companies that actively manage the environmental and social impacts of their operations through sound governance.

I'd like to close by taking this opportunity to thank you for the confidence you have shown us year after year. You encourage us every day to do our very best to find distinctive and competitive solutions that will serve you well. Together, we're making a difference.



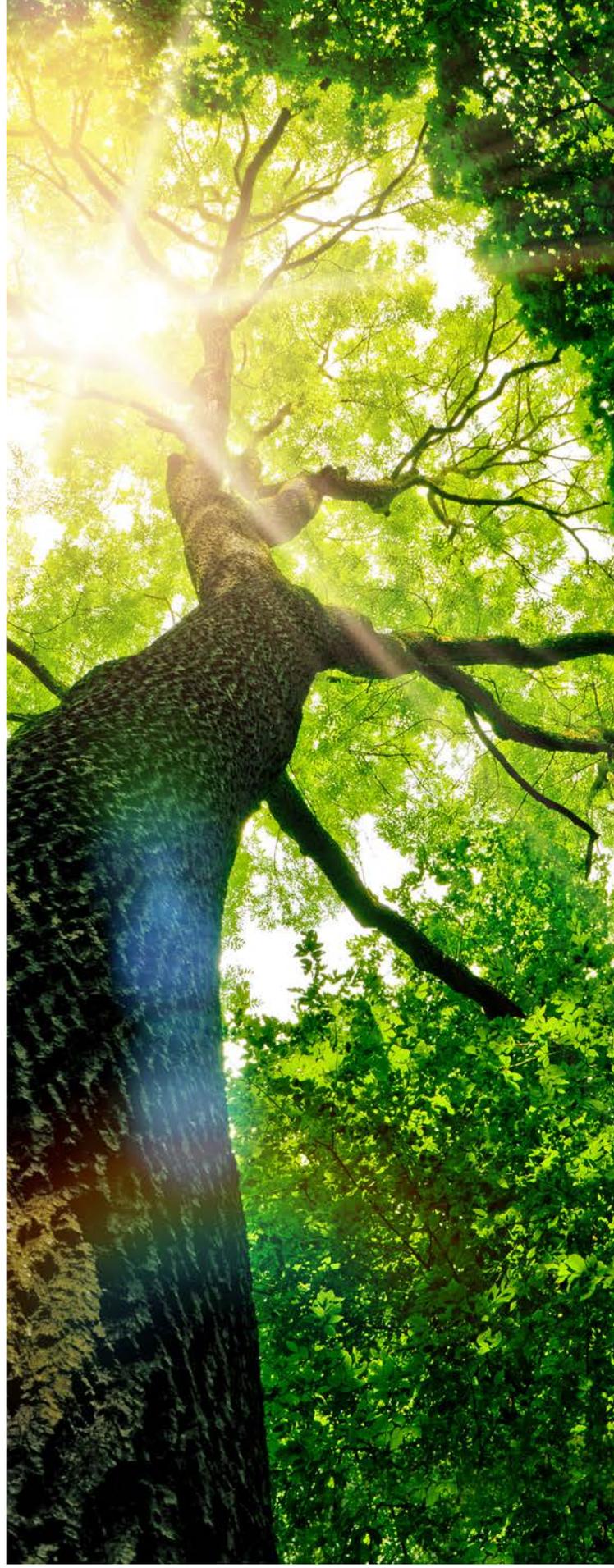
*Éric Landry*

Éric Landry  
Chief Operating Officer  
Desjardins Investments Inc.  
Desjardins Group

# Table of contents

<b>Our results at a glance</b> .....	<b>1</b>	<b>Collaborative dialogue: An increasingly popular approach</b> .....	<b>11</b>
<b>Message from the Chief Operating Officer</b> .....	<b>2</b>	<b>Shareholder proposals</b> .....	<b>12</b>
<b>Table of contents</b> .....	<b>3</b>	<b>Public policies</b> .....	<b>13</b>
<b>Our vision of shareholder engagement</b> .....	<b>4</b>	<b>Issues: a closer look</b> .....	<b>14</b>
Desjardins Funds is a signatory and advocate of the united nations principles for responsible investment.....	<b>5</b>	Impax and climate change.....	<b>15</b>
<b>Exercising voting rights</b> .....	<b>6</b>	Clearbridge and data privacy protection.....	<b>16</b>
Useful links.....	<b>6</b>	<b>Shareholder dialogue: a closer look</b> .....	<b>18</b>
Highlights 2017.....	<b>6</b>	<b>Improving corporate governance takes time</b> .....	<b>19</b>
Women's representation on boards of directors.....	<b>7</b>	Improved environmental disclosure for T-Mobile U.S.....	<b>20</b>
North American trends 2017.....	<b>7</b>	<b>Improving issuer practices, one step at a time</b> .....	<b>21</b>
<b>Dialogue with issuers</b> .....	<b>8</b>	<b>Appendix</b> .....	<b>23</b>
Distribution of interventions by issue type.....	<b>8</b>	Appendix: Summary of dialogues.....	<b>23</b>
List of issues covered.....	<b>9</b>	<b>Notes</b> .....	<b>31</b>
Geographic distribution of dialogues.....	<b>10</b>		
Shareholder dialogue outcomes.....	<b>10</b>		

# **Our vision of shareholder engagement**



Desjardins Funds upholds Desjardins Group's commitments and values, which advocate economic development that is respectful of people and the environment, where "money is at the service of human development."

The SocieTerra family of funds and portfolios gives us an opportunity to play a leadership role in the field of responsible investing in Canada thanks to our rigorous, credible and transparent approach. In keeping with our Responsible Investment Policy<sup>1</sup> and our commitment to the Principles of Responsible Investment, Desjardins Funds seeks to promote business practices and corporate governance that are more respectful of communities and the environment.

**Shareholder engagement** refers to the various ways shareholders can communicate their views to the companies they invest in and influence them by exercising their shareholder rights and privileges, such as:

- **Exercising their shareholder voting rights**
- **Engaging in shareholder dialogue with companies to improve business practices**
- **Submitting shareholder proposals to a vote at company meetings**
- **Working with governments and regulatory agencies**

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries.

## DESJARDINS FUNDS<sup>2</sup> IS A SIGNATORY AND ADVOCATE OF THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT<sup>3</sup>.

