



BATIRENTE

**My retirement.
Our strength.**



2023 Annual Report

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Message from the Chair and the CEO



Yvan Duceppe,
Bâtirente's Chair
of the Board

Éric Filion,
Bâtirente's Chief
Executive Officer

Founded in 1987, our retirement system is a unique Québec institution, whose creation was made possible thanks to the conviction of its pioneering and forward-looking builders.

Bâtirente was born out of the idea of pooling our savings. In 2023, for the first time in our history, our members' total accumulated savings reached \$1 billion! This achievement attests to the relevance of Bâtirente to its 28,000 members and is proof of the extent to which it has evolved.

More than ever, our corporation is proving its relevance to CSN unions that take part in it and the successful retirement it ensures for their members. We can also be proud of its contribution to the labour union movement alongside all its partners and bodies, whether within the federations, labour councils or collective tools.

A strategic plan for moving forward

In 2022, Bâtirente's board of directors approved the 2022–2025 strategic plan, which laid out Bâtirente's ambition to fulfill its mission. The plan is based on three main priorities: placing members at the centre of our

actions, highlighting Bâtirente's value to partners in the CSN ecosystem, and supporting the development of talent and practices.

In 2023, we continued making progress toward meeting our objectives. We strengthened financial processes by implementing a new accounting system, invested in cybersecurity and optimized our funds. In terms of our human resources, a new collective agreement was signed in June 2023; we hired more people, particularly for the development team; and we improved our work processes. We applaud the efforts and results of the entire team, who worked diligently to meet the sharp growth in retirement savings needs, skillfully applying their impressive expertise to help our members achieve a successful retirement.

We would also be remiss not to mention the extensive collaboration by all our partners—from the CSN, federations and collective tools, to our plan administrator, Desjardins. This collaboration is central to Bâtirente's success and ensures our ability to continue carrying out Bâtirente's mission: being the trusted partner of CSN's unions.

“In 2023, for the first time in our history, our members' total accumulated savings reached \$1 billion! This achievement attests to the relevance of Bâtirente to its 28,000 members and is proof of the extent to which it has evolved.”

Responsible investment leader

Faced with the climate emergency and aware of the importance for all to contribute to the solution, Bâtirente made major climate-related commitments in 2020 to be completed by 2025.

It therefore gives us great pride to announce that our commitment objectives were fully met in 2023! In that vein, we accomplished the following:

- ▶ reduced greenhouse gas emissions attributable to Bâtirente Funds' equity portfolios by 50% compared with their 2018 carbon footprint
- ▶ tripled our impact investing, from \$75M in 2018 to \$225M in 2023

“Faced with the climate emergency and aware of the importance for all to contribute to the solution, Bâtirente made major climate-related commitments in 2020 to be completed by 2025. It therefore gives us great pride to announce that our commitment objectives were fully met in 2023!”

- conducted dialogues, through our partner Æquo, Shareholder Engagement Services, with the companies in which we invest. For example, in 2022, 45 objectives were met, 73% of which directly related to our climate commitment.
- contributed to numerous initiatives to help emphasize their collective impact and, among other things, we are a founding member of Climate Engagement Canada (CEC)

We will continue to forge ahead and take concrete action that ensures we are part of the solution, in the best interest of our members, future generations and the planet. Responsible investment has always been at the heart of Bâtirente's values and actions, and it's part of our DNA.

Partnership with Fondation

During the opening of the 67th CSN Convention in May 2023, CSN President Caroline Senneville announced that Bâtirente and Fondation were joining forces to benefit workers across Québec. During Bâtirente's annual general meeting of June 2, 2023, Éric Filion spoke to the fact of these two organizations' shared values—sustainable development and the desire to take action on social and

environmental challenges, but especially the issue of their members' and shareholders' financial health—which made them want to pool their expertise. This combining of forces will consolidate Bâtirente's ability to fulfill its mission: helping its members achieve a successful retirement.

Honouring our Builders

Bâtirente is a resolutely forward-thinking organization that still remains very proud of its roots. During the 2023 AGM, we paid tribute to Pierre Patry, our Board Chair for 17 years prior to Yvan Duceppe's arrival. Under Pierre's chairmanship, Bâtirente assets saw substantial growth, the corporation defined itself as a strong collective tool adapted to its members' needs, and it became a leader in responsible investment. Well respected within the CSN movement, Mr. Patry was inducted into the Builders' Honour Roll, joining four other pioneers who, like himself, had helped Bâtirente successfully achieve its mission.

Board elections

During the 2023 AGM, CSN Treasurer Yvan Duceppe was elected as a CSN-appointed representative, for a second term, as was Alexandre Laviolette, Fédération du commerce (FC-CSN) President, for his first term.

Two members representing the groups were also elected for their first term: Jonathan Paradis Lapointe, Vice-President, Health & Safety of the STT du groupe PJC entrepôt labour union; and Sylvain Grenier, Treasurer, Fédération de l'industrie manufacturière (FIM-CSN) federation and representative of the Syndicat des travailleurs de l'industrie manufacturière union.

Néjia Chehidi, President of the STT de l'Hôtel Reine Elizabeth union, stepped down from the board in 2022 after serving on it for 12 years. We thanked Néjia for her dedication to Bâtirente and for her participation on the Member Services Committee. Kevin Gagnon of the STT de Bridgestone union and Vice-President of the FIM-CSN, and Michel Valiquette, Treasurer, FC-CSN, also left the board.

Finally, we wish to thank all members of the board and external committees for their commitment and contribution to the corporation's success. The work and dedication of each and every one of them is what has made Bâtirente a strong, efficient and responsible organization benefiting its members.

Long live the CSN! Long live Bâtirente!



Highlights

Trustworthy

82%

of members believe that
Bâtirente is a trustworthy
organization

//////////



Number of members

27,772

an increase of **5%**

//////////



Groups

323

99.5% of group loyalty

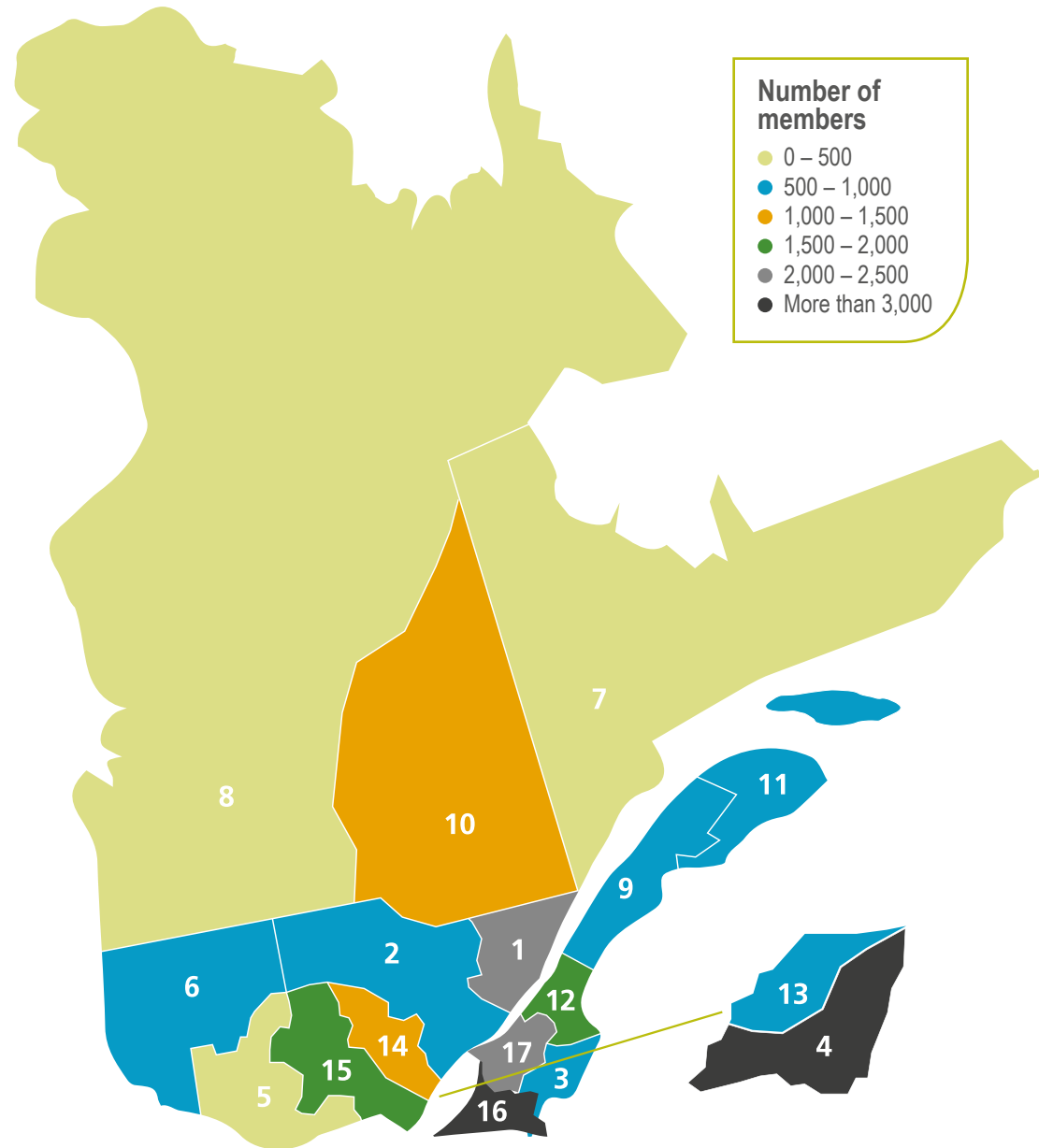


Bâtirente across Québec

- | | |
|-----------------------------|-----------------------------------|
| ⑩ Saguenay – Lac-Saint-Jean | ⑪ Gaspésie – Îles-de-la-Madeleine |
| ⑭ Lanaudière | ⑬ Laval |
| ⑫ Chaudière-Appalaches | ③ Estrie |
| ⑮ Laurentides | ② Mauricie |
| ① Capitale-Nationale | ⑨ Bas-Saint-Laurent |
| ⑦ Centre-du-Québec | ⑥ Abitibi-Témiscamingue |
| ④ Montréal | ⑦ Côte-Nord |
| ⑫ Chaudière-Appalaches | ⑤ Outaouais |
| ⑬ Laval | ⑧ Nord-du-Québec |

Distribution of members by Federation

- 33.3%** Fédération du commerce
- 31.4%** Fédération de l'industrie manufacturière
- 3.4%** Fédération des employées et employés de services publics
- 3.2%** Fédération de la santé et des services sociaux
- 0.6%** Fédération nationale des communications et de la culture



Solid

82%

of members agree that
Bâtirente is a financialy
sound organization

//////////



Accumulated savings

\$1,045.5M

//////////



Management fees

\$8.7M

of discount for members
for 2023

Mobile app

16%

download rate

//////////

My account
secure section

36.3%

of members have
online account access

//////////

**Accumulated savings
held in RRIF and LIF**

\$115.5M

up 12%

//////////

Pensions paid to retirees

\$22.6M

a 13% increase



Responsible

100%

of our assets are managed by PRI signatory companies



2025 climate commitment

Objectives achieved

(see page 27)

Our 4 pillars of commitment

INVEST

We have tripled our impact investments, from \$75M in 2018 to \$240M in 2023.



