

ESG METRICS

Statistic	DGAM	MSCI World
E Carbon emissions (t CO ₂ /\$B)	4	53
E Carbon intensity	7	104
E Water use (m ³ /\$M revenue)	73	7,846
E Waste-recycling ratio	68%	64%
E Renewable-energy use	47%	44%
E Reported emissions	92%	96%
S Fatalities per 100,000 employees	0.5	0.7
S Access to low-price products	17%	21%
S Women managers	38%	33%
S Salary gap (CEO/average salary)	84	172
G Sustainability compensation incentives	71%	69%
G Independent board members	80%	81%
G CEO and chair separation	67%	48%
G Board gender diversity	36%	34%

Values are calculated only on the invested portion of the portfolio.
Sources: Sustainalytics and LSEG as at September 30, 2024

STOCKS ADDED OR REMOVED FOR ESG REASONS

Company	Change	Reason
Electronic Arts	Added	Energy use vs. peers
Pure Storage	Added	Board independence

QUARTERLY ESG THEME

ENERGY CONSUMPTION

The environmental benefits of reducing a company's energy consumption are substantial. We think companies should strive to minimize their energy use and have therefore incorporated this metric into our ESG filtering methodology. Specifically, the energy-use metric denotes total direct and indirect energy consumption in gigajoules per US\$1 million of revenues.

Companies with high energy consumption are excluded by our ESG filtering methodology, while those that consume less energy than their peers are preferred. Information of this kind is available in corporate sustainability disclosures. Our portfolio outperforms the MSCI World Index on this metric. You can learn more about this topic on the next page.

OUR ESG METHODOLOGY IN PRACTICE

Our ESG screening methodology includes positive and negative filters. Our negative filters are used to identify companies involved in harmful activities, whereas our positive filters reward leaders across several E, S and G metrics. Accordingly, 886 companies had been removed from the investable universe and 413 companies had successfully qualified for investment as at September 30.

At the end of the quarter, the portfolio had carbon and water footprints that were significantly lower than those of the benchmark, mainly because of our ESG methodology's negative filters. Overall, the portfolio had strong sustainability credentials and outperformed the index across most ESG metrics.

ACTIVE OWNERSHIP SPOTLIGHT

We engaged with Dollarama, the general merchandise retailer, concerning a recent news publication that targeted the company's disposal of unsold goods. Dollarama explained that it has a clear policy on this matter and that a very limited amount of goods is thrown away annually. The policy states that seasonal goods, for example, are returned to the warehouse and kept until the following season. As for food products, the company adheres to Health Canada safety rules and is looking to work with food banks. In-store employee training to reduce waste will be stepped up, a sign that Dollarama takes the issue seriously.

Energy use (GJ/\$M of revenue)	
MSCI WORLD Index	955.5
DGAM ESG Filtered MSCI World Equity	138.0
Systematic ESG World Equity Portfolio	121.2

Sources: MSCI and Sustainalytics as at September 30, 2024

THE IMPORTANCE OF ENERGY SAVINGS

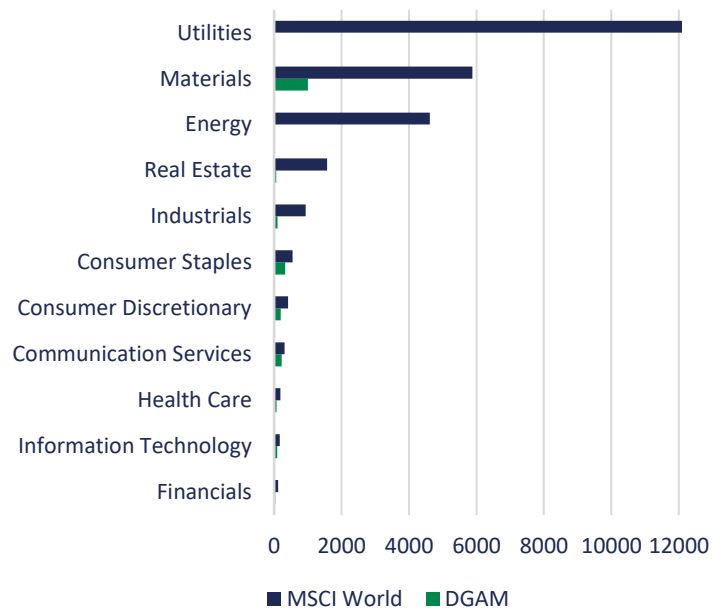
Integrating energy consumption effectively into a systematic equity portfolio

According to a [2023 report](#) published by the World Economic Forum, climate change is the most severe risk the world will face in the long term. As climate change accelerates, it is causing a series of harmful impacts on the environment, ecosystems and human health. The IEA has deemed energy efficiency the “[first fuel in the clean energy transition](#)” and it should play a large role on the road to a net-zero economy.