"As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

We also recognize that applying these Principles may better align investors with broader objectives of society.

Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles."

# Exercising voting rights

By exercising its voting rights, Desjardins Funds is able to address the topics raised at shareholders' meetings. This is a matter of particular importance to us, because we recognize that we have a duty to respond, appropriately and in keeping with the values of Desjardins Group, to all proposals submitted at our portfolios' shareholder meetings.

## USEFUL LINKS

Desjardins Funds has a specific Policy on the Exercise of Proxy Voting Rights<sup>4</sup> that applies to all investment funds and portfolios. In compliance with our regulatory obligations, we disclose<sup>5</sup> all of the voting rights we exercised during the year. The Legal and Financial Publications<sup>6</sup> section of [desjardinsfunds.com](http://desjardinsfunds.com)<sup>7</sup> contains a list of Desjardins Funds<sup>8</sup> with voting shares.

Key data and statistics on voting rights exercised between July 1, 2016 and June 30, 2017<sup>9</sup>:

- We reviewed 1,588 joint stock company meetings and 18,501 proposals submitted to a shareholders' vote, an increase of 20%.
- 53% of the proposals concerned the election of directors of the board.
- 4% of the proposals were submitted by shareholders (rather than company management).
- We voted in favour of proposals submitted by management in 63% of cases and supported 46% of the proposals submitted by shareholders.

## HIGHLIGHTS 2017

- With respect to director nominations, we voted against or abstained<sup>10</sup> in 43% of cases. When we oppose nominations, it is primarily due to concerns about the candidate's lack of independence in cases where less than two-thirds of the other board members are independent. Having too many external responsibilities (if a director serves on more than four boards, or two boards if the director also chairs a board) is another common reason for opposing a nominee.
- Our percentage of "No" votes in response to advisory proposals on the compensation of directors (say on pay) was 55%. We will oppose any elements of compensation when, in our judgment, they are not aligned with the interests of the shareholders or the company. The most common reasons for voting "No" are excessively high severance compensation arrangements, stock options in the incentive pay plan and an overall dilution rate resulting from shares reserved for the compensation of directors that exceeds 10%.
- Desjardins Funds voted in favour of 65% of shareholder proposals directly related to climate change issues. These included proposals aimed at establishing targets for the reduction of greenhouse gas (GHG) emissions, assessing the impact of a 2°C scenario and developing climate change strategies.
- The Desjardins Funds voting rights policy reflects Desjardins's commitment to the 30% Club (see box in next section). Desjardins Funds voted against the chair of the nominating committee or of the board of directors of 49 companies due to a lack of female representation on the board. We will vote against the chair of the nominating committee<sup>11</sup> when the nominations do not include any female candidates, as this would result in a lack of diversity on the boards of directors.
- Desjardins voted against 44% of proposed auditors as we believed they could not be considered independent. An auditor is considered independent when their mandate is shorter than 15 years and audit fees account for less than 50% of total fees received during the year.

## WOMEN'S REPRESENTATION ON BOARDS OF DIRECTORS

Studies show there is a positive correlation between higher corporate returns, economic growth and women's representation on boards of directors and in leadership positions. In Canada, the percentage of board seats held by women is still low (see table below). This is why Desjardins joined the Canadian chapter of the 30% Club<sup>12</sup>, which aims to engage both board chairs and CEOs to achieve better gender balance at board level and at executive management levels. To achieve 30% representation of women on boards of directors by 2030, half of the new directors appointed from 2018 onward must be women.

### Women's representation on boards (as a %) by index

Canada (TSX Composite)	20.9%
United States (S&P 500)	22.1%
United Kingdom (FTSE 100)	26.6%
France	41.2%

Source: ISS



## NORTH AMERICAN TRENDS 2017

- In Canada, the number of advisory votes on executive compensation at shareholder meetings<sup>13</sup> continued to grow, rising from 159 in 2016 to 212 in 2017.
- Between January and September 2017, 48 shareholder proposals were voted on in 22 companies in Canada. The number of proposals on governance (compensation and composition of the board of directors) rose from the previous year (from 6 in 2016 to 22 in 2017). The only proposal that received significant backing from shareholders (more than 70%) was related to the disclosure of voting results in number and percentage. We expect to see more shareholder initiatives related to diversity and shareholder nomination of directors in the years to come.
- In the United States, businesses have continued the trend toward allowing shareholder nominations to the board of directors (proxy access) in their bylaws and rules. As of the fall of 2017, 60% of S&P 500 companies had adopted the practice.
- The number of shareholder proposals in the U.S. totalled 445, of which only 61 were passed by a majority: 54 related to governance, 6 to environmental and social concerns and 1 to administrative issues. Support for shareholder proposals remained relatively constant from 2016 to 2017. Shareholders remained concerned about climate change: there were votes on 49 proposals in this area, with support averaging 28%, a 5% increase from 2016. In 2017, there were also more proposals on gender pay equity (10), equalling the total for 2015 and 2016 combined.

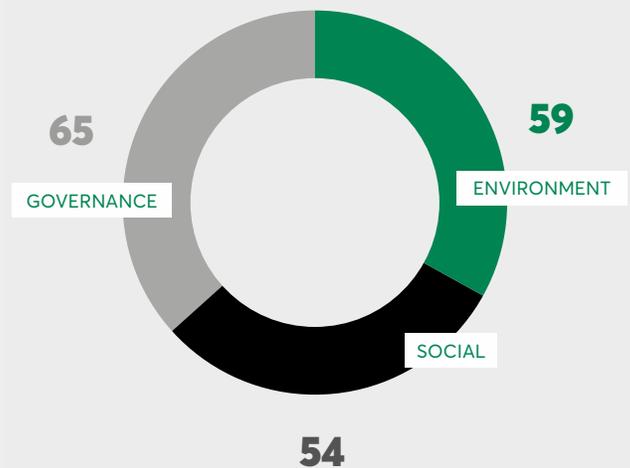


# Dialogue with issuers

Dialogue means communicating with the issuers of the securities held in a portfolio to influence their social responsibility practices. Every year, Desjardins Funds, along with the portfolio managers of its SocieTerra product line, assesses the environmental, social and governance (ESG) risks that our investment products are exposed to. After analyzing these risks, we put in place a dialogue program aimed at improving the issuers' business practices based on their exposure to ESG risks. Depending on their industry, business model and where they operate, different types of risks are analyzed and discussed with the issuers.