MEASURE

Our portfolios' overall carbon footprint for 2023 was 50.2% less than that of benchmark portfolios.



ENGAGE

Participated in 115 shareholder meetings, where we voted in 1,360 ballots. Positive results for 38 of our objectives, 55% of which directly related to our climate commitment



COOPERATE

Participation in 8 investor collaborations and 3 working groups, in addition to numerous public consultations.



10.0%

Returns for the Provident
Diversified Fund

Between 8.1% and 11.2%

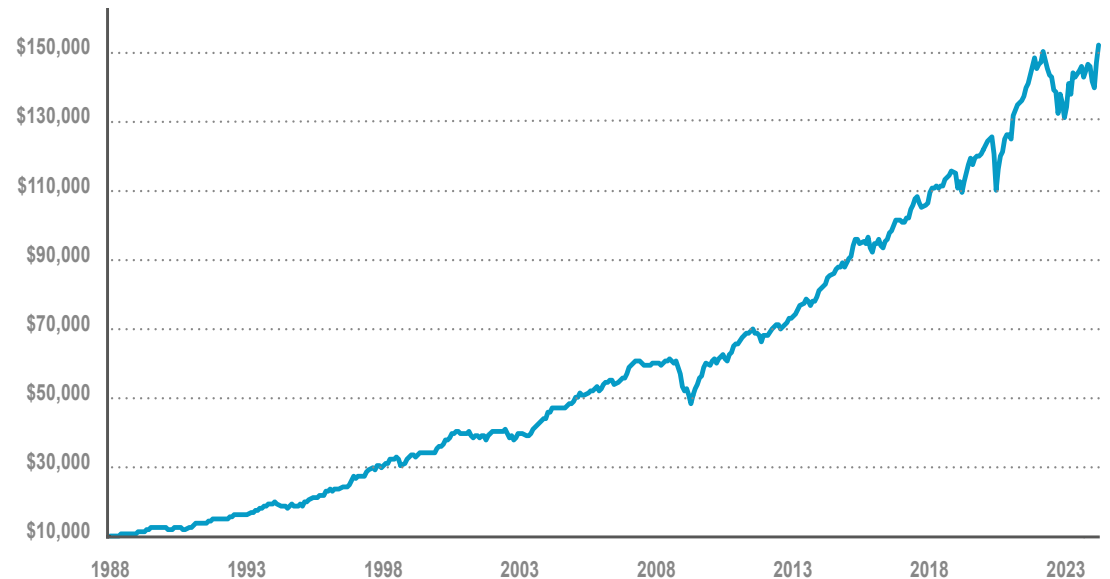
Diversified Funds returns

Multi Funds

4 out of 5 outperform
benchmark

The Provident Diversified Fund, our members' most used investment vehicle, continues to show its strength with returns of 10.0%.

Since its creation in 1988, an initial investment of \$10,000 would now show an annualized yield of 7.9% (1,425% over 36 years).





Organization profile

323

Groups

27,772

Members

99.5%

Group loyalty

The Bâtirente Corporation

In 1987, the *Confédération des syndicats nationaux* (CSN) entrusted Bâtirente with the mission of establishing a retirement system for its affiliated unions. The objective was to meet the needs of workers by providing access to a high-performance retirement savings system. For this reason, Bâtirente built a comprehensive well-performing retirement system under union governance—a truly unique institution.

Since its inception, Bâtirente's commitment to its retirement plan groups has been at the heart of its decisions. This foundational value is expressed through the place these groups occupy in our association's operations. Their regular attendance at the annual general meeting (AGM) is a testament to the vitality of our governance.

Bâtirente is a non-profit corporation with three categories of representatives on the board of directors:

► Category A representatives:

The CSN designates four people to represent it at annual meetings. Its representatives have access to the four director positions reserved for the confederation.

► Category B representatives:

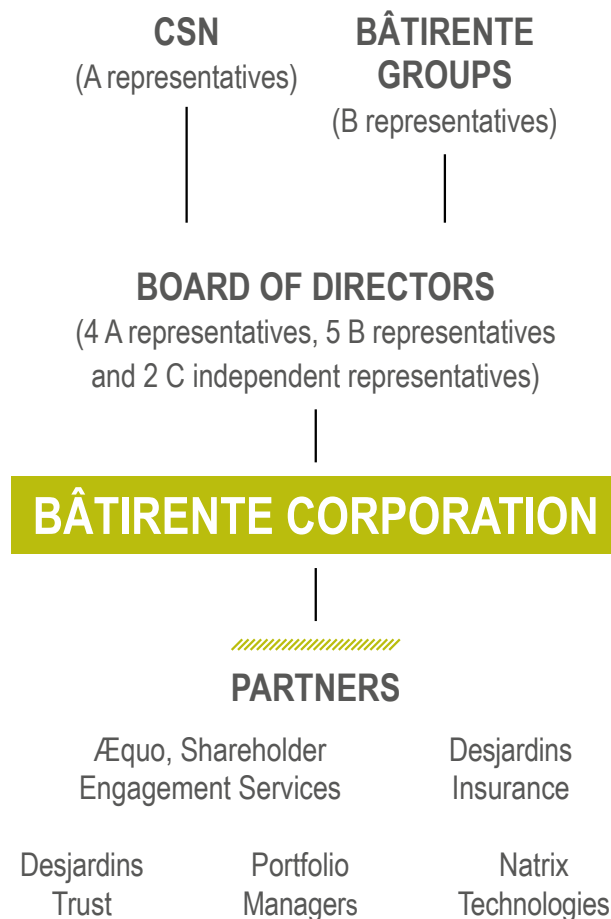
Groups that have established a Bâtirente retirement plan and hold an institutional management contract. They are represented at the AGM by one representative or two when the participation in the plan exceeds 100 members. Five director positions are reserved for category B representatives.

► Category C representatives:

Two independent directors appointed by the board of directors.

The bylaws are meant to ensure that the members of the board of directors possess a wide range of qualities and skills that are necessary for sound governance of the Corporation and responsible management of the retirement system. Board members carry three-year terms; renewals are staggered to ensure the continuity of governance. On December 31, 2022, the board of directors was composed of nine men and two women.

In 2022, the Board of Directors adopted a parity target to be reached by no later than the 2025 annual general meeting, for positions held by category A and C representatives as well as for external members.



2023: Toward sustainability

Bâtirente celebrated its 35th anniversary in 2023, highlighting the pillars, milestones and accomplishments that have shaped it into a solid, committed and responsible union corporation. Bâtirente is also a decidedly forward-thinking organization, supported by ambitious objectives and projects.

During the annual general meeting (AGM) of June 2, 2023, Bâtirente CEO Éric Filion unveiled a brand new partnership with Fondation, another collective tool from the CSN. Given their shared goals of sustainable development and the desire to take action on social and environmental challenges, but especially the issue of their members' and shareholders' financial health, the two organizations wanted to pool their expertise. This combining of forces will consolidate Bâtirente's ability to fulfill its mission: ensuring a successful retirement for its members.



Bâtirente honours its Builders

Bâtirente is a forward-thinking organization that remains very proud of its roots. In 2020, we unveiled the Builders' Honour Roll highlighting the exceptional contributions of individuals who have enabled Bâtirente to successfully carry out its mission today.

During the 2023 AGM, Yvan Duceppe paid tribute to his predecessor as Board Chair for 17 years, Pierre Patry. Under his chairmanship, Bâtirente's assets saw substantial growth, the corporation defined itself as a strong collective tool adapted to its members' needs, and it became a leader in responsible investment. Well respected within the CSN movement, Mr. Patry was inducted into the Builders' Honour Roll, joining four other individuals who, like himself, had helped Bâtirente successfully achieve its mission:



Éric Filion, CEO; Normand Brouillet, Secretary; Pierre Patry and Yvan Duceppe, Board Chair

2020

Léopold Beaulieu
Director for 33 years
and Chairman from
1987 to 1999

2021

Jacques Allard
Director from 1987
to 2001

Claude Rioux
Director from 1987
to 2004

2022

Daniel Simard
Bâtirente's first CEO

2023

Pierre Patry
Board Chair from
2004 to 2021

Board of Directors

Elections during the annual general meeting of June 2, 2023

- ▶ **Category A representatives:** CSN Treasurer Yvan Duceppe, elected for a second term, and Alexandre Laviolette, Fédération du commerce (FC-CSN) President, for his first term.
- ▶ **Category B representatives:** elected for their first term: Jonathan Paradis Lapointe, Vice-President, Health & Safety of the STT du groupe PJC entrepôt labour union; and Sylvain Grenier, Treasurer, Fédération de l'industrie manufacturière (FIM-CSN) federation and representative of the Syndicat des travailleurs de l'industrie manufacturière union.

