REPORT ON ESG FACTORS EMERGING MARKET EQUITIES Q2 2025

HEXAVEST BY Desjardins Global Asset Management

ESG METRICS

	Statistic	Portfolio	MSCI EM
E	Carbon emissions (t CO_2/$B)	57	216
E	Carbon intensity (t CO_2/sales)	89	296
E	Water use (m^3/$M of revenue)	5 061	19 410
E	Waste-recycling rate	68%	69%
E	CO_2 emissions coverage (disclosure)	96%	94%
E	Use of renewable energy	15%	15%
S	Fatality rate per 100,000 employees	1.4	1.7
S	Senior management gender diversity	27%	25%
S	Wage gap (USD)	205	169
S	Access to low-cost products	24%	21%
G	Director independence	54%	52%
G	Sustainability-linked compensation	27%	29%
G	Board diversity	20%	18%

The calculations are based on the invested portion of the portfolio only. Source: LSEG, June 30, 2025

INVESTMENTS WITH HIGH ESG RISK (40+, CCC)

Company	Country	Sector	Active position	ESG risk	ESG rating
PDD HOLDINGS	China	Consumer discretionary	-0.07%	28.9	CCC

Note: Excludes securities held indirectly via exchange-traded funds (ETFs) or futures.
Sources: Sustainalytics, MSCI, June 30, 2025

The portfolio's carbon footprint is still significantly lower than that of its benchmark in terms of both emissions and intensity, with an intensity 70% lower than the index.

At the end of the quarter, the portfolio held no stocks with a severe ESG risk according to Sustainalytics versus one stock at the end of the first quarter. The portfolio held only one company with a high score according to MSCI (CCC), one fewer than at the end of the first quarter. This stock represents 0.8% of the portfolio, whereas securities with a severe ESG risk account for 6.7% of the index, according to the two data providers.

PDD Holdings is still in the portfolio, and its scores are unchanged. Temu's parent company is involved in several controversies related to its business practices (such as the sale of dangerous or prohibited products on its platform) and its advertising practices. Several lawsuits on these matters have been filed against it, including one by the European Union. Its governance practices are also lagging, with a lack of independent members on its board.

The position in Hyundai Motor was liquidated during the quarter. The stock was in MSCI's severe risk category. In the current context of slowing global growth in automotive sales and pricing risks, exposure to the stock was eliminated. Hanwha Aerospace, in contrast, has seen its ESG rating improve. The company has strengthened its climate-risk management initiatives and has put in place measures to reduce its greenhouse gas emissions. Its defence-related activities are in line with our positioning in this area.

Shareholder engagement during the quarter

Our partner Æquo initiated an engagement process with Emaar Properties, a real estate developer based in Dubai, United Arab Emirates. The first discussion with the company was productive, focusing on human rights and climate. Although the company is gradually structuring its approach to the two issues, its commitments are still too vague.

Company	Country	Sector	**Current position**
Petróleo Brasileiro	Brazil	Energy	Neutral

POINTS ADDRESSED:

Human rights in the supply chain

- Adopt a formal human rights policy aligned with international standards.
- Conduct a human rights risk assessment of its many subcontractors.
- Improve transparency and disclosure of information related to the confidential whistleblower line.

Climate crisis

- Disclose scope 3 carbon emissions and adopt an emissions reduction strategy with clear targets for scopes 1, 2 and 3.

Poland moves away from coal at an increasingly rapid pace

For the first time, Poland produced more electricity from renewable sources than coal in June 2025. This breakthrough was made possible primarily by wind and solar energy, marking an important turning point in the country's energy landscape.

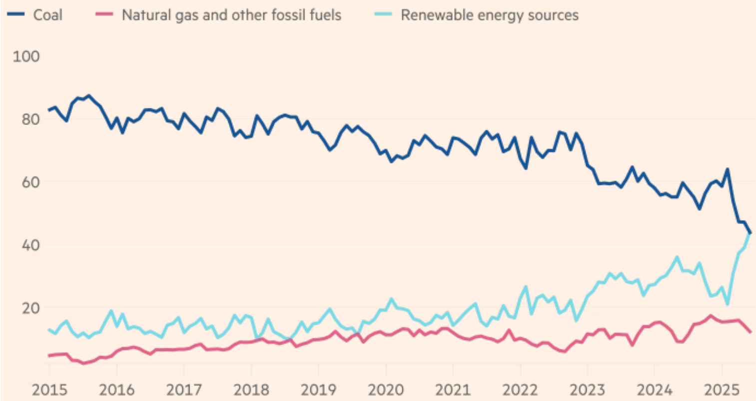
Poland's installed solar-based electricity generation capacity is 23 GW, more than three times the 2030 target set in 2021. The conflict in Ukraine has played a catalytic role by forcing the country to find alternative energy sources to replace Russian oil and gas. At that time, subsidies were provided to encourage Polish households to install solar panels on their roofs.

Despite the progress, Poland is still one of the largest coal producers in Europe and also the most coal-dependent country in the European Union. That being said, the government is accelerating its efforts to decarbonize the national electricity grid. It supports large-scale projects, including the development of offshore wind farms and the construction of the country's first nuclear power plant, in partnership with Westinghouse and Bechtel.

Even so, significant amounts of renewable energy are being wasted because energy infrastructure upgrades have not kept pace with the rapid capacity additions of recent years. Poland is therefore planning to invest heavily in modernizing its energy infrastructure. Significant resources will be allocated to expanding transmission lines and improving energy storage capacity, with the aim of absorbing the new capacity and having a more robust electricity grid, laying the foundation for a more resilient and sustainable electricity system.

The strategy has ruled out two Polish stocks in the MSCI Emerging Markets Index because they generate a significant portion of their electricity with coal-fired power plants: PGE Polska Grupa Energetyczna and Orlen Spolka Akcyjna. The coal exit trend could eventually require significant investments by these companies, increase their energy costs or reduce the value of some of their assets.

Renewable energy reached 44% of Poland's electricity production in June



POLISH HOLDINGS NOT INCLUDED IN THE STRATEGY

Stock	Country	Sector	Index weighting	% Coal production capacity
PGE Polska Grupa Energetyczna	Poland	Utilities	0.03%	88.34%
Orlen Spolka Akcyjna	Poland	Energy	0.15%	37.26%

Source of all data and information: DGAM, June 30, 2025, unless otherwise indicated.

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