Dialogue means communicating with the issuers of the securities held in a portfolio to influence their social responsibility practices.

DISTRIBUTION OF INTERVENTIONS BY ISSUE TYPE



**93 issuers were directly contacted on behalf of the members and clients of Desjardins Funds.**

LIST OF ISSUES COVERED

Issues	Themes	Examples
<b>Environment</b>	<b>Climate change</b>	Greenhouse gas emissions and climate resilience
	<b>Natural resources</b>	Biodiversity protection and water supply
	<b>Pollution and waste</b>	Toxic emissions, product sustainability and electronic waste management
	<b>Environmental opportunities</b>	Renewable energy supply and energy efficiency
<b>Social</b>	<b>Human capital</b>	Subcontractors, occupational health and safety, and competency development
	<b>Product and service liability</b>	Privacy and data security, responsible procurement, and product safety and quality
	<b>Stakeholder opposition</b>	Management of impacts on communities
	<b>Social opportunities</b>	Access to nutritious food, medication for high-incidence diseases and access to basic financial services
<b>Governance</b>	<b>Corporate governance</b>	Board of director diversity, independence and expertise; executive compensation; shareholder rights; and financial and non-financial disclosures
	<b>Corporate behaviour</b>	Aggressive tax strategy, corruption and lobbying

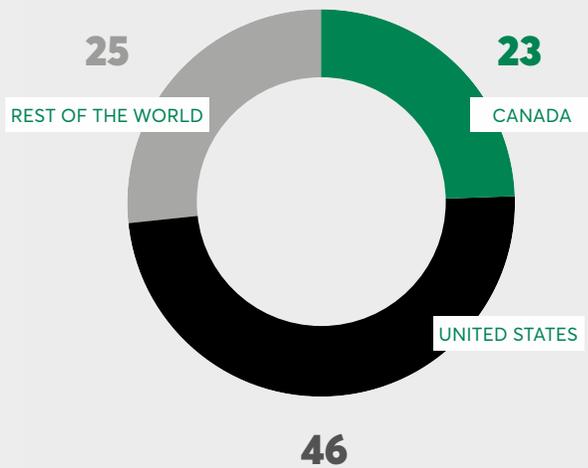
For Desjardins SocieTerra Funds, the asset manager and sub-managers are responsible for holding integrated investment management dialogues on behalf of our members and clients. They are:

- Desjardins Global Asset Management
- Impax Asset Management
- Mirova
- ClearBridge Investments

For SocieTerra Portfolios, dialogue is carried out by the underlying funds that make up the portfolios. Aside from Desjardins SocieTerra Funds, SocieTerra Portfolios are built using NEI Ethical Funds, for whose engagement activities NEI Investments are directly responsible.

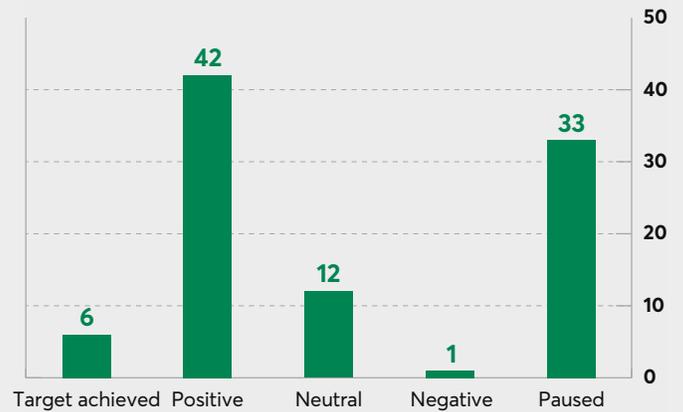
Overall, Desjardins Funds engaged in dialogue with nearly 100 issuers around the globe on a wide range of topics during the year.

### GEOGRAPHIC DISTRIBUTION OF DIALOGUES



Not only were a large number of dialogues conducted, but even better, more than half of those conducted on behalf of Desjardins Funds had a positive outcome or achieved their target.

### SHAREHOLDER DIALOGUE OUTCOMES



A positive outcome indicates the target company was receptive, while a neutral one reflects a less receptive attitude. A negative outcome means the company simply refused to change its practices or systematically refused any dialogue with the shareholder. A "Target achieved" outcome means the company responded appropriately to a very specific request from a portfolio manager.

The paused dialogues in 2017 are not necessarily indicative of a negative outcome, as such dialogues are often paused due to changes in the composition of funds or portfolios. The elimination of the NEI Ethical Canadian Equity Fund and the NEI Ethical Special Equity Fund from the SocieTerra Portfolios accounted for more than half of the paused dialogues in this report.

All of the companies that engaged in dialogue are listed in Appendix 1.

# Collaborative dialogue: An increasingly popular approach

In recent years, strategies for engaging with issuers have developed significantly. First, the adoption of environmental, social and governance considerations in day-to-day investment management has led more investors to express their concern about these topics to issuers, whether through a formal dialogue program or during regular meetings conducted by portfolio managers and financial analysts with the leaders of these companies.

In the past, responsible investors such as religious communities set the agenda for this dialogue. Now, however, we are witnessing the emergence of a broader community of investors who are pooling their efforts and expertise to influence issuers on more specific issues that they believe are important. The Principles for Responsible Investment also play a role in popularizing dialogue by coordinating the establishment of collaborative dialogue groups.

Collaborative dialogue often targets a specific concern and a limited number of issuers for which the concern is a factor and on which such dialogue can have a direct influence. A small number of investors will lead the dialogue with each issuer on behalf of the other investors, with each investor expected to engage with an issuer. Collaboration means the assets of all investors involved will be considered as a whole, maximizing their influence with the issuers and also making it possible for each investor involved in the group to target a greater number of issuers.

In 2017, our managers focused on several initiatives that should lead to concrete commitments from issuers.

- Climate Action 100+<sup>14</sup> is a five-year initiative led by investors to engage with the world's largest corporate greenhouse gas emitters to improve governance on climate change, curb emissions and strengthen climate-related financial disclosures.
- The FAIRR Initiative<sup>15</sup> aims to facilitate collaborative investor engagements with companies on key issues surrounding factory farming.
- RE100<sup>16</sup> is a collaborative, global initiative uniting more than 100 influential businesses committed to 100% renewable electricity, working to massively increase demand for—and delivery of—renewable energy.