Alexandre Laviolette subsequently stepped down from his position, while Serge Monette, Fédération du commerce (FC-CSN) Vice-President, was appointed to Bâtirente's board of directors as a CSN-designated (Category A) representative in October 2023.

As of December 31, 2023, the corporation's officers are Yvan Duceppe as Chair, Hélène Jacques as Vice-Chair and Normand Brouillet as Secretary. Éric Filion, CEO, is sitting Treasurer (non-voting).

Alignement des intérêts

Nine board members hold investments in Bâtirente Funds at a value of nearly \$2.0M, all of which comes from their own contributions or those of their employers.

Board member compensation

Bâtirente's compensation policy for external members of the board of directors aims to attract experienced experts. Board members from union organizations do not receive any compensation. However, these individuals are reimbursed for their lost wages and expenses incurred



when performing governance activities, including participation in meetings.

Annual general meeting

After several years in hybrid mode, the annual general meeting was back in its Montréal-Lévis format, to the great delight of the many groups who responded to the call.

During that day, Bâtirente celebrated the exemplary commitment of 10 group representatives, who have worked on developing their group and guiding their members for 10 years or more. A certificate of recognition was awarded to each of them. The training geared to group representatives was greatly appreciated. Various panelists were on hand, who shared their own experience, answered audience questions, and discussed best practices and approaches to help their members achieve a successful retirement.

Committees

The Board of Directors has established four committees with specific mandates:





- ▶ Investment and Extrafinancial Risks Committee: sound investment and risk management
- ▶ Audit Committee: economic profitability
- ▶ Member Services Committee: service development
- ▶ Governance Committee: good governance of the organization.

At least one retirement plan group representative sits on each committee.

The mandates and responsibilities of these committees can be found on the Board and Committees page of our website, in the *About Us* menu.

As of December 31, 2023

THE BOARD OF DIRECTORS

 Audit
  Governance
  Investment and Extrafinancial Risks
  Member Services

Category A // CSN Representatives

**CHAIR****Yvan Duceppe**

Treasurer
Confédération des syndicats
nationaux (CSN)

**Christian Cyr**

Coordinator,
Negotiations
Confédération des
syndicats nationaux (CSN)

**Simon Mathieu Malenfant**

Vice-President, Treasurer
Fédération des employés et
employés de services publics
(FEESP-CSN)

**Serge Monette**

Vice-President
Fédération du commerce
(FC-CSN)

Category B // Group Representatives

**Nicolas Docquier**

Syndicat national des
employés du papier
de Candiatic

**Robert Gariépy**

Syndicat des travailleuses
et travailleurs de Distribution
Multi-Markes Laval (CSN)

**Sylvain Grenier**

Syndicat des travailleuses
et travailleurs des industries
manufacturières (CSN)

**Pierre Leduc**

Syndicat national
des produits chimiques
de Valleyfield (CSN)

**Jonathan Paradis Lapointe**

Syndicat des travailleuses
et travailleurs du groupe
PJC entrepôt

Category C // Independent and Appointed Members

**SECRETARY****Normand Brouillet**

Retired
Confédération des syndicats
nationaux (CSN)

**VICE-CHAIR****Hélène Jacques**

Retired
CDPQ

Ex-Officio // non-voting rights

**CHIEF EXECUTIVE OFFICER
AND TREASURER****Éric Filion**

External members of committees

**Guy A. Coulombe**

CPA, CMA
Finance and Administration
Consultant
MCE Conseils

**Richard Fortier**

CFA
Retired

A team committed to serving its members

Bâtirente applies its expertise through four units:

- ▶ The **development** team is responsible for client relationships with union partners, retirement plan groups and members.
- ▶ The **investment** team ensures the application and updating of investment policy and monitors the work of the managers entrusted with group savings, while ensuring that Bâtirente remains a leader in responsible investment.
- ▶ The **communications and marketing** team works to support the other teams, retirement plan groups and members, who all benefit from relevant communications as well as clear and efficient tools.
- ▶ The **finances, governance and risk management** team aims to provide a strong framework for human, financial and material resources management, and compliance and risk management.



A constantly expanding team

The corporation continues to grow its team in order to put in place the winning conditions to achieve its ambitions. This team is able to count on the support and expertise of a management team devoted to Bâtirente's future.

The Bâtirente team grew again in 2023. Nirva Lucien, Accounting Technician, joined the Finances, Governance and Risks team in April. In November, our Development team welcomed Sherly Joassaint, Business Development Technician; while Line Bourbonnais joined the corporation as Communications and Marketing Manager.

As of December 31, 2023, Bâtirente had 19 employees, 15 of whom were unionized. A new collective agreement was signed, expiring on December 31, 2024. Among the agreement's provisions:

- ▶ On a voluntary basis, telecommuting up to 14 days per 4-week period (20 days);

- ▶ A salary schedule with an entry-level salary of \$35.31/hr (2.3 times the legal minimum wage). For all employees, the ratio of women's to men's maximum base salary was 79.0% as at December 31, 2023. In 2022, this ratio was 85.3%;

- ▶ Employees benefit from a group insurance plan with employer-paid premiums and a defined benefit pension plan with a solvency ratio of 89.2% as at December 31, 2021 (118.9% on a funded basis). The next actuarial valuation for funding purposes should be conducted by no later than December 31, 2022. They also have access to Bâtirente's voluntary enrolment savings plans with a management fee of 0.85%, in accordance with the rules of our fee policy.

Lastly, Bâtirente financially supports its employees in acquiring skills related to the performance of their job and accessing diplomas and recognized professional qualifications entitling them to occupy a higher-category job title.

As of December 31, 2023

THE BÂTIRENTE TEAM

Management // Communications and Marketing // Development
 Finances, Governance and Risks // Investment



Éric Filion //
 FCIA, FSA
 Chief Executive
 Officer



Marie-Claude Baker //
Prud'homme
 Director, Finances,
 Governance and Risks



Vickie Lavoie //
 FCIA, FSA
 Chief Operating
 Officer



Hélène Marcoux //
 F. Pl.
 Director, Development



Marie Beaudoin //
 Financial Security Advisor
 and Group Annuity
 Plans Advisor



Jean-François Blais //
 F. Pl.
 Financial Security Advisor
 and Group Annuity
 Plans Advisor



Martin Blais //
 Financial Security Advisor,
 Group Insurance and
 Group Annuity Plans
 Advisor



Line Bourbonnais //
 Responsable
 Communications and
 Marketing Manager



Vanessa Bourque //
 Investment Strategy
 Analyst



Evelynne Clermont //
 Responsable
 Communications and
 Marketing Manager



**Jean-François
 Dumais** //
 Investment Strategy
 Manager



Michelle Faucher //
 F. Pl.
 Financial Security Advisor
 and Group Annuity
 Plans Advisor



Bethgine Horacius
 Secrétariat and
 Support Agent



Sébastien Jalbert //
 F. Pl.
 Financial Security Advisor
 and Group Annuity
 Plans Advisor



Sherly Joassaint //
 Business
 Development
 Technician



Nirva Lucien //
 Accounting
 Technician



Peggy Napi-Fotso //
 Business
 Development
 Technician



Claire Servant //
 F. Pl.
 Financial Security Advisor
 and Group Annuity
 Plans Advisor



Katya Vanbeselaere //
 Responsable
 Communications and
 Marketing Manager

A committed team

Once again, in 2023, the Bâtirente team was very pleased to be taking part in events from CSN's various bodies. As a trusted partner of labour unions, Bâtirente went to meet its partners and group representatives, so it could continue its mission of guiding members on their path to financial well-being until retirement.



The Bâtirente team planted over 35 trees with help from Soverdi - Société de verdissement du Montréal métropolitain—a Bâtirente member group. Éric Filion: "Given the climate crisis, it is important for Bâtirente to take significant action. I am proud of our team, which demonstrated its concrete involvement and ability to make a sustainable impact that ensures our members' successful retirement while helping the planet."



Food preparation for the Christmas baskets distributed by the Cuisine Collective Hochelaga-Maisonneuve (CCHM) to more than 150 neighbourhood families.



Jean-François Blais, Claire Servant, Marie Beaudoin and Martin Blais at the congrès de la CSN.



CSN Golf Tournament



Véronique De Sève from Fondation and Hélène Marcoux at the conseil fédéral de la FEESP.



Sébastien Jalbert, Marie Beaudoin and Claire Servant at the conseil fédéral de la FIM.



Management report

1 billion

Accumulated savings

0.902%

Average fee rate

\$22.6M

Pensions paid to retirees

Online services: Proximity and efficiency

Being close to our groups and providing them with the best tools and services to fulfill their role is a key element in ensuring our members' successful retirement.

Our group representatives increasingly use the tools made available to them to offer their members the best services from the moment they join, which is easy to do online. Bâtirente's team of advisors is always available to assist them in integrating these tools into the daily management of their group.

Every month, many of them read their dedicated newsletter for information and guidance on managing and developing their group. Whether offering details on the various statement issue dates, information sessions and our advisor booths, economic commentaries, FAQs, or Web news, the topics covered are of interest to representatives and their groups alike.

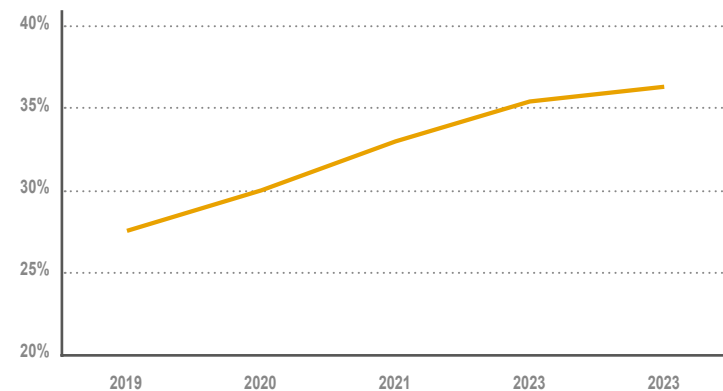
When it comes to our members, over one third of them have an online account in the secure section of our website, so they can monitor their

plan and savings, do transactions, download their statements, track fund performance, or even watch videos and read articles designed to guide them in making the best possible decisions for themselves and their family.

