



BATIRENTE

2018 Annual Report

The strength
of our
savings.



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STATEMENT OF THE CHAIR OF THE BOARD

Bâtirente was launched over 30 years ago, with a very special mission at its core: to be the tool that would allow unions and their members to catch a glimpse of retirement with confidence. Confidence is an intangible asset that cannot be purchased. Rather, it must be built through dialogue, with consistency and over time.

Looking at Bâtirente's progression in 2018, we can now state that "An increasing number of unions are giving their trust to Bâtirente." They are also more actively involved in the governance of our organization. In fact, 99 trade union leaders, employees and

“An increasing number
of unions are giving
their trust to Bâtirente.”

guests attended our annual general meeting which was held in Longueuil and Lévis in June 2018. Their participation was active, dynamic and impressive.

This commitment is important since the challenges faced by Bâtirente are very much present. Changes in the investment world, a competitive environment, sustainable development and the impacts of rapid changes in technology are all areas where the stakes are significant. That is the reason that in 2017 Bâtirente adopted a strategic framework to guide our responses to the changing needs of an evolving world. In 2018, we deployed efforts in the 4 axes of our strategic thinking: Bâtirente's ecosystem, its development and growth, its product and services offer as well as the advancement of the organization. We are moving on these four fronts.

Our Board of Directors has been at the centre of this strategic reflection. Its commitment is essential to ensure that Bâtirente can play a full and active role today, tomorrow and in the long term. I would like to thank Serge Fournier from the *Syndicat des travailleuses et travailleurs d'Épiciers unis Métro-Richelieu Newton Québec-CSN* and acknowledge with gratitude his unwavering involvement and commitment to serve the interests of the groups within our Corporation. After having served consistently on Bâtirente's Board from 1998 to 2018, at the last annual general meeting, Serge did not seek the renewal of his mandate. At that same meeting, Nathalie Arguin, President of the *Fédération des employées et employés des services publics (FEESP-CSN)* was re-elected



Pierre Patry, Bâtirente's Chair of the Board

as administrator by the members of the Corporation. Léopold Beaulieu and Normand Brouillet will pursue their mandate until the general meeting in June 2021. Robert Gariépy, from the *Syndicat des travailleuses et travailleurs de Distribution Multi-Markets-Laval (CSN)* was elected to serve a first mandate. I wish to congratulate all the elected members and thank all the administrators for their strong commitment.

I would especially like to point out the excellent work carried out by the various committees of the Board of Directors and to emphasize the conscientious work that was accomplished in 2018, whether the optimization of the Bâtirente Funds, the issues falling within the collective expertise of the Board members or, on a broader level, the successful development of the Corporation.

Finally, I wish to reiterate my gratitude to all the officers and executives of the CSN federations, their members and their teams for the support and confidence they place in Bâtirente. This sincere support is very important since, from Bâtirente's foundation in 1987 and until now, it has been a pillar upon which we have built the Bâtirente retirement system and upon which we can build on its future.

I also wish to thank the union officials for the trust they granted to Bâtirente by representing us in their workplace and by supporting their co-workers to help them make the most of their group retirement system.

STATEMENT OF THE CHIEF EXECUTIVE OFFICER



Daniel Simard, Bâtirente's Chief Executive Officer

Saving for retirement is a decision with far reaching effects: a salaried employee systematically sets money aside with each paycheque. That money is then invested in his or her Bâtirente pension plan. This person is banking on the future and therefore, will feel confident that the amount required for retirement will be there in 20, 30 or even 40 years.

The youngest members from our early years, in the late 1980's, are presently at the dawn of retirement. They will now – or very soon – benefit from the collective decision made more than 30 years ago, to be among the builders of the Bâtirente retirement system.

An increasing number of members

At December 31st, 2018, the Bâtirente retirement system was composed of 21, 801 members who pooled their savings, a 3.8% increase over last year. The total value of accumulated assets in the Bâtirente retirement system reached \$660.2M at the end of the year, which represents an increase of 3.4%.

It is worth noting that the increase in the membership is in all age groups. Our Plannuity program allows our older members, 65 and over, to make the most of their retirement with Bâtirente. They are now 1,851 to do so, which is a significant 20.8% increase over 2017. At the other end of

the spectrum, we should also highlight the headway we are making with younger members, those under 35, who now account for more than 4,000 members, an increase of 1.7%.

This progress is reflected in the \$80.2M in contributions and transfers received in 2018, once again a remarkable 22% increase over the \$65.7M received in 2017. Several factors are at the root of this advance.

“Contributions and transfers received by Bâtirente in 2018 reached \$80.2M, a remarkable 22% increase over 2017.”

Firstly, from the regular contributions that resulted from collective bargaining, as well as the growth in employment within our groups which accounted for 12% of this growth. Secondly, from the sustained efforts of our groups and advisors to encourage voluntary contributions to SPP, RRSP or TSFA accounts, coupled with the consolidation of existing savings at Bâtirente.

Together, these two sources, the voluntary contributions and the consolidations, have increased by 37.7% over one year.