# Shareholder proposals

Among the shareholder's rights and privileges, a shareholder proposal can be a way to make a company and all shareholders aware of a specific ESG concern. It consists in formulating a non-binding recommendation, meaning that it does not require management to take any direct action that would interfere with their ability to govern the affairs of the company, and submitting it to all shareholders. These proposals most often take the form of a recommendation requiring that the company disclose more information to shareholders. Once a proposal has been submitted, it must be included in the company's circular and conveyed to all shareholders.

Investors usually resort to this option when dialogue fails. The proposal forces the company to take a position on an issue at a shareholder meeting. Once submitted, a shareholder proposal can sometimes be used to negotiate with a company on the implementation of a new measure even before the meeting is held.

This year, Desjardins Funds did not submit any shareholder proposals. It did, however, vote on several proposals submitted by other investors.



# Public policies

Throughout 2017, Desjardins Funds took part in representation activities to exert a positive influence on legislative and regulatory authorities concerning responsible investment and the sustainability of our economic system.

Desjardins signed the investor statement that calls for boards and executive management levels to include 30% women by 2022<sup>17</sup>. This statement is in line with Canadian efforts for better representation of women. The Desjardins Fund voting rights policy also includes items to promote better representation<sup>18</sup>.

Desjardins also signed the declaration of institutional investors on climate-related financial risks.<sup>19</sup> As part of this strategy, a representative from Desjardins met with the Autorité des marchés financiers to discuss improving issuer disclosures on these risks.

Desjardins also helped develop the Principles for Positive Impact Finance<sup>20</sup> as part of the United Nations Environment Programme – Finance Initiative (UNEP FI). The Principles are a guide to identifying, analyzing and disclosing the economic and environmental impacts of products and services offered by financial institutions and investors. They are groundbreaking because they require a comprehensive evaluation of the positive and negative impacts of finance on economic development, human well-being and the environment.

Our portfolio managers were also active in this area. Their actions included work conducted by NEI Investments with the securities commissions of Ontario, British Columbia and Alberta to promote improved issuer disclosures on climate change risks. NEI Investments also held discussions with the Sustainability Accounting Standards Board regarding the development of disclosure standards covering major ESG concerns in the oil and gas, mining, financial and consumer goods sectors.

Impax Asset Management also actively promoted improved issuer disclosures on climate change risks. Impax was one of the first signatories of a statement asking the leaders of G7 and G20 countries to uphold the Paris Climate Agreement and implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

(see next section)

---

**Throughout 2017, Desjardins Funds took part in representation activities to exert a positive influence on legislative and regulatory authorities concerning responsible investment and the sustainability of our economic system.**

# Issues: a closer look



## IMPAX AND CLIMATE CHANGE

### **Why the Task Force on Climate-related Financial Disclosures (TCFD) recommendations are in the interests of all investors**

Impax is proud to be an early signatory of the statement of support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). More than 360 investors with assets in excess of \$19 trillion have written to the leaders of the G7 and G20 countries to support the Paris Climate Agreement, a clean-energy future and the work of the TFD.

The rollout of the TCFD's recommendations represents an important milestone in the international financial system's internalization of the emerging systemic risks of climate change. Set up in 2015, and co-chaired by Governor of the Bank of England Mark Carney, and investor/philanthropist Mike Bloomberg, the industry-led TCFD sought to "promote more informed investment, credit, and insurance underwriting decisions". Its goal was to "enable stakeholders to understand better concentrations of carbon-related assets in the financial sector, and the financial system's exposures to climate-related risks."

The TCFD has developed four broad ranging recommendations, focusing on central themes of corporate organization: i) governance, ii) strategy, iii) risk management, iv) metrics and targets. Each of the recommendations is supported by specific approaches that companies could employ to first assess and then provide information about climate-related risks. These recommendations are designed to offer companies and their investors a commercially actionable, voluntary framework to improve climate-related financial disclosures. In turn, reporting prepared in response to the recommendations should provide investors with a more complete understanding of the climate risks facing their individual holdings and across their portfolios, thereby encouraging better risk assessment in investment decision making.

For nearly 20 years, Impax has endeavoured to further investor understanding of both the direct physical impacts of climate change itself, and the associated regulatory risks resulting from financial exposure to companies with embedded carbon risk. We were one of the first investment managers to develop a method of measuring climate risk using a scenario approach to carbon pricing, an approach now recommended by the TCFD. We analyze the economic risk of major stocks in the MSCI World Energy Index, computing an expected valuation anomaly in those potentially affected. The expected valuation anomalies have informed the appropriate level of re-allocation of each stock in our "Smart Carbon" models. We have also advocated that investors seek additional information from fossil fuel companies and engage with regulators to mandate further information of the climate risks faced by companies.

We will encourage the companies in which we invest to adopt the TCFD guidelines to improve the quality of their corporate governance on climate risk issues, and augment corporate understanding and management of both climate risks and opportunities.

Climate risk is a defining corporate challenge of the 21<sup>st</sup> century. While not every company that takes affirmative steps to address climate risk will necessarily be a successful one, those that fail to do so will be putting their commercial future at increased risk.

In March of 2018, the EU General Data Protection Regulation (GDPR)<sup>21</sup> will begin to be enforced. The key tenets of the new regulations provide consumers with the right of data portability (ability to move standardized personal data from one company to another) and data privacy, while holding companies that deal in personal data accountable. Some companies have suggested that the rule will drive more companies to store data locally (either in a data centre or onsite, but in the same geographic area), which means more cross-connects. This issue is also at the heart of Artificial Intelligence (AI), as it's driving companies to collect as much data as possible (which poses direct security and privacy risks). Apple (AAPL) has also been on the leading edge of data security and privacy. For example, in its new iPhone X, biometric data it collects from facial recognition is always maintained locally and never sent to the cloud (unlike some of its "big data" competitors).