Furthermore, since the launch of a mobile app in 2022, our members have used it to readily access all their retirement- and savings-related information. As of December 31, 2023, nearly 16% of them had downloaded the app, and this number keeps rising.



ACCESS TO THE MY ACCOUNT SECURE SECTION



A solid retirement system, a trusted partner of CSN unions

2023: One billion reasons to be proud!

For the first time in its history, Bâtirente's cumulative assets under management topped the billion-dollar mark.

Bâtirente's numbers:

- ▶ Accumulated savings of \$1,045.5M, up \$100M in 1 year
- ▶ 323 groups, a 2% increase compared to December 2022
- ▶ 27,772 members in 2023, a 1-year gain of 5%
- ▶ Average group management fees of 0.905%, down steadily for the past several years (the average fee in 2020 being 0.948%)
- ▶ Progressive pricing that gives members annual discounts of more than \$8.7M, i.e., an average of over \$300 per member

Banner year

Bâtirente is very proud of its billion-dollar assets under management milestone reached for the first time in its history!

Bâtirente continued its sharp growth in 2023. Over 5,000 members joined its ranks thanks to the arrival of several new groups. Combined with an exceptional year for payroll and employer contributions, this growth meant that

Bâtirente's members saw their savings climb by more than \$100M in 2023, reaching the billion-dollar mark.

We are proud to see that these unions come from a number of CSN federations, such as the Fédération de l'industrie manufacturière (FIM), the Fédération du commerce (FC) and even the Fédération nationale des communications et de la culture (FNCC). We are very pleased with these partnerships that have been forged for the financial well-being of CSN members.

In 2023, the Bâtirente team was closer than ever to its partners, especially Fondation. In fact, the two organizations decided to pool their expertise and announced that they were joining forces in order to consolidate, among other things, Bâtirente's ability to fulfill its mission: ensuring a successful retirement for its members.

Bâtirente offers a complete retirement system to CSN-affiliated union members and their spouses. This retirement system is built around the essential need for our groups to encourage their members to save for retirement. Based on a high-performance line-up of eleven funds, including five diversified funds, the system allows individual members to invest according to their own risk tolerance. The Trajectory lifecycle path is also available. This turnkey investment strategy automatically adjusts the individual member's portfolio over time according to that person's investor profile and age.

Over the years, the Bâtirente retirement system has evolved to better meet the requirements for a successful retirement. To assist members in their transition to retirement, the system offers a range of solutions:

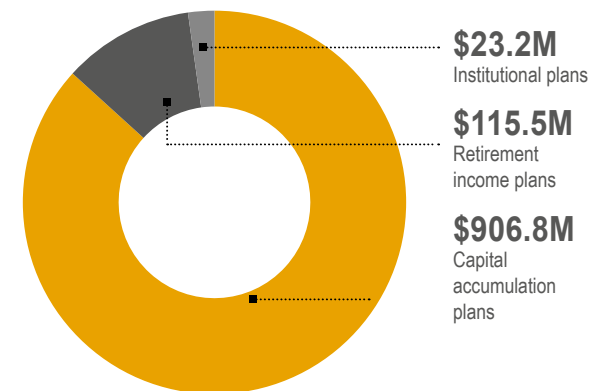
- ▶ Registered Retirement Income Fund (RRIF) and Life Income Fund (LIF) benefit plans
- ▶ Plannuity, an exclusive personalized retirement income planning and guidance service

Bâtirente also enables members to save for other goals outside of retirement, such as home projects or the creation of an emergency fund, through supplementary plans:

- ▶ Registered Retirement Savings Plan (RRSP)
- ▶ Tax-Free Savings Account (TFSA)

Unions and other CSN-affiliated organizations can also allocate financial assets to Bâtirente Funds through low-volatility investments that preserve access to their reserves while offering a higher return potential.

RETIREMENT SYSTEM ASSET BREAKDOWN



Our retirement plan groups

Seven new groups joined the Bâtirente family in 2023, including:

- ▶ *STT des Aciers forgés Sorel (CSN) union*
- ▶ *STT des employées du RESO (FP-CSN) union*
- ▶ *STT du musée de la Gaspésie union*

We welcome them and wish to reiterate how important it is to Bâtirente's team to actively collaborate with the various CSN bodies, such as federations and the labour relations team.

The number of unions and organizations benefiting from an institutional account to grow their assets in Bâtirente Funds is stable, with investments totalling \$23M.

Loyal groups

Bâtirente had 323 groups as of December 31, 2023 —a sign of exceptional loyalty. The group retention rate was 99.5% due to the efforts of our team, who worked diligently online and in person, as well as the loyalty of our groups to their labour union institution.

THE BÂTIRENTE SYSTEM

The implementation of the Bâtirente retirement system for a group is performed following the signing of a collective agreement that provides for a capitalization plan to which both employer and employees contribute.

To ensure the success of its plan, each group sets up a local management structure, which includes the appointment of a group representative. The role of the group representative is critical in both the implementation and the full development of an effective plan for its members. The sharing of roles and responsibilities for the management of the plan is defined by a “roadmap”.

Exclusive to Bâtirente, it allows the union and the employer to clearly define the responsibilities of each party, including:

- ▶ Admission and enrolment of members
 - ▶ Collection and remittance of contributions
 - ▶ Providing support to members
 - ▶ Keeping the various stakeholders informed
 - ▶ Ensuring plan administration compliance
- In addition, Bâtirente advisors provide ongoing plan support to group representatives along with an online training program and work tools.

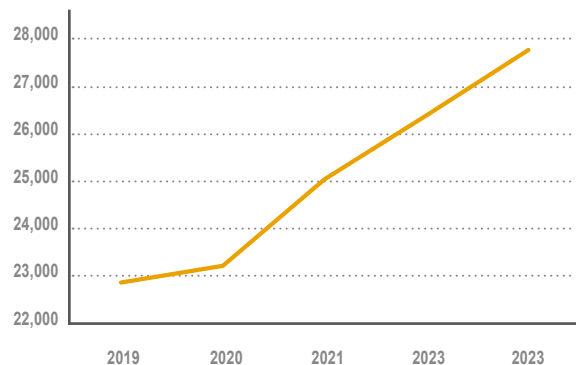


Our members



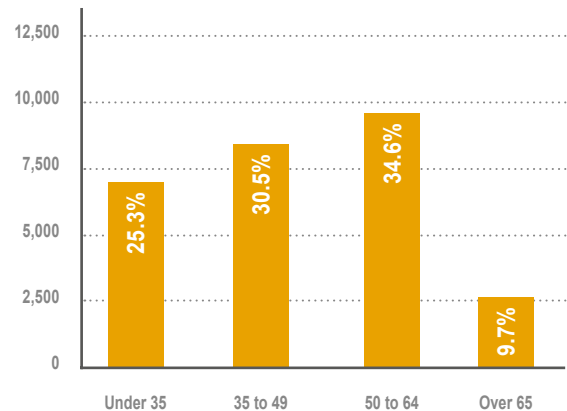
As of December 31, 2023, Bâtirente had a membership of 27,772—a 5% increase since 2022.

MEMBER EVOLUTION



Trust, reliability, adapted solutions and minimized management fees are the key elements that have led our members to convert their savings into retirement income through Bâtirente. It's also thanks to Plannuity, which guides them in their transition to retirement, and the caring personal approach characterizing our support that members choose to stay with Bâtirente upon retirement.

BREAKDOWN OF MEMBERS BY AGE GROUP



Member satisfaction ratings

With the unwavering goal of identifying the needs of our members and offering them the right services, we entrust the SOM market research firm with the task of conducting our annual plan member satisfaction survey. In 2023, members gave Bâtirente the following scores:

- ▶ Confidence in our organization: 8.2/10
- ▶ Bâtirente's financial strength: 8.2/10
- ▶ Retirement savings solutions adapted to their needs: 7.8/10
- ▶ Risk level of Bâtirente's investments: 8/10

This result is important for Bâtirente because it attests to the appreciation of the efforts made by the team.

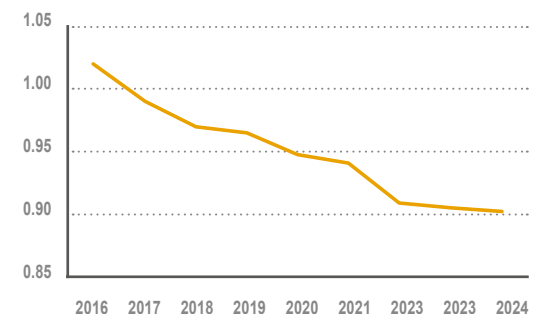
Lower average fees for a better retirement

As a non-profit organization, Bâtirente understands that its plan members work very hard to save for their retirement. The pooling of savings that we offer makes it possible for our members to receive more advantageous fee rates as compared to the retail market, thus maximizing their savings and their retirement income. In concrete terms, this advantage means that members will have more money for their retirement, could enjoy the benefits for longer, or even begin their retirement sooner.

The fee rate paid by members of a Bâtirente group gradually decreases as their collective wealth builds up. While the average group paid a rate of 1.020% in 2016, that rate will decrease to 0.902% in 2024.

In 2023, these rate reductions represent approximately \$8.7M annually that is saved by our members and directed to their financial future.

