

# Our Desjardins suite of responsible investment ETFs

INVESTMENT SOLUTIONS AIMING FOR AN ATTRACTIVE RETURN AND THE OPPORTUNITY TO SUPPORT COMPANIES THAT ARE COMMITTED TO SUSTAINABILITY AND SOCIAL RESPONSIBILITY TOWARD PEOPLE AND COMMUNITIES.

# Table of contents

1. THE PURPOSE OF RESPONSIBLE INVESTMENT	3
2. DESJARDINS AND RESPONSIBLE INVESTMENT: A DISTINCTIVE APPROACH	7
3. DESJARDINS' RESPONSIBLE INVESTMENT ETFS 3 INNOVATIVE APPROACHES	8
4. DESJARDINS' LINE OF RESPONSIBLE INVESTMENT ETFS	11



# The purpose of responsible investment

Responsible investment (RI) means taking **environmental, social and governance (ESG)** criteria into account when selecting and managing investments, without compromising investors' financial returns.

RI portfolios are designed for investors who are looking for attractive return potential and the opportunity to support companies that are committed to sustainability and social responsibility toward people and communities.

Responsible  
investment represents  
**47%**  
of total assets under  
management in Canada.<sup>1</sup>



A review of more than **1,000 studies** published  
between 2015 and 2020 found that for most of  
them, RI funds perform as well as or better than  
traditional funds.<sup>2</sup>

<sup>1</sup> <https://www.riacanada.ca/content/uploads/2022/11/Technical-Report-2022-Canadian-RI-Trends-Report-English-Final-web.pdf>

<sup>2</sup> [https://www.stern.nyu.edu/sites/default/files/assets/documents/NYU-RAM\\_ESG-Paper\\_2021%20Rev\\_0.pdf](https://www.stern.nyu.edu/sites/default/files/assets/documents/NYU-RAM_ESG-Paper_2021%20Rev_0.pdf)

# Responsible investment allows you to use your investments as leverage for change

In an RI strategy, companies are carefully evaluated on their **environmental, social and governance (ESG)** practices, as well as their financial performance, in order to provide investors with an investment solution that makes a difference for communities and the environment.

## ENVIRONMENTAL



- Fight climate change
- Safeguard access to drinking water
- Preserve biodiversity

## SOCIAL



- Enforce labour standards
- Respect human rights (e.g., child labour)
- Ensure social acceptability (e.g., First Nations)

## GOVERNANCE



- Promote board diversity
- Track executive compensation (e.g., incentives and bonuses)
- Recognize shareholder rights

# Studies show the possible positive impact on results attributed to ESG criteria

## ENVIRONMENTAL



### Emissions

Low-carbon companies **outperformed the benchmark<sup>4</sup> by an annual average of 3.1%.<sup>3</sup>**

## SOCIAL



### Employee turnover

Low employee turnover benefits companies. Low turnover has added **+0.8% (3 years)** and **+3.0% (5 years)** on returns annually.<sup>4</sup>

## GOVERNANCE



### Diversity

Companies with a higher percentage of female employees have performed well. Having more women employees added **3.3% to annual performance** across all sub-sectors.<sup>4</sup>

<sup>3</sup> This statistic applies to relevant sectors and is calculated based on scope 1 GHG emissions, which are direct emissions from the company's operations.

<sup>4</sup> Source: *The PM's Guide to ESG Revolution*, Goldman Sachs Global Investment Research, April 2017, based on constituents of the MSCI ACWI global equity index, 2010-2015.

# Desjardins and responsible investment: A distinctive approach

To help you achieve your financial goals and contribute to sustainable development, Desjardins offers the widest range of responsible investment products in Canada. We have something for every investor profile.

## Desjardins, a Canadian pioneer and leader in responsible investment

**1990**

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**Launch of the Desjardins Environment Fund:  
The first of its kind  
in Canada**



**\$12.4 B<sup>5</sup> in responsible investment  
assets under management**

**Today, we offer more than  
50 RI product options**

<sup>5</sup> As at December 31, 2022 (includes all responsible investment assets held within Desjardins Group).