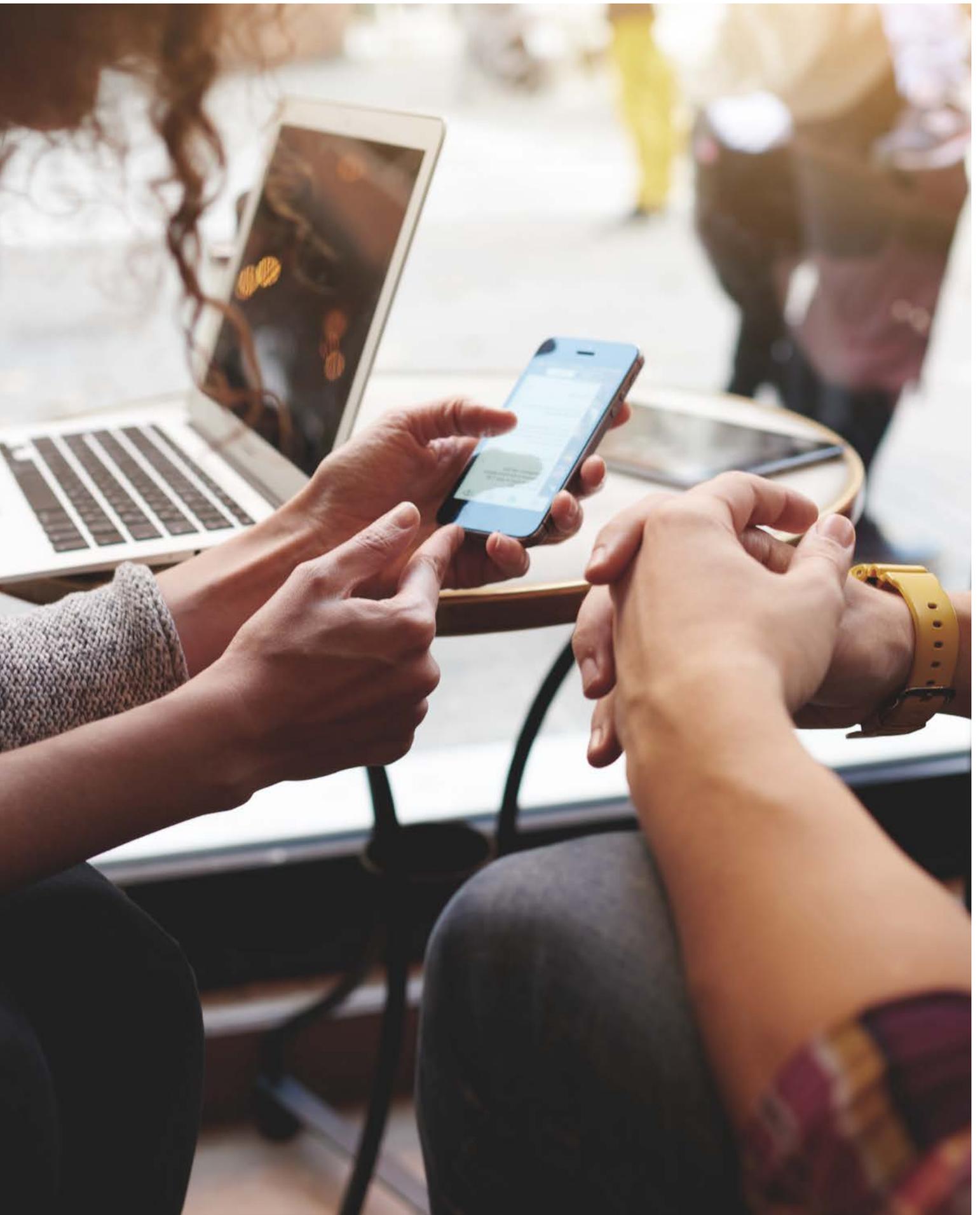
For financial services and payments companies, cybersecurity has become an increasingly important issue. While companies typically don't disclose their spending on cybersecurity, most have indicated that there are no limits on the resources available to protect the company's and customers' data. A failure to protect customers' data could be disastrous for a company like Visa, which has a business built on providing safe and secure transactions to consumers.

Visa continues to innovate to reduce transaction fraud (about 6bp of transaction volume). Visa's investments have enabled it to evaluate up to 500 data elements in less than a millisecond for a transaction. To mitigate risks in online and face-to-face transactions, Visa has been investing in new technologies, including biometrics and geolocation as well as its longer standing investments in EMV chips and account tokenization. Nearly all Visa cards in the world now contain an EMV chip (which secures data and creates one-time use codes for each transaction) and increasing numbers of issuers and merchants are using Visa's Token Service (securing data). In addition,

Visa continues to invest in technologies such as biometrics and geolocation to match transactions to consumers and their devices. These actions help limit fraudulent activity (50% of fraud is from e-commerce and remote payments; 33% is from counterfeit cards, and 8% is related to account takeovers). Investments in technology to protect Visa's network, Visa Net, as well as its partners' customers' data, will continue. A significant data security failure could materially harm Visa's reputation, brand, and valuation.

Changes in regulation in Europe have implications for payment and data security, but mainly for banks. In January, the first phase of PSD2 (Payment Services Directive 2) went into effect in Europe. This new rule requires banks to provide access to customer data to third parties. This not only creates data security challenges for banks (which will likely be held responsible when third parties fail to secure customers' data) but could pose a challenge to some existing payment ecosystem participants. Visa doesn't face incremental data security threats, but card payments could become less lucrative for issuers/banks if account-to-account payments become a viable alternative. However, Visa and MasterCard may facilitate some of these account-to-account payments in some markets (i.e. Visa could follow MasterCard's lead and expand its Visa Direct offering to more directly match MasterCard's Vocalink offering).

This information was provided at the request of Desjardins. It should not be used as the sole basis to make any investment decision. It is provided for information purposes only and should not be construed as a recommendation.



# Shareholder dialogue: a closer look

18



# Improving corporate governance takes time

The engagement with Mitel has been a long-term dialogue on enhancing its corporate governance practices and ESG disclosure. We first met with Mitel's CEO in 2014 to encourage the company to enhance its sustainability disclosure. Mitel had recently acquired Aastra, which in our view had good sustainability disclosure and practices in place for a small IT company. We wanted to learn whether Mitel was planning to adopt some of these best practices in its operations. We followed up by sharing with the company our Proxy Voting Guidelines to show what we consider to be good governance practices, as well as best practice examples of ESG disclosure and corporate responsibility commitments within the IT sector.