EVOLUTION OF THE MANAGEMENT FEE RATE FOR PARTICIPANTS IN A GROUP



CONTRIBUTIONS AND WITHDRAWALS

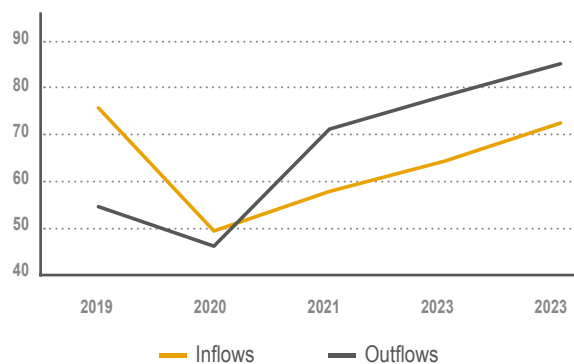
Payroll and employer contributions negotiated in union collective agreements reached a record high of \$62.4M in 2023, up 21% compared to \$51M in 2022. This increase can be attributed to the substantial post-pandemic rise in number of hires within the groups and to bonuses and improvements obtained in collective agreements.

Total contributions rose by 7%, reaching \$72.6M in 2023. Members once again demonstrated their confidence in us despite market volatility.

Total withdrawals as a proportion of assets are equivalent to 2022 results, and they include withdrawals attributable to our retirees, who are in the disbursement phase and remain with Bâtirente.

Members also trusted us for their voluntary savings. TFSAs continued their constant climb, remaining especially popular with individuals aged 50 to 64 or approaching retirement.

CONTRIBUTIONS AND DISBURSEMENTS
(IN MILLIONS OF DOLLARS)



TRAJECTORY, A WINNING CHOICE

Trajectory, our turnkey investment strategy, continues to attract members seeking peace of mind. This option provides our members with an investment strategy that evolves automatically with them over time while continuously optimizing their investments to align with their risk profile based on their age. In December 2023, 50% of the amounts invested in Bâtirente were done so through Trajectory. Among those under 40, 75% of their amounts are invested in this strategy.

BENEFITS FOR RETIREES

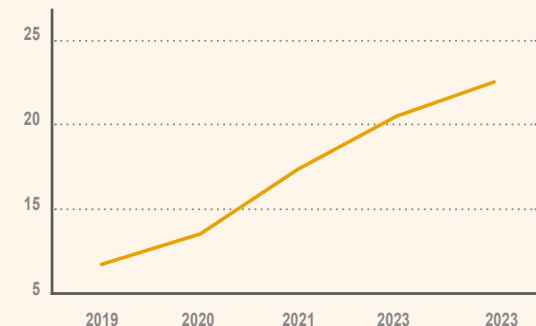
Bâtirente offers its members savings accumulation plans and retirement benefit plans for when they retire. This comprehensive retirement system offers peace of mind to members making the transition to retirement, so they can experience this major life event comfortably, all through the same organization. Planning is the key to successfully making the transition, which is why, 10 years ago, we created Plannuity in 2011. This exclusive retirement preparation and support service ensures that our members have continuity in the management of their savings during the pivotal shift to retirement.

The success of our retirement benefit plans is important to Bâtirente, as it clearly demonstrates our ability to accompany members throughout their accumulation period, guide them in the transition to retirement, and continue serving them even after they retire.

Bâtirente retirees—a constantly growing group

- ▶ Plannuity paid out \$22.6M in pensions to its retirees in 2023, up by 13%.
- ▶ By the end of 2023, there were 2,712 members aged 65 and older; their savings in Bâtirente plans totalled \$199.0M—a record increase of 22.5%.
- ▶ Accumulated savings held in RRIFs and LIFs reached \$115.5M, representing a 12% increase.
- ▶ Amounts transitioned from accumulation plans to benefit plans have been increasing dramatically.

BENEFITS PAID — RETIREMENT INCOME PLANS
(IN MILLIONS OF DOLLARS)





Responsible investment

\$240M

impact strategies

Objectives achieved

climate commitment 2025

57%

carbon footprint reduction
since 2018

Pooling for tomorrow

Bâtirente's investment decisions are geared toward preserving and growing the savings of its 28,000 members.

In 2005, Bâtirente is among the first pension plans in Québec to integrate environmental, social and governance (ESG) criteria into its investment policy, through its *Statement on Principles and Procedures for Corporate Social Responsibility and Corporate Governance* and its *Extrafinancial Risk Management Guidelines*.

As a signatory of the Principles for Responsible Investment (PRI) since their inception in 2006 and a fully committed player in the fight against climate change, Bâtirente has integrated the important dimension of extrafinancial risk and sustainable development into its investment philosophy. The rationale for this integration is based on the conviction that it enhances our risk management, is profitable for our members, and will protect their future as well as that of their children and grandchildren—in addition to generating a positive social impact and contributing to the well-being of our planet.

Climate change has been one of the ongoing drivers of our sustainable investment actions to date. We believe that the transition to an economy aligned with the Paris Agreement objectives requires a multidimensional approach. We must reduce greenhouse gas (GHG) emissions while simultaneously facilitating the funding of solutions and resilience and convince companies to commit to improving their energy efficiency, migrating toward renewable energy, and transforming their business models.

As a responsible investment leader, Bâtirente unveiled its ambitious climate commitment in 2020. After three years of efforts and concrete actions, we proudly announced in autumn 2023 that we had achieved all our objectives for 2025 and would continue with these efforts for the future.





Bâtirente is committed to climate action

2025 OBJECTIVES All our ambitious climate commitment objectives have been accomplished —two years ahead of schedule.



-50%

Gradually reduce our exposure to climate risk by 50%: We reduced greenhouse gas emissions attributable to the equity portfolios of Bâtirente Funds by 57% compared with their 2018 carbon footprint.

+100%

Invest in transition: We significantly increased our impact investments to actively contribute to environmental solutions and take part in the transition to a low-carbon economy. Since 2018, we have tripled our impact investing, from \$75M to \$240M in 2023. For example, we invest in green bonds because these help fund a low-carbon economy while earning a competitive return.

Active engagement

Target our shareholder engagement: In 2023, our partner Æquo, Shareholder Engagement Services held climate-focused dialogues on our behalf with 49 companies, and a number of objectives were met. We had positive results for 38 of our objectives, 55% of which directly tied to our climate commitment.

Active collaboration

Work with our partners: We believe that combating climate change requires unprecedented cooperation on a global scale. We are committed to mobilizing all sectors of society in the transition to a low-carbon economy. We contribute to numerous initiatives in order to emphasize their collective impact and, among other things, we are a founding member of Climate Engagement Canada (CEC).

Our Pillars of our Commitment

PILLAR N° 1: INVEST

We take ESG criteria into account in our investment decisions.

Whether investing in fixed income or equities, Bâtirente believes that active management of the environmental, social and governance (ESG) risks of the companies represented in its portfolios contributes to sound pension funding as well as to long-term economic and social development, which are required for sustainable financial performance.

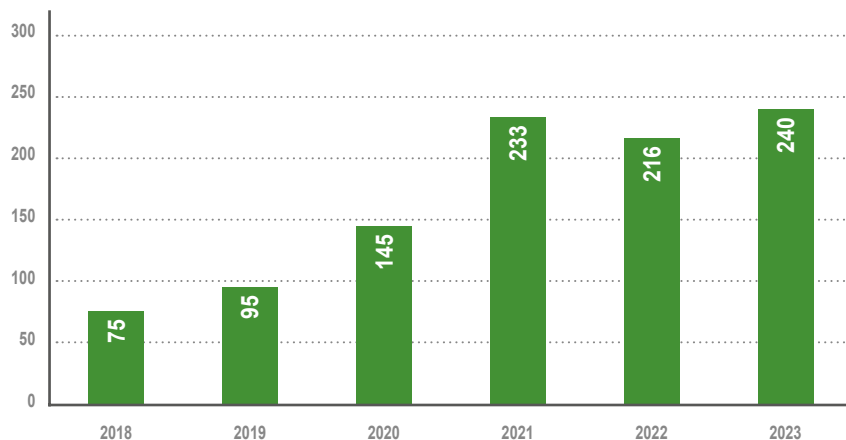
Over time, Bâtirente has implemented processes that allow for better consideration of ESG factors in its decisions:

▶ We ask the managers who are entrusted with our members' savings to be PRI signatories. As of December 31, 2022,

100% of our assets under management were entrusted to companies that have signed and committed to the PRI.

- ▶ We conduct periodic performance reviews of our fund managers, including an examination of their integration of ESG factors along with their financial performance, the quality of their management team and their investment process.
- ▶ We aim to give our partners management mandates with the added goal of a positive impact on society.
- ▶ Since 2018, we have significantly increased our impact investments to actively contribute to environmental solutions and take part in the transition to a low-carbon economy. We tripled our impact investing, from \$75M in 2018 to \$240M in 2023.

IMPACT STRATEGIES AS A PERCENTAGE OF MANDATES GRANTED TO MANAGERS



INVESTING WITH IMPACT



Example from the Presima Listed Real Asset ESG fund manager

Presima is an investment management firm specializing in publicly traded ESG real estate and infrastructure securities. Presima has been managing the listed Real Asset ESG fund for Bâtirente since January 2021.

Within its portfolio, Presima holds Assura, an owner of primary care medical centres in the UK. Assura has set a goal of becoming net zero across its portfolio by 2040, in addition to becoming a leading listed property business for long term social impact. In 2023, Assura made progress on an ambitious retrofit project to fit Air Source Heat Pump (“ASHP”) systems across its portfolio, reducing the normal energy demands of heating a building. This improvement combined with upgraded lighting systems can help reduce the carbon emissions of buildings by up to 25%. As of March 2023, 52% of Assura’s assets achieved top energy efficiency scores, up from 30% in March 2021, and with a mid-term target of 100% by March 2026.



Example from the AlphaFixe Green Bond fund manager

AlphaFixe Capital Inc. is an investment management company specialized in fixed income, offering an innovative solution for the active management of green bonds; this makes it possible to help finance a low-carbon economy while achieving a competitive return.