For their part, the disbursements registered a 6.8% decline to \$44.1M. This decline is encouraging, especially since the proportion of these withdrawals for pension benefits has reached a threshold of \$10M for the first time, a 30.5% increase over 2017. We are very pleased to see that an increasing number of members remain with the Bâtirente system during their retirement and hence, enjoy the fruits from all these years' savings.

Overall, Bâtirente accommodates an increasing number of groups and members who contribute more and consolidate their assets. We are very well aware that a retirement system whose governance is entirely unionized is well suited to raise the participation and generate the necessary trust. Built to last, this structure gives a very concrete meaning to our motto: *The strength of our savings.*

A progressing services offer

We all know that we are living in a rapidly changing world and Bâtirente is no exception. We must all adapt to these changes, whether it be the global geopolitical context, the advances in technology or the energy transition.

Within our investment strategies in 2018, we maintained our efforts to ensure that the Bâtirente Funds remain more robust in the face of economic uncertainties and that the sustainability of the funds' leadership in responsible investments be maintained. The high volatility observed in the markets in 2018 had a negative impact on the absolute performance of our funds. Yet, it should demonstrate that once again and, as was the case in previous corrections since the beginning of the millennium, our funds proved to be resilient. Our funds performance during periods of market turbulence explains to a large extent why our Diversified Funds have all exceeded the long-term returns of their benchmark portfolios, especially over the last 5 years where the average annual returns were 0.36% higher.

In 2018, our efforts led us to enhance the asset mix of the Diversified Funds that are geared to our retired members or to those who are transitioning towards retirement. This optimization led to improve the return expectations while maintaining a constant risk level.

“Our funds performance during periods of market turbulence explains to a large extent why our Diversified Funds have all exceeded the long-term returns of their benchmark portfolios...”

We have also continued to work with our partner, Æquo, Shareholder Engagement Services, to increase the intensity and reach of our of our shareholder engagement efforts. These efforts are a concrete way to improve the ability of our portfolios to address the challenges tied to energy transition. The fruits of our efforts at Alimentation Couche-Tard reflect this, just as the efforts we deployed at the pipeline company TransCanada Corporation in 2017. The joint efforts of several shareholders brought together by Æquo have urged these two companies to address issues related to climate. These are two very concrete examples of our actions in responsible investing.

On the technological front, 2018 was a trying time. Our website, batirente.com, was the victim of hacking during the summer. Then, in the fall, our services were affected by a major breakdown that hit our partner's – Fondation – system.

These two episodes did not cause any damages and at no time was our members' data exposed. However, it reinforced our determination to pursue the implementation of our technological enhancement program. Major work has already been undertaken in 2018 and 2019, and we will pursue our efforts to strengthen our systems and to present services offer to our groups and members that meet their needs.

At the same time, our website, batirente.com, has benefited from a major upgrade. Thanks to a new platform for modern content management, our members can now take advantage of a website that provides more information as well as reviewed and enhanced ergonomics. Likewise, together with our partner, our website's secure section has undergone significant transformations that make it much more user-friendly, especially on mobile devices.

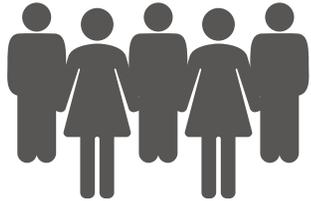
The strength of commitment

The results obtained by Bâtirente in 2018 are very interesting. They stem from an organized effort based on an in-depth strategic reflection that was carried out the previous year. The first year of the effective implementation of this plan reassures us about the future.

However, none of this would be possible without the commitment of all our stakeholders. To the Board of Directors, the Bâtirente employees, the partners and suppliers, I wish to thank you for your passion and commitment that brings to life the retirement system that is unique to Bâtirente. Thank you for allowing us all to experience *The strength of our savings*.

In closing, I would like to thank Louise Charette, our Chief Investment Officer, for her contribution to the development of Bâtirente. During the last nine years, we have benefited from her vast experience as well as her contagious energy. At the end of last year, she announced her retirement at the end of the first quarter 2019.