We continued our dialogue with Mitel on these topics during 2015, whilst the company was rapidly expanding in size and footprint through several mergers and acquisitions. This quick growth brought to light that Mitel's main focus needed to be on implementing high-priority governance issues that might raise red flags in investor portfolios, such as board diversity, board independence and good pay practices. In September 2016, we wrote to Mitel to provide feedback on our proxy voting at the company's 2016 Annual Meeting. We had withheld our vote from several directors because of chair and committee independence concerns. Mitel voluntarily adopted the advisory vote on executive compensation in 2016 and we recognized the company's commitment to making progress on corporate governance issues.

While we were aware that considerable effort had been invested in enhancing the nominating process, Mitel had not yet succeeded in recruiting any female directors. As such we encouraged the company to adopt a formal board diversity policy and enhance disclosure on its diversity approach. In advance of the release of Mitel's 2017 proxy circular we met with the company to urge Mitel to enhance disclosure to demonstrate its commitment to advancing board diversity, especially in light of broader gender diversity concerns in the IT sector. We also encouraged the company to adopt certain good governance pay practices, such as integrating performance metrics into its long-term executive pay framework, and the implementation of a clawback mechanism.

We were pleased to read in Mitel's proxy circular, published in March 2017, that it had successfully recruited a well-qualified female nominee to its board of directors. We were also encouraged by the company's revision of its long-term incentive plan to include 50% performance-based metrics, and by its implementation of a formal clawback mechanism. In April 2017 we were able, for the first time, to support all Mitel director nominees and were also able to support its executive compensation plan.



## IMPROVED ENVIRONMENTAL DISCLOSURE FOR T-MOBILE U.S.

Although Desjardins Global Asset Management (DGAM) plays a bigger role in Canada than in the United States, its actions as an engaged investor can still have a real impact south of the border. This was the case with T-Mobile US Inc., one of the leading wireless service providers in the United States, which serves more than 70 million U.S. customers.

As part of an initiative intended to improve the environmental disclosures of companies held by the Desjardins SocieTerra Environment Fund, DGAM approached the company's board of directors in the second quarter of 2016. Several meetings were then held with the company's representatives to highlight the growing importance of an effective and robust environmental disclosure process. This initiative proved successful as, starting in 2017, the company released its first report on climate change to investors via the platform offered by CDP, a leader in this area.

The report explains how T-Mobile plans to significantly reduce its impact on climate change, particularly through a strategy that will use 100% renewable energy sources to power its sales offices and data centres by 2020.

To do so, the company signed an agreement with Enel Green Energy for up to 160 MW of wind energy and plans to expand on this approach with projects connected to conventional energy grids or directly installed on certain operations facilities.

DGAM was able to achieve results so quickly because the company had previously carried out work on this issue, but without a robust disclosure process investors still had difficulty in obtaining this information.

DGAM is building on this achievement to continue the conversation and push the company to produce a more comprehensive social responsibility report in line with industry best practices. Even though the Ethisphere Institute recognizes T-Mobile as one of the most ethical businesses in the United States, DGAM wants the company to demonstrate this through greater transparency. We'll keep you posted.

# Improving issuer practices, one step at a time

Mirova was selected to manage the Desjardins SocieTerra Environmental Bond Fund, not only for its ability to manage a green bond fund but also for its stringent securities selection and the support it provides issuers in improving their practices.

Mirova has engaged in dialogue with several companies regarding their standard green bond prospectuses in recent years. These prospectuses state that there is a possibility that funds raised from issuing these green bonds can be used for general corporate purposes, making them ineligible for Mirova's green bond funds. This was the case for Iberdrola, a Spanish public multinational electric utility company and a global leader in wind energy.

After 2014, Iberdrola used the same base prospectus for both its regular bonds and green bonds. This was a point of concern for Mirova as the legal document of the green bond should clearly state that the bond is meant to finance only eligible green projects. Mirova then highlighted this with the company and mentioned that this has been a factor keeping Mirova from considering their green bonds as green.

In 2017, when the company launched another green bond, it also published a different base prospectus that more clearly defined the role of green bonds in their legal documents. The new wording states that when the bond issued is identified as a green bond, Iberdrola can only invest the funds raised from the issuance in eligible green projects as per their criteria. This change meant Iberdrola's green bond issuances in 2017 and 2016 once again became eligible for Mirova's green bond funds.

For Mirova, this is a clear success, as clearly defining the use of proceeds in a bond's legal prospectus is key to ensuring integrity and trust in the green bond market.

Nevertheless, there is still room for Iberdrola to improve its practices, as the company is known for last-minute issuances without pre-issuance roadshows with investors. Such roadshows are increasingly expected from green bond issuers as they give investors an opportunity to voice their opinions on the green and financial aspects of the bond issuance while providing them with enough time to prepare before the actual issuance.



# Summary of dialogues

These dialogues were all conducted on behalf of the SocieTerra Funds and Portfolios in 2017. For more information about the SocieTerra Funds and Portfolios, visit [www.fondsdesjardins.com/responsible-investing](http://www.fondsdesjardins.com/responsible-investing)

This appendix presents the 93 shareholder dialogues conducted by our portfolio managers.

 Target reached  Positive <b>N</b> Neutral  Paused  Negative					
Issuer	Country	Themes discussed	Fund	Dialogue led by	Outcome
<b>3M</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Environmental opportunities</li> <li>• Corporate governance</li> </ul>	SocieTerra American Equity	ClearBridge Investments	<b>N</b>
<b>Acuity Brands</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Pollution and waste</li> <li>• Environmental opportunities</li> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	
<b>Alexion Pharmaceuticals</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Product and service liability</li> <li>• Corporate behaviour</li> </ul>	SocieTerra American Equity	ClearBridge Investments	
<b>Alphabet</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> </ul>	SocieTerra American Equity	ClearBridge Investments	
<b>AltaGas</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Environmental opportunities</li> <li>• Stakeholder opposition</li> </ul>	NEI Ethical Canadian Equity NEI Ethical Special Equity	NEI Investments	
<b>American Water Works</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Natural resources</li> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	
<b>Ameriprise Financial</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	