Ontario Power Generation green bond

Development of Nanticoke Solar, the very first solar power facility of Ontario Power Generation (OPG). In partnership with two Indigenous groups, OPG recently completed construction of the project on the former site of the province of Ontario’s largest coal-fired power plant.

Total annual emissions potentially avoided thereby amount to 31,498 tonnes of CO₂ equivalent.

PILLAR N° 2: MEASURE

We demand greater transparency from companies and require them to disclose information relevant to ESG issues.

Access to information remains central to effective risk management in the context of sustainable development issues.

The carbon footprint of our equity portfolios

Bâtirente was one of the first signatories of the Montréal Carbon Pledge launched in September 2014. Greenhouse gas emissions have a direct impact on global warming, which itself has impacts on investment due to the risks it poses to the global economy, coupled with the unprecedented amount of

risk resulting from human activity on this planet. The environmental and social impacts of climate change would significantly reduce expected long-term investment returns, making it important for us as institutional investors to not only understand the nature of climate risk, but to help limit warming below the Paris Agreement target of 1.5°C.

As measured in tonnes of CO₂ equivalent per \$M of sales, the carbon intensity of our aggregated equity portfolios as of December 31, 2023 reached 76.1 tonnes, while the asset-weighted composite benchmark was 151.5 tonnes. Thus, the carbon footprint of Bâtirente's aggregated equity portfolios was 50.2% of the carbon footprint of benchmark markets in which these portfolios were invested.

CONTRIBUTION OF ACTION CATEGORIES TO CARBON FOOTPRINT*

Share category	2023		2018	
	Portfolio	Benchmark	Portefeuille	Référence
Global Equity	28.9	63.4	67.0	84.2
Canadian Equity	16.3	30.4	48.8	47.3
Global Small Cap Equity	14.0	24.1	15.4	39.4
Low Volatility Equity (Income & Patrimonial)			34.4	18.5
Listed Real Estate	16.8	33.5	10.2	9.8
Carbon footprint	76.1	151.5	175.8	199.2
Ratio	50.2%		88.3%	

* Weighted Average Carbon Intensity
Source: MSCI Inc.



PILLAR N° 3: ENGAGE

We engage with the companies in which we invest to encourage them to adopt sustainable business models, and we encourage financial regulators to raise the requirements to foster these models.



In 2015, in partnership with the *Regroupement pour la responsabilité sociale des entreprises (RRSE)*, Bâtirente founded Æquo, Shareholder Engagement Services and delegated this shareholder engagement activity, including the management of voting rights, to Æquo. The goal was to make these services available to the Québec institutional investment community. We were counting on the fact that by raising more capital through this activity, Æquo

would amplify the impact of shareholder engagement and allow responsible investment to continue to grow.

Æquo has been assigned the active capital stewardship functions of financial portfolios valued at more than \$140 billion. The firm also conducts delegated shareholder engagement and consulting activities for Québec-based institutional investors.

Æquo is a signatory of the Principles for Responsible Investment (PRI) and actively participates in this initiative, which brings together nearly 2,000 institutional investors and service providers. The company guides and supports institutional investors and retirement funds in pooling their resources. Doing so increases their shareholder engagement lever with portfolio companies that are active in the financial and public markets, with the aim of getting the latter to adopt better sustainability policies and practices. By developing constructive dialogues on environmental, social and governance (ESG) issues, responsible shareholders can increasingly influence the practices of companies in which they invest.

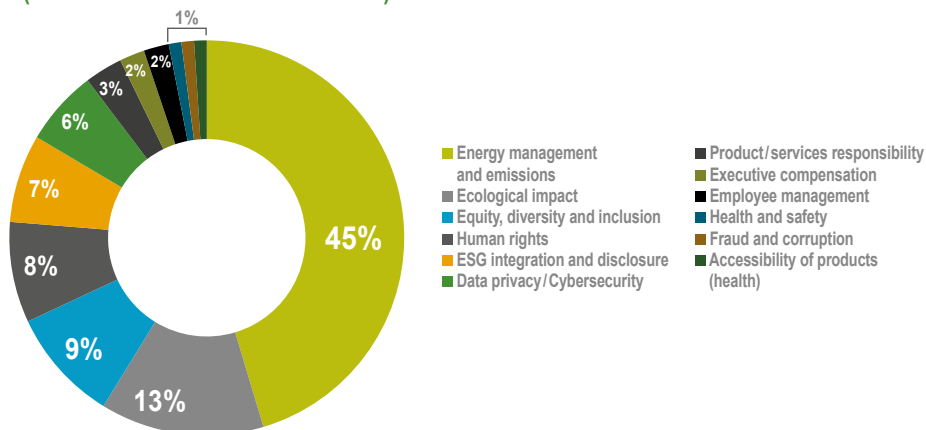
Æquo is mandated by Bâtirente to represent the latter in various collaboration initiatives, including Climate Action 100+ and Climate Engagement Canada.

In 2023, we continued our substantial efforts to engage and hold constructive dialogues with the companies in which we invest. These efforts were facilitated through the work of Æquo, Shareholder Engagement Services.

Æquo held dialogues on our behalf with 49 companies in 2023.

Bâtirente also participated in 115 shareholder meetings, where we voted in 1,360 ballots. In addition, we expressed our support for 50 shareholder proposals, including 18 related to environmental and sustainable development issues. All these collaborative efforts continue to drive progress. In 2023, we had positive results for 38 of our objectives, 55% of which directly tied to our climate commitment.

DIALOG IN PROGRESS
(NUMBER OF TARGETED ISSUES ON THE RISE)



TARGETS MET BY CATEGORY BY SUBJECT





Shareholder proposals in 2023

► Imperial Oil Limited proposal

In May 2023, Bâtirente and FÉRIQUE Fund Management, with support from Æquo, Shareholder Engagement Services, submitted a shareholder proposal to Imperial Oil Limited, requesting that it adopt an absolute greenhouse gas (GHG) emissions reduction target.

The proposal garnered the support of nearly 16% of minority shareholders at the May 2nd meeting. ExxonMobil, which holds 69.6% of Imperial's voting rights, voted against the proposal.

Bâtirente considers that this bold proposal has reached a number of investors and that it sends a clear message to Imperial and other companies in the same sector that they unquestionably must address the climate crisis and adopt an absolute GHG emissions reduction target.

► CIBC Bank Proposal

In March of 2023, Bâtirente highlighted CIBC Bank's commitment to publish a climate-focused report—the result of productive dialogues. To that end, CIBC Bank committed to presenting more information on the following:

- indicators used in its carbon scoring methodology to identify and understand the climate-related risks and transition activities of its clients, and which include, but are not limited to transition indicators
- performance categories included in its carbon scoring legend, and a summary of the performance of its oil and gas and power generation clients
- existing processes established to review results and determine next steps

The progress in this bank's commitments was achieved as part of a shareholder dialogue led by Æquo, Shareholder Engagement Services, on behalf of Bâtirente. We recognize that CIBC Bank's efforts support its 2050 net-zero ambition and 2030 interim goals. Æquo will continue its dialogue with CIBC Bank regarding its approach to reducing financed emissions.

SUPPORTED SHAREHOLDER PROPOSALS BY SUBJECTS

2 Activity area subject to exclusion	1 Board of Directors
1 Economic issues	18 Environment
4 Health	6 Human rights
2 Labour rights	2 Other governance issues
3 Shareholder rights	1 Standards international
3 Sustainable development	4 Remuneration
3 Transparency	

PILLAR N° 4: COOPERATE

We cooperate with local and global financial communities to develop responsible investment and to foster dialogue and the sharing of best practices.

At scale, Bâtirente is not a large asset holder. Therefore, collaborating with other investors is of utmost importance to us. Joining forces allows us to increase our impact and assume our fiduciary responsibility with a greater number of voices.

Bâtirente is a member of the Principles for Responsible Investment (PRI) and the Responsible Investment Association (RIA).

Working committees and groups

- ▶ **Circular Economy Reference Group:** The goal of this PRI working committee is to provide investors with the tools to persuade companies to eliminate unnecessary or problematic plastics from their supply chain.
- ▶ **Canadian Oil and Gas Working Group:** The Canadian Oil and Gas Working Group is a collaboration by investors engaging in dialogue with industry associations. It is led by CERES.
- ▶ **PRI Tax Reference Group:** aims to develop investors' tax knowledge.

Investor collaborations

- ▶ **Climate Action 100+ (CA100+):** Initiative uniting more than 700 investors around an engagement plan targeting 171 of the world's largest corporate GHG emitters. Équo has been coordinating two dialogues: Imperial Oil and EOG Resources. Phase 2 of CA100+ was launched in June 2023 and will run until 2030.

The emphasis will be on real GHG emissions reductions rather than just reduction commitments. Already 75% of the companies concerned have adopted net-zero emission targets. CA100+ will be evaluating 10 oil companies according to the Net Zero Standard for Oil & Gas framework. What's more, CA100+ published a similar framework for the mining industry—the Net Zero Standard for Diversified Mining.

- ▶ **Climate Engagement Canada (CEC):** Created in October 2021, CEC is an investor-led initiative that drives dialogue between the financial community and Canadian companies to promote a just transition to a net-zero economy. In conjunction with Équo, Bâtirente is one of the founding participants of CEC. Équo takes part in various dialogues—in a leadership role in the case of Barrick Gold, Capital Power and Cenovus; and in a supporting role in the case of Alimentation Couche-Tard, Magna, Nutrien, Canadian Pacific and Tourmaline. Équo also sits on CEC's technical committee, which consists of investors and experts tasked with guiding the initiative in terms of its priorities and strategies and drafting performance indicators for companies and dialogues. CEC published a reference index to promote the transition toward the achievement of net-zero emissions among Canadian companies. The index makes it possible to measure progress according to 10 indicators and a number of sub-indicators. This tool for investors provides a consistent framework for dialogues with companies.
- ▶ **Montréal Carbon Pledge:** Institutional investors who keep this commitment, which was launched during the *PRI in Person in Montréal* annual conference in September 2014, commit to measuring and disclosing the carbon footprint of their equity portfolio.
- ▶ **Investor collaboration on issues related to facial recognition technology:** Coordinated by Candriam, this initiative addresses the rapidly expanding use of facial recognition technology and its impact on

privacy, data protection and civil liberties. It is calling on companies that develop or use this kind of technology to increase their disclosure, demonstrate their awareness of its impact on human rights, and adopt ethical practices. The group launched the second phase of this initiative, which seeks to establish dialogues with the companies in question to get them to adopt good practices.