THE STRENGTH OF OUR SAVINGS



NUMBER OF MEMBERS

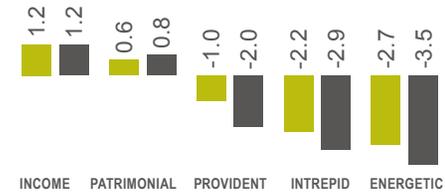
21,801

a **3.8%** increase in 2018

RETURNS

Bâtirente Diversified Funds

Benchmark portfolio



Good performance in regard to their benchmark portfolio

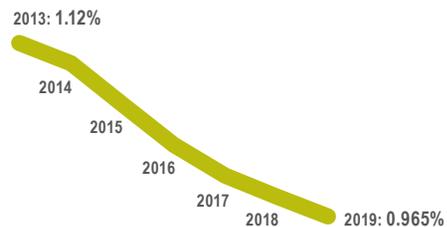


TOTAL ASSET UNDER MANAGEMENT

\$660.2M

growth of nearly **3.4%**

MANAGEMENT FEES



\$5M of discounts for members in 2018

SOLID

83% of members maintain that Bâtirente is a financially sound organization



GROUPS

306

99.9% retention rate in 2018

TRUSTWORTHY

85% of members consider Bâtirente to be a trustworthy organization



MEMBER SERVICES

12,005

Handled calls

1,240

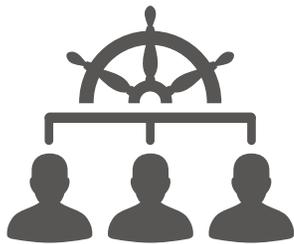
E-mails

70,445

Visits on the Member Services' secured website

88%

Overall satisfaction with the Member Services Centre



ANNUAL GENERAL MEETING

+20%

Group participation

100%

Satisfaction with the meeting and the following training

HIGH PERFORMANCE

78% of members believe that Bâtirente offers a good return on their investments



STRATEGY AND GOVERNANCE

A+

Rating granted by the Principles for responsible investment (PRI)

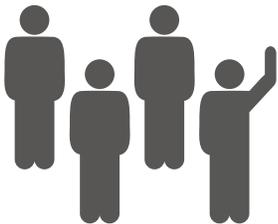
SHAREHOLDER ENGAGEMENT



22%

of our assets

EXERCISE OF PROXY VOTING RIGHTS



129

companies

1,427

resolutions

Volatile markets in 2018...