Issuer	Country	Themes discussed	Fund	Dialogue led by	Outcome
<b>Anglian Water Services Financing</b>	<b>United Kingdom</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	↑
<b>Apple</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	🎯
<b>Aritzia</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Corporate governance</li> </ul>	NEI Ethical Special Equity	NEI Investments	↔
<b>Asian Development Bank</b>	<b>Asia</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	↑
<b>Automatic Data Processing</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	SocieTerra American Equity	ClearBridge Investments	↑
<b>BB&amp;T</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↑
<b>Becton, Dickinson</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Pollution and waste</li> <li>• Product and service liability</li> <li>• Social opportunities</li> </ul>	SocieTerra American Equity	ClearBridge Investments	↑
<b>Booking Holdings<sup>22</sup></b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↔
<b>C.H. Robinson Worldwide</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↔
<b>Canadian Natural Resources</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Human capital</li> </ul>	NEI Ethical Canadian Equity	NEI Investments	↔
<b>Canadian Tire</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	NEI Ethical Canadian Equity	NEI Investments	↔
<b>Canadian Utilities ATCO</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Environmental opportunities</li> <li>• Corporate governance</li> </ul>	NEI Ethical Canadian Equity	NEI Investments	↔
<b>CGI Group</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	NEI Ethical Canadian Equity	NEI Investments	↔
<b>Charles Schwab</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Product and service liability</li> <li>• Social opportunities</li> </ul>	SocieTerra American Equity	ClearBridge Investments	↑

Issuer	Country	Themes discussed	Fund	Dialogue led by	Outcome
<b>Citizens Financial Group</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↑
<b>Colgate-Palmolive</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Product and service liability</li> <li>• Social opportunities</li> </ul>	SocieTerra American Equity	ClearBridge Investments	↑
<b>Computershare</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↑
<b>Crown Castle International</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↔
<b>Danone</b>	<b>France</b>	<ul style="list-style-type: none"> <li>• Product and service liability</li> </ul>	NEI Ethical International Equity	NEI Investments	↑
<b>Deutsche Kreditbank</b>	<b>Germany</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	↑
<b>Enbridge</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Environmental opportunities</li> <li>• Stakeholder opposition</li> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	SocieTerra Canadian Equity SocieTerra Environment SocieTerra Canadian Bond	Desjardins Global Asset Management	<b>N</b>
<b>Endo International</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Product and service liability</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↔
<b>Export Development Canada</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	↑
<b>Fastenal</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	<b>N</b>
<b>Fleetcor Technologies</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Corporate governance</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↓
<b>Flight Centre Travel Group</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↔

Issuer	Country	Themes discussed	Fund	Dialogue led by	Outcome
<b>Franco-Nevada</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Stakeholder opposition</li> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	SocieTerra Canadian Equity SocieTerra Environment	Desjardins Global Asset Management	↑
<b>H&amp;R Block</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↑
<b>Hartford Financial Services Group</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Product and service liability</li> </ul>	SocieTerra American Equity	ClearBridge Investments	↔
<b>Heineken</b>	<b>Netherlands</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	NEI Ethical International Equity	NEI Investments	↑
<b>Herman Miller</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Product and service liability</li> </ul>	SocieTerra American Equity	ClearBridge Investments	<b>N</b>
<b>Iberdrola</b>	<b>Spain</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	↑
<b>ING Group</b>	<b>Netherlands</b>	<ul style="list-style-type: none"> <li>• Stakeholder opposition</li> </ul>	NEI Ethical International Equity	NEI Investments	🎯
<b>Intel</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Human capital</li> </ul>	SocieTerra American Equity	ClearBridge Investments	↑
<b>Itron</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	↔
<b>Kemira</b>	<b>Finland</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Pollution and waste</li> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	🎯
<b>Kingfisher</b>	<b>United Kingdom</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	NEI Ethical International Equity	NEI Investments	↑
<b>Kingspan</b>	<b>United Kingdom</b>	<ul style="list-style-type: none"> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	<b>N</b>
<b>Lassonde</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	NEI Ethical Special Equity	NEI Investments	🎯
<b>Lenzing</b>	<b>Austria</b>	<ul style="list-style-type: none"> <li>• Pollution and waste</li> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	↔
<b>Leon's</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Corporate governance</li> </ul>	NEI Ethical Special Equity	NEI Investments	↑

Issuer	Country	Themes discussed	Fund	Dialogue led by	Outcome
<b>LKQ</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	<b>+/</b>
<b>Loblaw</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	NEI Ethical Canadian Equity	NEI Investments	<b>+/</b>
<b>LVMH</b>	<b>France</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	NEI Ethical International Equity	NEI Investments	<b>+/</b>
<b>M&amp;T Bank</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	<b>N</b>
<b>M3</b>	<b>Japan</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	<b>+/</b>
<b>Metro</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> </ul>	NEI Ethical Canadian Equity	NEI Investments	<b>+/</b>
<b>Microsoft</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	SocieTerra American Equity	ClearBridge Investments	<b>+/</b>
<b>Mitel</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	NEI Ethical Special Equity	NEI Investments	<b>↑</b>
<b>Mullen Group</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Human capital</li> <li>• Corporate governance</li> </ul>	NEI Ethical Special Equity	NEI Investments	<b>+/</b>
<b>Nederlandse Waterschapsbank</b>	<b>Netherlands</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	<b>+/</b>
<b>Nestle</b>	<b>Switzerland</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Stakeholder opposition</li> </ul>	NEI Ethical International Equity	NEI Investments	<b>↑</b>
<b>Netflix</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	<b>↑</b>
<b>New York Community Bancorp</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	<b>+/</b>
<b>Ormat Technologies</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Natural resources</li> <li>• Environmental opportunities</li> <li>• Corporate governance</li> </ul>	SocieTerra American Equity	ClearBridge Investments	<b>+/</b>