- ▶ **Farm Animal Welfare Initiative—Business Benchmark on Farm Animal Welfare (BBFAW):** Through the BBFAW, this group of investors aims to assess and improve companies' farm animal welfare management practices. The BBFAW published its 2021 report. The initiative successfully met its objectives aimed at placing animal welfare on the agenda of companies and investors; 116 companies (79%) are concentrating on improving farm animal welfare through published objectives and targets, but few of them have actually demonstrated how this is put into action on the ground.
- ▶ **Investor Initiative on Hazardous Chemicals (IIHC):** The IIHC is a collaborative initiative of more than 50 investors, coordinated by ChemSec. It aims to reduce the impacts of the production of hazardous chemical products on human health and the environment. Équo signed a letter sent to companies targeted by this initiative, reiterating the three main requirements of this initiative: greater transparency; publishing of a plan, including schedule for the withdrawal of remaining chemical ingredients from the company's products; and working to improve its score in ChemScore. In November 2023, the new ChemScore ranking was published. It looks at 50 companies producing chemical products and evaluates them based on their progress in reducing their chemical footprint.
- ▶ **Collaboration of the Access to Medicine Foundation:** index focusing on the world's biggest pharmaceutical companies, by identifying best practices, monitoring their progress, and showing where critical action is needed in order to improve access to medicine for the poorest communities.

► **Farm Animal Investment Risk and Return (FAIRR):**

FAIRR is a collaborative investor network that raises awareness of the environmental, social and governance (ESG) risks and opportunities in the food sector, such as sustainable proteins, waste and pollution, and even working conditions. Æquo asked seven companies to quantify the GHG reduction potential of protein diversification and to set themselves objectives to increase the proportion of nutritious plant-based proteins and alternatives in their portfolios. The letter also asked them to improve their disclosure regarding influence on public policies tied to climate and health.

Consultations

- **Canadian Securities Administrators (CSA) consultation on proposed amendments to the corporate governance disclosure requirements and policy relating to the director nomination process, board renewal and diversity:** On Bâtirente's behalf, Æquo

provided comments on the two forms of the draft regulation related to the disclosure of diversity on company boards and in senior management of Canada's largest issuers. We pushed for clear and precise disclosure in the area of diversity, which goes beyond gender.

- **Public consultation on Canada's 2030 National Biodiversity Strategy:** Æquo replied on Bâtirente's behalf to the consultation on Canada's National Biodiversity Strategy—a discussion document that seeks to gather Canadian viewpoints and perspectives on biodiversity conservation and strategy development for 2030.
- **“PRI in a Changing World” consultation:** On behalf of Bâtirente, Æquo responded to the PRI signatory consultation, which explored key questions on the future of responsible investment as well as the PRI vision, mission and objective.
- **Climate Engagement Canada (CEC) consultation:** On Bâtirente's behalf, Æquo responded to the CEC consultation focused on gathering feedback about the

draft net zero benchmark, which will be taken into consideration when developing the final assessment framework for companies targeted by the initiative.

- **OECD public consultation:** Æquo responded on Bâtirente's behalf to the OECD consultation aimed at implementing the OECD Guidelines for Multinational Enterprises.
- **GRI's biodiversity disclosure standards consultation:** On Bâtirente's behalf, Æquo responded to the GRI consultation for the revision of biodiversity reporting standards. The revision of disclosure standard GRI 304: Biodiversity aims to represent internationally agreed best practice and align with recent developments and the relevant authoritative intergovernmental instruments in the field of biodiversity.
- **ISS survey on ESG issues:** Æquo responded on Bâtirente's behalf to the ISS consultation regarding changes to be made to ISS's voting policy on ESG issues.



INVESTOR LETTERS

When they identify industry issues or wish to address business communities, governments or regulators, investors involved in these issues agree on the content of a statement that is distributed within the public domain and to interested organizations. These investor letters are an important collaborative tool, as they allow the positions developed by communities of institutional investors to be publicized. Some of these letters have the support of dozens of institutional investors, who manage trillions of dollars in assets.

- ▶ Statement in favour of stricter regulation—Artificial Intelligence (AI) Act
- ▶ Investor letter supporting federal legislation in the United States on forests
- ▶ Letter on human rights in Iran
- ▶ Letter of support for New York's Tropical Deforestation-Free Procurement Act
- ▶ Investor statement on the 10th anniversary of the Rana Plaza collapse
- ▶ Investor letter to European parliamentarians regarding plastics in packaging
- ▶ Letter on investors' expectations for companies with regard to nature-related risks
- ▶ Investor statement on banks' implementation of the UNGPs
- ▶ Investor statement for robust European farm animal welfare legislation
- ▶ Investor letter for an ambitious global plastics treaty
- ▶ Investor statement calling for measures to ensure workers are paid a fair wage
- ▶ Investor letter to governments on the plastics crisis
- ▶ Letter to the CEOs of Fortune 100 companies regarding ethnic diversity

Investing responsibly



The PRI initiative defines responsible investment as a strategy with practices to incorporate environmental, social and governance (ESG) factors into investment decisions and shareholder stewardship. Responsible investing builds on traditional financial analysis and portfolio construction techniques.

What is the PRI initiative?

The Principles for Responsible Investment (PRI) initiative is a network launched in 2006 by investors, including Bâtirente, in partnership with the United Nations Environment Programme Finance Initiative (UNEP FI) and the United Nations Global Compact.

The PRI signatories ("the PRI") believe that a sustainable and economically efficient global financial system is the key to long-term value creation. In the long run, this system must reward responsible investment and be of benefit to the environment and all of society.

Working to achieve this sustainable financial system, the PRI promotes the adoption of its 6 Principles and collaborates in their implementation. The network promotes good governance, integrity, and accountability among investors, and encourages them to work to overcome structural, regulatory, and practical barriers to a sustainable financial system.

Principles for Responsible Investment (PRI) in action at Bâtirente

Principle 1

We will incorporate ESG issues into investment analysis and decision-making processes.

- Bâtirente has convinced its fund managers to become PRI signatories and to add ESG analysis to their portfolio construction process. We now make this a selection criterion.
- ESG issues play a central role in our fund manager search process.

Principle 2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

- Bâtirente places shareholder engagement efforts at the core of its responsible investment policy.
- Bâtirente actively promotes collaborative shareholder engagement through Æquo, Shareholder Engagement Services' pooled approach.
- Bâtirente actively pursues a shareholder engagement strategy in several of its equity portfolios.
- Bâtirente requires its management companies to practice active stewardship of the assets entrusted to them.

Principle 3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

- Bâtirente cultivates constructive dialogues with the entities in which it invests to ensure that ESG information is published.
- Bâtirente discloses all relevant ESG information related to its dialogues in a transparent manner.
- Bâtirente actively supports regulatory and other initiatives aimed at increasing transparency.

Principle 4

We will promote acceptance and implementation of the Principles within the investment industry.

- Bâtirente regularly participates in public and private meetings to advocate for the adoption of responsible investment by new financial players.
- Bâtirente is actively involved in consultations on new government policies that support sustainable finance.
- Bâtirente actively participates in the governance of initiatives promoting sustainable finance, notably within the PRI and Finance Montréal.

Principle 5

We will work together to enhance our effectiveness in implementing the Principles.

- Bâtirente is dedicated to contributing to collaborative initiatives in responsible investing.
- Bâtirente supports the mutual efforts of numerous asset owners by participating in the shareholder engagement pools offered by Æquo, Shareholder Engagement Services, of which Bâtirente is a founding party.

Principle 6

We will each report on our activities and progress towards implementing the Principles.

- Bâtirente diligently responds to the annual questionnaire on the assessment of its PRI practices on responsible investment and goes far beyond the required minimum thresholds.
- Bâtirente publishes on its website the votes that its representatives cast at the annual general meetings of companies in which Bâtirente invests.
- Bâtirente reports on the discussions that Æquo, Shareholder Engagement Services holds on its behalf with the companies held in our portfolios.
- Bâtirente annually surveys its members' satisfaction, including their sustainable finance opinions and expectations.



Fund performance

10.0%

returns for the Provident
Diversified Fund

**Between 8.1%
and 11.2%**

diversified Funds returns

Multi Funds

4 out of 5 outperform
benchmark

Performance of Bâtirente Funds

BÂTIRENTE DIVERSIFIED FUNDS

Economic context for 2023

Central banks' ongoing interest rate hikes, which started in 2022, brought a number of repercussions.

On the one hand, these increases continued to influence the global inflation growth that had peaked in the summer of 2022 before falling. In Canada, this rate dropped from a high of 8.1% in June 2022 to 3.4% by December 31, 2023. We witnessed the end of the money tightening measure, and market players began anticipating several interest rate cuts for 2024, which had a number of positive effects on stock markets. On the other hand, Canada's economic growth slowed substantially. In fact, gross domestic product (GDP) grew by 1.1%, compared to 5.0% in

June 2022. By the end of 2023, the Canadian economy seemed to be focused on avoiding a recession.

Market performance in 2023

Anticipation of a central bank rate cut in 2024, combined with a resilient economy, led to positivity in financial markets.

The all-country equity index recorded a return of 18.9% (in Canadian dollars); the global small cap equity index posted a performance of 12.6% (in Canadian dollars); and Canada's main index (S&P/TSX) achieved returns of 11.8%.