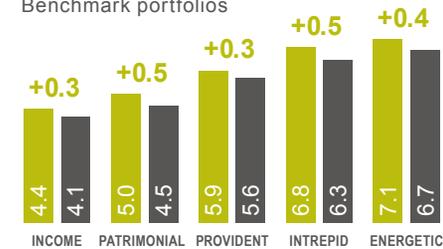
2018 RETURNS



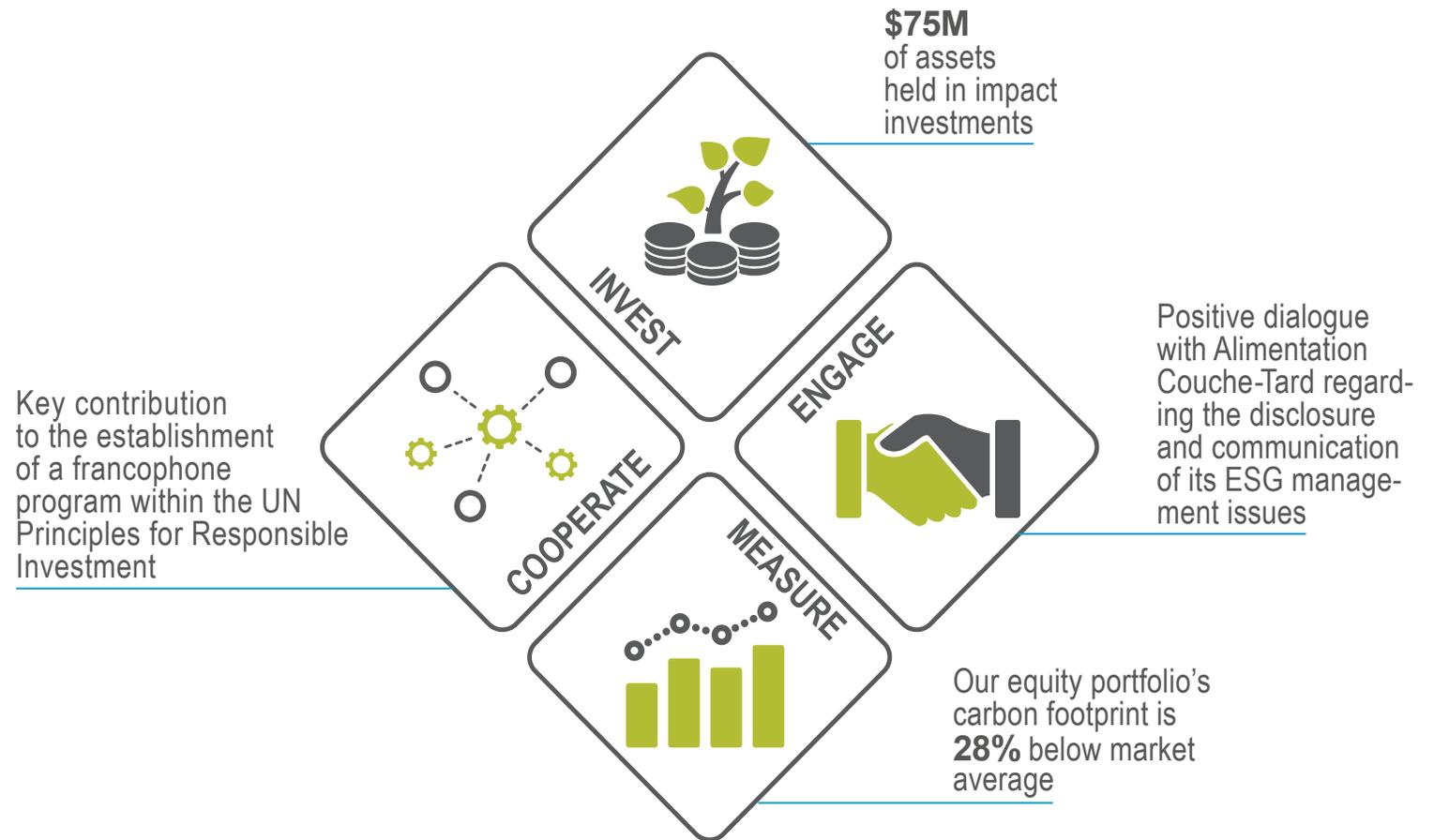
... a stable long-term performance

5 YEAR RETURNS

Bâtirente Diversified Funds
Benchmark portfolios



All our Diversified Funds outclass their benchmark portfolios over 5 years, by an average 0.4%.



COMMITTED

78% of members maintain that Bâtirente is a committed and dynamic organization with regard to responsible investing



ORGANIZATION PROFILE

306
groups



21,801
members



99.9%
group loyalty



THE STRENGTH OF OUR SAVINGS

► In 1984, the *Confédération des syndicats nationaux (CSN)* entrusted Bâtirente with the mission to establish a retirement system for its affiliated unions. The objective was to respond to the needs of workers to have access to a high-performance retirement savings system under union governance. Hence, Bâtirente was launched and has become a comprehensive retirement system – unparalleled in the market! Since its inception, Bâtirente’s commitment to its groups has been at the centre of its decisions. It is with pride that we contribute to the labour unions’ vigour that is reflected in the ever greater participation of its groups at the annual general meeting of the members of the Corporation.

THE BÂTIRENTE CORPORATION

Bâtirente is managed by a non-profit corporation whose Constitution requires member representation in three categories: Category A representatives, Category B representatives and Category C representatives.

The CSN nominates four Category A representatives to represent it within the Corporation. Category B representatives come from unions and other groups that have a plan with Bâtirente as well as entities

that have concluded an institutional management agreement with Bâtirente. These groups appoint one or two members to represent them within the Corporation, depending on the size of each group. Finally, the two Category C representatives receive a favourable recommendation by the Board of Directors to become external administrators of the Bâtirente Corporation.

A STRONG BOARD OF DIRECTORS

Composition*

Bâtirente’s Board of Directors is composed of eleven members who are elected at the annual general meeting (AGM) by the member representatives in Categories A, B and C. Four administrator positions are intended for the representatives appointed by the CSN (Category A representatives), five positions are filled by group representatives (Category B representatives) and two positions are allocated to independent members (Category C representatives).

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 the sound governance of the Corporation and the conduct of the retirement system.

*For more complete information, please refer to the *Board and Committees* section in the *About Us* menu on our website.

BOARD OF DIRECTORS



CSN Representatives

CATEGORY A REPRESENTATIVES

- Committee members
- Investment and Extrafinancial Risks
 - Audit
 - Member Services
 - Governance

CHAIR
Pierre Patry ● ●
 Treasurer
 Confédération des syndicats nationaux (CSN)

VICE-CHAIR
Nathalie Arguin ●
 Secretary General
 Fédération des employées et employés de services publics (CSN)

Léopold Beaulieu ●
 President and Chief Executive Officer
 Fondation

Christian Cyr ● ●
 Negotiations Coordinator
 Confédération des syndicats nationaux (CSN)



Group Representatives

CATEGORY B REPRESENTATIVES

Néjia Chehidi ●
 President
 Syndicat des travailleuses et travailleurs de l'hôtel Le Reine Élisabeth (CSN)

Pierre Leduc ● ●
 Syndicat national des produits chimiques de Valleyfield (CSN)

Benoit Théorêt ●
 Secretary
 Syndicat des travailleurs des Câbles d'Acier de Pointe-Claire (CSN)

Robert Gariépy ●
 Syndicat des travailleuses et travailleurs de Distribution Multi-Markques-Laval (CSN)

René Gélinas ●
 President
 Syndicat national des travailleurs et travailleuses des Pâtes et Cartons de Jonquière (CSN)



Independent and Appointed Members

CATEGORY C MEMBERS

SECRETARY
Normand Brouillet ●
 Retired
 Confédération des syndicats nationaux (CSN)

Marie Massicotte ●
 Director
 Finance and Treasury
 Future Electronics

EXTERNAL MEMBERS

Yvan Duceppe ●
 Finance and Administration Advisor,
 CPA, CA
 MCE Conseils

Richard Fortier ● ●
 Retired
 CFA

EX-OFFICIO

Non-voting rights



CHIEF EXECUTIVE OFFICER AND TREASURER
Daniel Simard

Elections

Nathalie Arguin, a Category A representative, was re-elected as administrator by the members of the Corporation at the June 21, 2018 AGM. Also re-elected were Léopold Beaulieu, Category A representative, and Normand Brouillet, Category C representative. They will continue to serve as administrators of the Corporation.