Issuer	Country	Themes discussed	Fund	Dialogue led by	Outcome
<b>Parkland Fuel Corporation</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Corporate governance</li> </ul>	NEI Ethical Special Equity	NEI Investments	↑
<b>Pembina Pipeline</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Corporate governance</li> </ul>	SocieTerra Canadian Equity	Desjardins Global Asset Management	↔
<b>People's United Financial</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↑
<b>Poland</b>	<b>Poland</b>	<ul style="list-style-type: none"> <li>• Natural resources</li> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	↔
<b>Power Integrations</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Corporate behaviour</li> </ul>	SocieTerra Cleantech	Impax Asset Management	<b>N</b>
<b>PrairieSky Royalty</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Natural resources</li> <li>• Corporate governance</li> </ul>	SocieTerra Canadian Equity SocieTerra Environment	Desjardins Global Asset Management	↑
<b>Pure Technologies</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	↑
<b>Queensland Treasury Corporation</b>	<b>Australia</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	🎯
<b>Regions Financial</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↑
<b>Restaurant Brands International</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	NEI Ethical Canadian Equity	NEI Investments	↑
<b>Sabesp</b>	<b>Brazil</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	SocieTerra Cleantech	Impax Asset Management	↔
<b>Sanrio</b>	<b>Japan</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↑
<b>SBA Communications</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↔
<b>SEB</b>	<b>Sweden</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Environmental Bond	Mirova	↔

Issuer	Country	Themes discussed	Fund	Dialogue led by	Outcome
<b>Secure Energy Services</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Corporate governance</li> </ul>	NEI Ethical Special Equity	NEI Investments	↑
<b>Sensata</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Corporate behaviour</li> </ul>	SocieTerra Cleantech	Impax Asset Management	↔
<b>Sodexo</b>	<b>France</b>	<ul style="list-style-type: none"> <li>• Product and service liability</li> </ul>	NEI Ethical International Equity	NEI Investments	↑
<b>Spin Master</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Corporate governance</li> </ul>	SocieTerra Canadian Equity	Desjardins Global Asset Management	<b>N</b>
<b>Suez</b>	<b>France</b>	<ul style="list-style-type: none"> <li>• Corporate behaviour</li> </ul>	SocieTerra Cleantech	Impax Asset Management	<b>N</b>
<b>Sun Life Financial</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	SocieTerra Canadian Equity	Desjardins Global Asset Management	<b>N</b>
<b>Suncor</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Environmental opportunities</li> </ul>	NEI Ethical Canadian Equity	NEI Investments	↔
<b>SunPower</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	SocieTerra Cleantech	Impax Asset Management	<b>N</b>
<b>Superior Energy Services</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↑
<b>Superior Plus</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Corporate governance</li> </ul>	NEI Ethical Special Equity	NEI Investments	↔
<b>T-Mobile USA</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	🎯
<b>Trimble</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Natural resources</li> <li>• Pollution and waste</li> <li>• Human capital</li> <li>• Product and service liability</li> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	SocieTerra Cleantech	Impax Asset Management	↑
<b>United Natural Foods</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	<b>N</b>
<b>Visa</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Product and service liability</li> <li>• Social opportunities</li> </ul>	SocieTerra American Equity	ClearBridge Investments	↑

Issuer	Country	Themes discussed	Fund	Dialogue led by	Outcome
<b>Wheaton Precious Metals</b>	<b>Canada</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Stakeholder opposition</li> <li>• Corporate governance</li> <li>• Corporate behaviour</li> </ul>	SocieTerra Canadian Equity  SocieTerra Environment	Desjardins Global Asset Management	↑
<b>Windstream Holdings</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	SocieTerra Environment	Desjardins Global Asset Management	↔
<b>Xylem</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Environmental opportunities</li> <li>• Human capital</li> <li>• Product and service liability</li> </ul>	SocieTerra American Equity	ClearBridge Investments	↑
<b>Xylem</b>	<b>United States</b>	<ul style="list-style-type: none"> <li>• Environmental opportunities</li> <li>• Corporate governance</li> </ul>	SocieTerra Cleantech	Impax Asset Management	↑

# Notes

1. <https://www.fondsdesjardins.com/information/responsible-investment-policy.pdf>
2. More specifically, the legal entity Desjardins Investments Inc., which manages the Desjardins Funds product line, is a signatory of the PRI.
3. <https://www.unpri.org/about>
4. <https://www.desjardins.com/ressources/pdf/c15-policy-exercise-voting-right-e.pdf>
5. <http://vds.issproxy.com/SearchPage.php?CustomerID=3564&language=en>
6. <https://www.fondsdesjardins.com/investor-resources/index.jsp#legal-and-financial-publications-panel>
7. <https://www.fondsdesjardins.com/home/index.jsp>
8. [https://www.fondsdesjardins.com/information/liste\\_droit\\_vote\\_en.pdf](https://www.fondsdesjardins.com/information/liste_droit_vote_en.pdf)
9. The vote disclosure period is selected based on the regulatory requirements that govern the disclosure of Desjardins Funds' proxy voting rights.
10. Under the *Canada Business Corporations Act* we are not allowed to vote against a director, only to abstain. <http://laws-lois.justice.gc.ca/eng/acts/C-44/> Retrieved February 26, 2018.
11. Our practice is to vote against the chair of the board of directors when there is no nominating committee.
12. [https://30percentclub.org/assets/uploads/Canada/PDFs/30\\_percent\\_Club\\_Canadian\\_Investor\\_Statement\\_FINAL\\_Sept\\_5\\_.pdf](https://30percentclub.org/assets/uploads/Canada/PDFs/30_percent_Club_Canadian_Investor_Statement_FINAL_Sept_5_.pdf)
13. An advisory vote on executive compensation consists in submitting a non-binding proposal on the method of compensating senior executives for approval by shareholders. While not a regulatory requirement, it has become a best governance practice in the wake of numerous shareholder engagement campaigns conducted in Canada and the United States.
14. <http://www.climateaction100.org/>
15. <http://www.fairr.org/investor-engagements/>
16. <http://there100.org/>
17. [https://30percentclub.org/assets/uploads/Canada/PDFs/30\\_percent\\_Club\\_Canadian\\_Investor\\_Statement\\_FINAL\\_Sept\\_5\\_.pdf](https://30percentclub.org/assets/uploads/Canada/PDFs/30_percent_Club_Canadian_Investor_Statement_FINAL_Sept_5_.pdf)
18. [https://www.fondsdesjardins.com/information/droit\\_vote\\_en.pdf](https://www.fondsdesjardins.com/information/droit_vote_en.pdf)
19. <https://www.finance-montreal.com/wp-content/uploads/2017/12/FM-Declaration-V2-ENG.pdf>
20. <http://www.unepfi.org/publications/banking-publications/principles-for-positive-impact-finance/>
21. Official website: <https://www.eugdpr.org>
22. Formerly Priceline Group.