Reducing energy consumption and improving energy efficiency play a significant role in the reduction of greenhouse gas emissions, specifically indirect emissions generated by electricity consumption (Scope 2 emissions). This approach also relieves pressure on energy demand. Companies that reduce their energy consumption help their bottom line with cost reductions and also mitigate their operational risks. To reduce their consumption, companies can, among other things, carry out energy efficiency audits, use energy-efficient products, such as smart thermostats and LED lighting, and retrofit buildings with improved insulation and HVAC systems. Government incentives and new regulations, along with changing consumer behaviour, are also keys to scaling up the benefits that energy efficiency can have on emissions and demand.

The chart on the right shows the proportion of energy consumption for each sector of the MSCI World Index versus our portfolio. As the chart shows, our portfolio outperforms the index across all sectors, with the exception of utilities and energy. Note that the portfolio does not currently hold any energy or utilities stocks.

Energy consumption (GJ/\$M of revenue)



Source: MSCI and LSEG as at September 30, 2024

Examples of companies that stand out

Novo Nordisk develops, produces and markets pharmaceuticals. Over the past year, it has continued to work on energy-efficiency projects, including a new dehumidification system. Such projects have reduced energy consumption at its production sites by 64,000 GJ. The company has also lowered energy use at its buildings with various energy-saving measures. The production facility in Denmark is certified to ISO 50001, a robust energy management standard.

	Novo Nordisk	KLA
Country	Denmark	United States
Sector	Health care	Information technology
Portfolio weight	0.33%	1.77%
Energy use (GJ/\$M of rev)	110	94.5

Source: LSEG as at September 30, 2024

KLA produces and distributes semiconductors. The company is conducting comprehensive site-level energy audits to find ways to improve efficiency. The audits will also identify its most energy-intensive processes. At the company’s headquarters in California, efforts have led to a 30% increase in the energy efficiency of its chilled water system. Beyond its own energy consumption, it is developing an energy-efficiency strategy for its products, recognizing that product efficiency and performance have positive effects on its customers as well.

Source of all data and information: DGAM as at September 30, 2024, unless otherwise specified.

This document was prepared by Desjardins Global Asset Management Inc. (DGAM), for information purposes only. The information included in this document is presented for illustrative and discussion purposes only. The information presented should not be construed as investment advice, recommendations to buy or sell securities, or recommendations for specific investment strategies.

The information presented is intended for institutional investors only. No part of this document may be reproduced without the written consent of DGAM. The information was obtained from sources that DGAM believes to be reliable, but it is not guaranteed and may be incomplete. The information is current as of the date indicated in this document. DGAM does not assume any obligation whatsoever to update this information or to communicate any new fact concerning the subjects or securities discussed. Desjardins, Desjardins Global Asset Management Inc. and related trademarks are trademarks of the Fédération des caisses Desjardins du Québec, used under licence.

Results as at September 30, 2024, calculated using data from MSCI ESG ©2021 MSCI ESG Research LLC. Reproduced by permission; no further distribution. This report contains certain information (the “Information”) sourced from MSCI ESG Research LLC, or its affiliates or information providers (the “ESG Parties”). The Information may only be used for your individual use as an investor, may not be reproduced or re disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. Although they obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and they expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. None of the information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Copyright ©2024 Sustainalytics. All rights reserved.

The information, methodologies, data and opinions contained or reflected herein are proprietary of Sustainalytics and/or content providers, intended for internal, non-commercial use and may not be copied, distributed or used in any other way, including via citation, unless otherwise explicitly agreed in writing.

They are provided for informational purposes only and (1) do not constitute an endorsement of any product, project, investment strategy or consideration of any particular environmental, social or governance related issues as part of any investment strategy; (2) do not constitute investment advice, nor represent an expert opinion or negative assurance letter; (3) are not part of any offering and do not constitute an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) are not an assessment of the issuer’s economic performance, financial obligations nor of its creditworthiness; (5) are not a substitute for professional advice; (6) past performance is no guarantee of future results; (7) have not been submitted to, nor received approval from, any relevant regulatory bodies.

These are based on information made available by the issuer and/ or third parties, subject to continuous change and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-datedness or fitness for a particular purpose. The information and data are provided “as is” and reflects Sustainalytics’ opinion at the date of its elaboration and publication.

Neither Sustainalytics nor any of its content providers accept any liability for damage arising from the use of the information, data or opinions contained herein, or from the use of information resulting from the application of the methodology, in any manner whatsoever, except where explicitly required by law.

Any reference to content providers’ names is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our content providers and their respective terms of use is available on our website. For more information visit <http://www.sustainalytics.com/legal-disclaimers>

Sustainalytics may receive compensation for its ratings, opinions and other deliverables, from, among others, issuers, insurers, guarantors and/or underwriters of debt securities, or investors, via different business units. Sustainalytics believes it has put in place appropriate measures to safeguard the objectivity and independence of its opinions. For more information visit Governance Documents or contact compliance@sustainalytics.com.