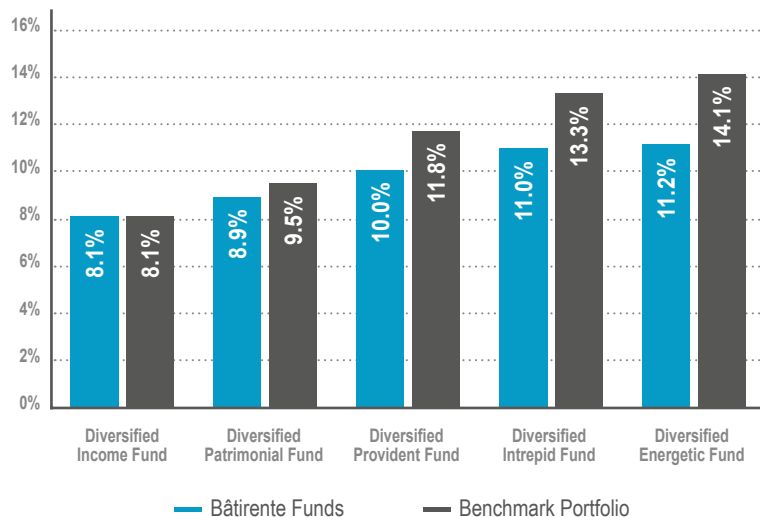
The FTSE Canada Universe Bond Index performance was 6.6%.

Bâtirente Diversified Fund performance

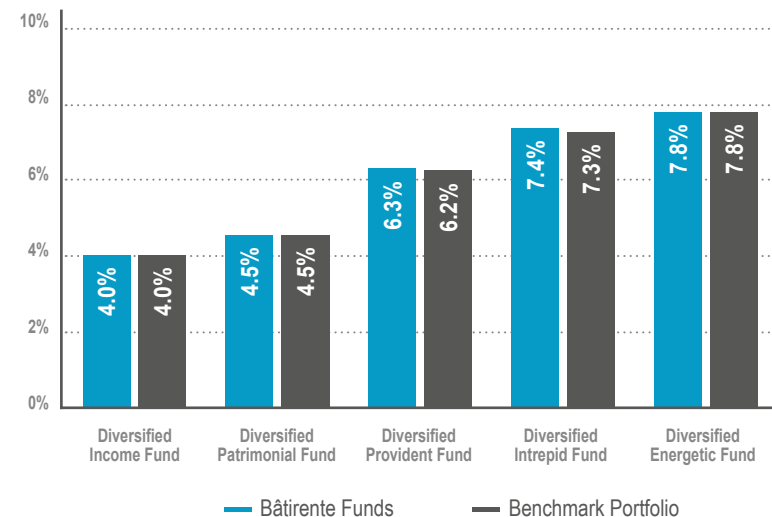
In 2023, Bâtirente Diversified Funds delivered a mostly positive performance, posting results ranging between 8.1% and 11.2%, according to their risk profile.

The Provident Diversified Fund, our members' most used investment vehicle, continues to show its strength with returns of 10.0%. Since its creation in 1988, it has generated an annualized yield of 7.9% (1,425% over 36 years).

DIVERSIFIED FUNDS – 1-YEAR RETURNS



DIVERSIFIED FUNDS – 10-YEAR ANNUALIZED RETURNS



MULTI FUND PERFORMANCE

Multi Fund performance

All Multi Funds invested in fixed revenues achieved positive returns and have posted good results in absolute terms. The quick drop in interest rates in Q4 contributed to the 5.9% performance by Bâtirente's Treasury Multi Fund (compared with the 5.0% benchmark return) and 8.1% for the Bâtirente Bond Multi Fund (compared with the 6.7% benchmark). The excellent performance of these funds compared to their benchmark was due mainly to the shorter term involved for the bonds, which proved to be profitable in the inflationary context of the first three quarters.

Bâtirente's Global Equity Multi Fund earned a total return of 12.1% (compared to the 18.9% benchmark index). Active global equity management was difficult

in 2023. In fact, index performance essentially hinges on a handful of securities, commonly known as The Magnificent Seven, all related to artificial intelligence. These yielded a return of around 100% in 2023.

Our Global Small Cap Equity Multi Fund meanwhile achieved a performance of 13.7% (compared to the 12.7% benchmark index.)

Rounding things off, Bâtirente's Canadian Equity Multi Fund generated a 12.4% return (compared to the 11.8% benchmark).

Optimization and active management

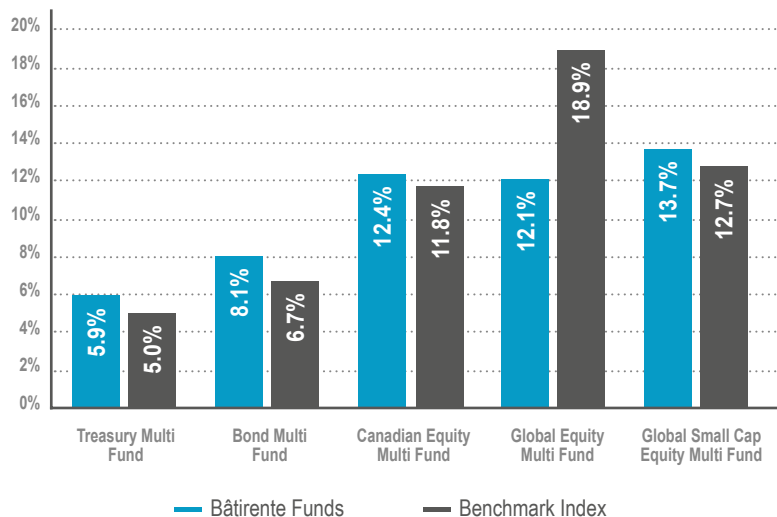
Bâtirente regularly subjects its Diversified Funds to an optimization exercise aimed at reflecting the latest financial market trends and ensuring sound risk management in its strategic asset allocation. In 2023, this exercise allowed us to review and update the target allocations of Bâtirente's five

Diversified Funds. Our main aim was to improve our portfolio diversification in order to adapt to a constantly evolving economic environment. We made changes in three areas:

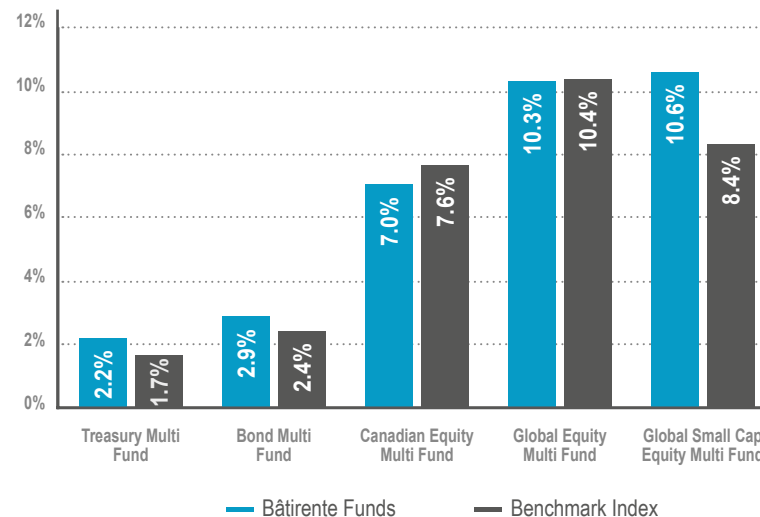
- ▶ In the context of higher interest rates, we adjusted some of our fixed income portfolios to benefit from a potential fall in interest rates. We also transferred capital held in hedge funds to fixed income funds.
- ▶ In response to the rise in geopolitical risks, we reduced our investments in emerging market equities.
- ▶ To reach our ambitious climate commitment objectives and thereby reduce our carbon footprint-related risks, we also decreased our investments in Canadian equities in addition to emerging market equities.

These changes ensure better diversification of risks, while making a positive impact on the environment. All of these changes were implemented in October 2023.

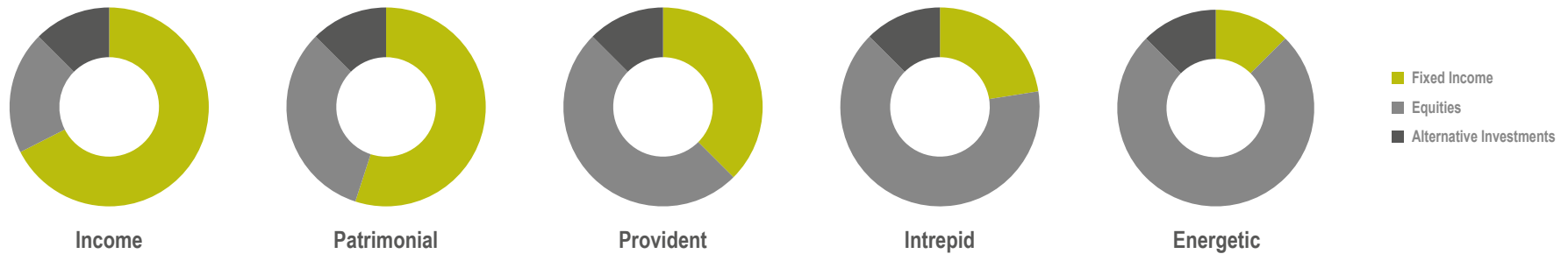
MULTI FUNDS – 1-YEAR RETURNS



MULTI FUNDS – 10-YEAR ANNUALIZED RETURNS



COMPOSITION OF BÂTIRENTE DIVERSIFIED FUNDS



MANAGERS OF THE BÂTIRENTE FUNDS (100% of our assets under management entrusted to PRI signatories)

Fixed income, treasury and bonds



Global equity



TD Asset Management

Schroders

Canadian equity



TRIASIA

Global small cap equity



Other funds



2023 Annual Report

The French version of the 2023 annual report was printed in 400 copies and is also available on Bâtirente's website.

2023 Financial Report

The annual financial report is available in French on Bâtirente's website on the *Annual and Financial Reports* page in the *About Us* menu. It contains the audited financial statements of Bâtirente Funds.

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