Among the Category B representatives, Serge Fournier from the *Syndicat des travailleuses et travailleurs d'Épiciers unis Métro-Richelieu Newton Québec* and President of the *Fédération du commerce* did not seek the renewal of his mandate. He has served on the Board since 1998. Hence, Robert Gariépy, of the *Syndicat des travailleuses et travailleurs de Distribution Multi-Markes-Laval (CSN)* was elected to serve a first mandate.

The other administrators representing the groups are Néjia Chehidi from the *Syndicat des travailleuses et travailleurs de l'hôtel Le Reine Élisabeth*, René Gélinas from the *Syndicat national des travailleurs et travailleuses des Pâtes et Cartons de Jonquière*, Pierre Leduc from the *Syndicat national des produits chimiques de Valleyfield* and Benoit Théorêt from the *Syndicat des travailleurs des Câbles d'Acier de Pointe-Claire*. Together, they count several decades of experience as union activists and more specifically, as representatives of their groups' pension funds.



Meeting of the Board of Directors on April 2nd 2019.

The officers of the Corporation are Pierre Patry, President, Nathalie Arguin, Vice-President, Normand Brouillet, Secretary and Daniel Simard, Treasurer and Executive Officer. The person elected as Treasurer of the CSN is one of the four Category A representatives and serves as Chair of the Board. The Chief Executive Officer sits on the Board but has no voting rights. Board members carry three-year terms and renewals are staggered to ensure the continuity of governance. On December 31st, 2018, the Board was composed of nine men and three women.

A representative annual general meeting

Since 2015, group participation at the AGM has constantly been on the rise. In 2018, union and group participation increased by almost 20% over the previous year. The 100% satisfaction rate is remarkable, as 79% of respondents claimed that they are totally satisfied. All the group representatives also reported that they were totally satisfied with the training session that followed the AGM which focused on how to take charge of the various responsibilities of governance with the different stakeholders.

Committees

The Board of Directors has given mandates to four committees to ensure the sound management of the investments and risks, the development of services, the preservation of economic profitability and good governance. A minimum of one group representative sits on each committee.

Investment and Extrafinancial Risks Committee

Gives advice to the Board of Directors on the investment policy for the Bâtirente Funds, contributes to the regular reviews of these funds and ensures update strategies for the optimization of the diversified portfolios as well as for Trajectory, our turnkey investment strategy. The committee must also adopt the best practices methods to identify the environmental, social and governance risks (ESG) to which the portfolios are exposed. It must also aim to reduce these risks and convey the relevant recommendations.

Audit Committee

Assures the Board of Directors of the effective, efficient and economical conduct of business as well as the adequacy of the controls that are put in place by management. It must also ensure that the presentation of the financial information accurately reflects the activities and the operating results of the Corporation.

Member Services Committee

Assures the Board of Directors of the relevance and the quality of the services offered as well as the suitability and the relevance of the given information.

Governance Committee

Assesses the overall functioning of the Board and its committees and makes recommendations to improve its efficiency.

Alignment of interests

Ten Board members hold investments worth over \$1,800,000 in Bâtirente. This amount stems solely from their own contributions or their employers'.

External member compensation

Bâtirente's external Board member compensation policy aims to attract highly qualified experts. The elected or appointed representatives of labour organizations do not receive compensation. However, their salary for the time dedicated to governance activities as well as all expenses related to their participation at meetings are reimbursed.

A Bâtirente retirement plan is established in a group pursuant to the signature of a collective agreement that provides for a capital accumulation plan in which the employer and the employees make contributions. Bâtirente sets up the plan and provides additional services to members, more particularly, on retirement planning.