# Desjardins Responsible Investment ETFs

## 3 innovative approaches

1

### Low CO<sub>2</sub> ETFs

In an effort to mitigate energy transition risk, these ETFs aim to invest in organizations with the lowest carbon intensities in their sector.

They also exclude companies if they are lagging in ESG practices, generate revenue from controversial weapons or from tobacco production or manufacturing, or are involved in critical controversies.<sup>6</sup>

<sup>6</sup> For more information about exclusions, please see the prospectus for each product.



# Desjardins Responsible Investment ETFs

## 3 innovative approaches

2



### Fossil Fuel Reserves Free ETF

In an effort to mitigate energy transition risk, this ETF excludes companies that own fossil fuel reserves, are categorized in the fossil fuel sector, earn a significant share of revenues from fossil fuels or produce a significant share of electricity from thermal coal.

They also exclude companies if they are lagging in ESG practices, generate revenue from controversial weapons or from processing or from tobacco production or manufacturing, or are involved in critical controversies.<sup>7</sup>

<sup>7</sup> For more information about exclusions, please see the prospectus for each product.

# Desjardins Responsible Investment ETFs

## 3 innovative approaches

3

### SocieTerra ETF

These ETF exclude<sup>8</sup> producers and specialized transporters of fossil fuels and companies in the civilian firearms, nuclear and coal energy and tobacco industries and invest in businesses, government securities and projects that:

- Implement sound ESG practices across their operations
- Improve their ESG practices subsequent to shareholder engagement process

<sup>8</sup> For more information about exclusions, please see the prospectus for each product.

# Desjardins' line of Responsible Investment ETFs



Low carbon



No fossil fuel reserves



SocieTerra

Name of Desjardins ETF	RI Active Canadian Bond – Low CO <sub>2</sub>	RI Canada – Low CO <sub>2</sub> Index	RI USA – Low CO <sub>2</sub> Index	RI Developed ex-USA ex-Canada – Low CO <sub>2</sub> Index	RI Emerging Markets Low CO <sub>2</sub> Index	RI Canada Multifactor – Low CO <sub>2</sub>	RI USA Multifactor – Low CO <sub>2</sub>	RI Developed ex-USA ex-Canada Multifactor – Low CO <sub>2</sub>	RI Emerging Markets Multifactor – Low CO <sub>2</sub>	RI Global Multifactor – Fossil Fuel Reserves Free	SocieTerra American Equity
	DRCU	DRMC	DRMU	DRMD	DRME	DRFC	DRFU	DRFD	DRFE	DRFG	DSAE
Asset class	Canadian Fixed Income	Canadian Equity	U.S. Equity	International Equity	Emerging Markets Equity	Canadian Equity	U.S. Equity	International Equity	Emerging Markets Equity	Global Equity	U.S. Equity
Management Fees (%)	0.35	0.15	0.20	0.25	0.35	0.50	0.50	0.60	0.65	0.60	0.80
Investment approach	Active	Index-based				Quantitative – Multifactor				Active	

# Desjardins Global Asset Management (DGAM) is one of the largest portfolio managers in Canada



**\$77.1 B**

in assets under management



**86**

investment **professionals**



**Over 21 years**

of experience



**18 ETFs**

Source: Desjardins as at December 31, 2022.

## For more information, contact your representative.

[desjardinsfunds.com/etfri](https://desjardinsfunds.com/etfri)

Desjardins Exchange Traded Funds are not guaranteed, their value fluctuates frequently and their past performance is not indicative of their future returns. Commissions, management fees and expenses all may be associated with an investment in exchange-traded funds. Please read the prospectus before investing. Desjardins Global Asset Management Inc. is the manager and portfolio manager of the Desjardins Exchange Traded Funds. The Desjardins Exchange Traded Funds are offered by registered dealers.

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**Desjardins**  
Global Asset Management

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