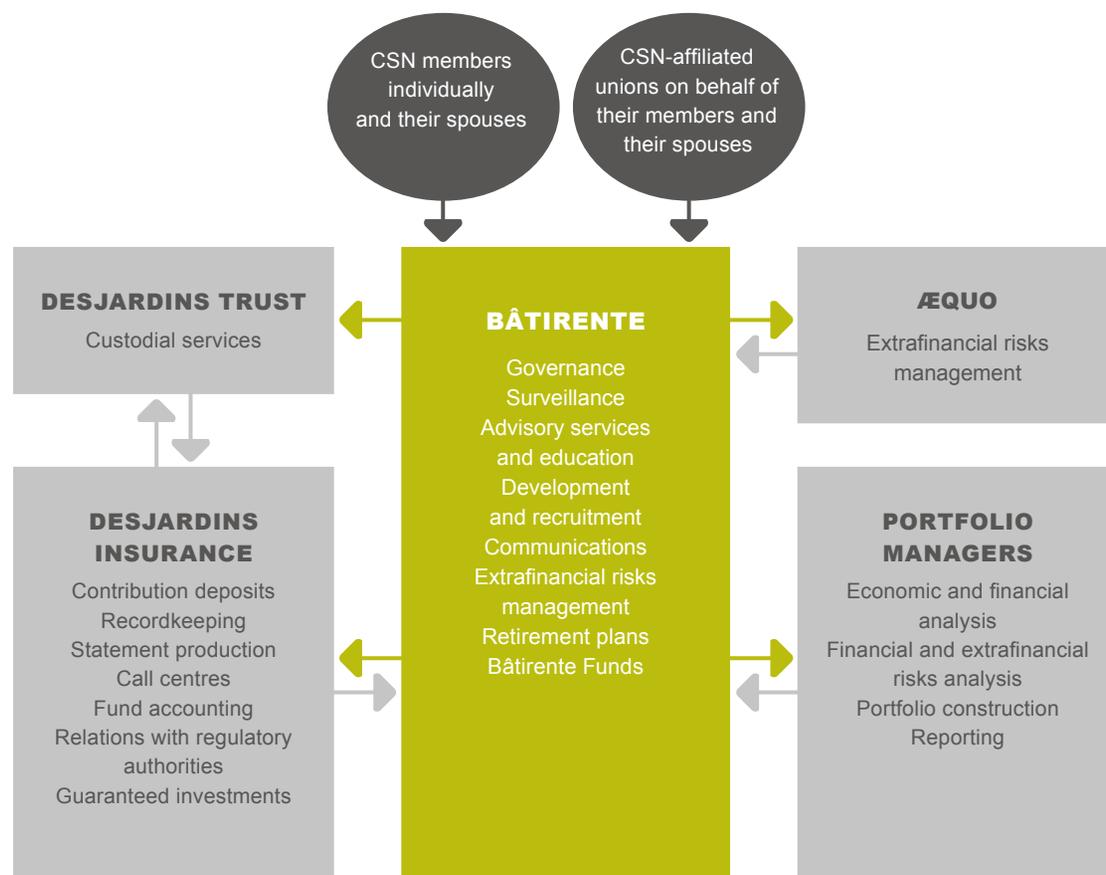
A HIGH PERFORMANCE RETIREMENT SYSTEM AT THE SERVICE OF OUR MEMBERS

Bâtirente is for the members of CSN-affiliated unions and their spouses. It offers accumulation plans for active members and retirement income plans for retired members. Moreover, the Bâtirente Funds as well as support and retirement income planning services are added to form a complete retirement system.

The Bâtirente plans are deployed on an investment platform that includes eleven funds, five of which are diversified funds as well as Trajectory, a turnkey investment strategy that automatically adjusts the member's portfolios to his or her investor profile and age.

Unions and other CSN-affiliated organizations can also entrust their financial assets to the Bâtirente Funds which offer a low degree of volatility and a higher return potential than guaranteed funds, while maintaining access to the capital invested.

THE BÂTIRENTE SYSTEM



A COMPETENT AND DEDICATED TEAM

On December 31st, 2017, Bâtirente had 13 employees, among which 10 were unionized. Their collective agreement, which expired on December 31st, 2017, was renewed in the spring of 2019 for 3 years.

Salary conditions are established according to a scale that provides annual pay increments per job category, up to a maximum of 14 levels. The entry-level salary is \$31.22 per hour, which is more than 2.5 times the current minimum wage.

Taking into consideration all employees, the ratio of women's maximum base salary compared to men's was at 98.6% on December 31st, 2018. This ratio stood at 93.7% in 2017.

Benefits for Bâtirente employees include a group insurance for which the premiums are paid by the employer and a defined benefit plan which had a solvency ratio of 88.3% at December 31st, 2017 and a capitalization rate of 109.1%. Employees also have access to Bâtirente's voluntary enrolment plans for which the management fee rate stood at 0.85% on January 1st, 2019.

Bâtirente's finance professionals hold professional certifications issued by the *Autorité des marchés financiers*, the CFA Institute or by the Canadian Institute of Actuaries that requires 30 to 100 hours of professional development over two-year periods. Professional development fees are covered by Bâtirente.

Moreover, Bâtirente offers financial support to employees who wish to participate in a continuing education programme to acquire knowledge that is relevant to their work, to qualify for a professional designation or with the goal of acquiring a job title in a higher category.

THE BÂTIRENTE TEAM

- Management Team
- Investment Team
- Development Team
- Technical and Professional Services



Daniel Simard ● ●
Chief Executive
Officer and Group
Annuity Plans Advisor



Louise Charette ● ●
Economist and Chief
Investment Officer



Eric Filion ● ●
FCIA, FSA
Actuary and Chief
Operating Officer



Marie Beaudoin ●
Group Annuity Plans
Advisor



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



Pierre Boies ●
Administrative
Technician



Evelyne Clermont ●
Marketing Manager



Marie-Diane Deslauriers ● ●
CFA, Senior Manager –
Institutional Markets,
Group Annuity Plans Advisor
and Corporate Secretary



Michelle Faucher ●
F. PI.
Financial Security
Advisor and Group
Annuity Plans Advisor



Mamadou Karé ●
Group Annuity
Technician



Vickie Lavoie ●
FCIA, FSA
Actuary and Group
Annuity Plans Advisor



Hélène Marcoux ●
F. PI.
Group Annuity Plans
Advisor



Katya Vanbeselaere ●
Communications
Manager

A COMMITTED AND RESPONSIBLE ORGANIZATION

As it exercises its social responsibility, Bâtirente has always been a committed and transparent organization. It keeps records of its social and environmental footprint and, as a signatory of the Principles for Responsible Investments (PRI), we provide yearly reports detailing our institutional investment practices in public markets. Bâtirente has introduced a sustainable development action plan for the 2018-2020 period.

GHG emissions

Greenhouse gas (GHG) emissions generated by Bâtirente's professional activities are very low. They are essentially related to the business travels activities of the Group Annuity Plans Advisors. They cover a territory that ranges from Gatineau in the west to Gaspé in the east, and from Sherbrooke to Chicoutimi and Val d'Or. The total emissions generated by these business travels have been stable over the last three years where it was 16 metric tons of CO₂ equivalent in 2016, 17 tons in 2017 and 15 tons in 2018. This decrease in emissions is attributable to the use of a rechargeable hybrid vehicle by one of our professionals. It should be noted that the collective bargaining agreement of 2019 provides incentives for the acquisition of low-emission vehicles.

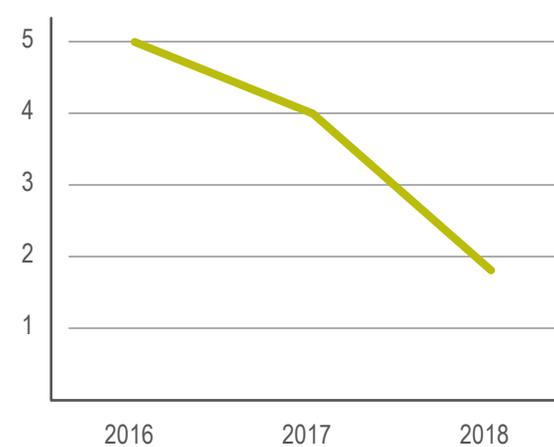
The presence and proximity of our representatives, whether with the groups for training sessions or to provide information on retirement, or simply to help members plan for their retirement or to enroll in their plan, that is what makes Bâtirente a partner valued by the 306 participant groups.

In 2018 and 2019, Bâtirente added new measures to encourage employees to acquire and maintain good practices for their home-work commute.

The use of public transportation by more than 50% of the team has been 100% subsidized since the spring of 2019. Moreover, 9 of the 11 office workers in Montréal have participated in 2018 in the Carbo-POINTS rewards program that aims to support and develop sustainable modes of transportation. All these measures had a positive impact on GHG emissions related to the home-work commute which have been significantly reduced over the past three years. In fact, the total amount of metric tons of CO₂ equivalent went from 5 tons in 2016 to 4 tons in 2017. It was further reduced by half in 2018, to 1.8 metric tons of CO₂ equivalent.

HOME-TO-WORK COMMUTE GHG EMISSIONS

in metric tons of CO₂ equivalent



KEY OBJECTIVES OF THE ACTION PLAN FOR A SUSTAINABLE DEVELOPMENT

1 Reduce GHG emissions caused by all employees' business travels:

- Compile GHG emissions data for all business travels
- Establish a compensation plan for the overall emissions produced annually

2 Reduce Bâtirente employees' overall paper consumption:

- Compile data of the corporation's paper consumption
- Institute a plan to reduce paper consumption

Paper consumption

Paper consumption fell sharply between 2016 and 2017 (from 8,900 sheets per employee to 7,050 sheets) and was slightly higher in 2018 to 8,046 sheets per employee. Electronic methods for disseminating and sharing information to groups and members have already been developed and other means of communication will be implemented to meet the objectives of the 2018-2020 Action plan for sustainable development. The action plan's results will be released after 2020.

2018-2020 action plan for sustainable development

In 2017, Bâtirente mandated an internal committee to develop an action plan for sustainable development.

Local and international involvement

By awarding donations and sponsorships, Bâtirente is committed to its trade union community. It participates in projects aimed at improving the conditions of active and retired workers and also participates in other projects linked to responsible investing and to the sustainable development of these communities.

June 21, 2018: Bâtirente annual general meeting, held simultaneously in Lévis and Longueuil



OcSobre

For the first time in 2018, Bâtirente has proudly participated in the OcSobre challenge organized to support the *Le Grand Chemin* centres. Each participant

chose his or her own personal challenge and seized this opportunity to bring positive sustainable changes during the whole month of October. Thanks to the support of the whole team and of our partners, Bâtirente raised more than \$4,000.

The mission of the three *Le Grand Chemin* centres is to offer Québec teens, aged between 12 and 17, specialized treatment services for drug addiction, excessive gambling and cyberaddiction.



MANAGEMENT REPORT



0.965%
Average fee rate



\$660.2M
Total assets under management

\$10.2M

Pensions paid to retirees



AN ORGANIZATION BUILT ON TRUST

▶ A successful retirement is what deeply motivates Bâtirente. It means offering our members a stable retirement income that was built thanks to the strength of the savings of its members belonging to more than 300 groups. This strength makes it possible to deploy an unparalleled services offer coupled with extremely advantageous management fee rates.

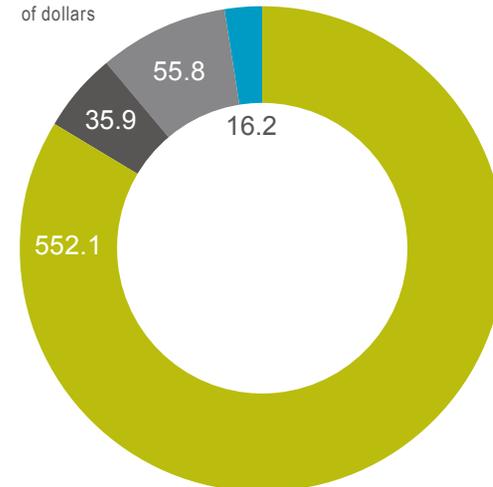
In 2018, a large number of groups and members trusted Bâtirente. As a result, the participation, the accumulated savings and the contributions reached new highs.

Bâtirente in numbers:

- Accumulated savings totaling \$660.2M, a 3.4% growth over 2017 (\$638.6M)
- Increase in the number of new groups, which now stand at 306 groups, as well as the fidelity of the existing groups
- 21,801 members participate in the Bâtirente system, a 3.8% increase over one year
- Average management fee rates for groups of 0.965%, in constant decline
- Attractive fee rates give way to yearly discounts of more than \$5M to Bâtirente members

RETIREMENT SYSTEM ASSET BREAKDOWN

in millions
of dollars



- Capital accumulation plans
- Auxiliary plans
- Retirement income plans
- Institutional plans

GROUP PROFILES

On December 31st, 2018, Bâtirente counted 306 groups, 6 more than at the same time the year before. There were 21,801 members, an increase of 3.8%.

In 2018, the contributions amounted to \$80.2M, an increase of 22.2%. This increase emanated partly from regular contributions which reached \$45.8M (+12.9%), but mostly from voluntary additional contributions (\$10.1M or +38.7%) and asset transfers (\$13.3M or +94.0%).

The significant increase in additional contributions reflects the members' confidence in Bâtirente and the efforts deployed by our group advisors to promote the importance of saving for retirement. Finally, the incoming transfers from the new groups that joined Bâtirente reached \$11.0M, an amount comparable to 2017. As well, the increase in contributions was accompanied by a considerable 11.3% decrease in withdrawals which amounted to \$33.9M. It is also worth noting that group loyalty towards Bâtirente was excellent in 2018, at 99.9%.

RETIREMENT INCOME PLANS

Bâtirente is a complete retirement system that links capital accumulation plans for active members to retirement income funds for retired members. Hence, it allows our members to save and to later enjoy their retirement within a single organisation that offers a fully integrated path. Planning for retirement is a key element for a successful transition from active life to retirement and it is with this in mind that we created Plannuity in 2011, our exclusive retirement and support service.

This service assures a continuity in the management of our members' savings during the crucial phase of the transition to retirement. Thanks to this service,

an increasing number of union members remain with Bâtirente as they transition towards retirement income plans. They continue to maintain and consolidate their savings at Bâtirente. Hence we can observe that:

- The number of members aged 65 and over has increased by 13.7% in 2018, while their assets increased by 23.2%;
- The assets held in RRIFs and LIFs reached \$55.8M, an increase of 18.1% in one year;
- The pensions paid from these plans have surpassed the threshold of \$10M for the first time, to reach \$10.2M in 2018, a 30.5% increase over 2017.

INVESTMENT OPTIONS

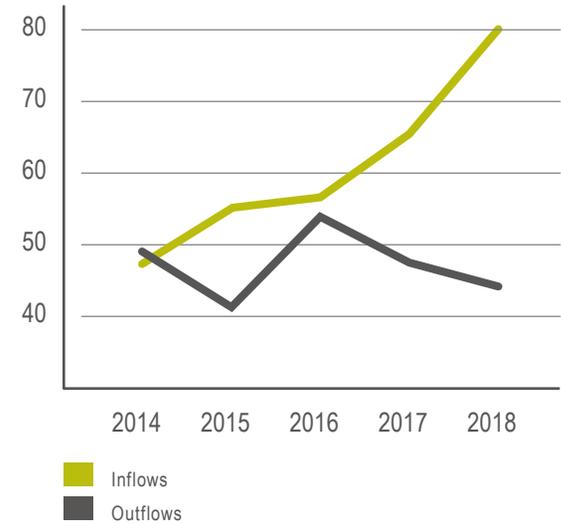
Trajectory, a winning choice

Trajectory, our turnkey investment strategy, is the preferred option used by more than 36% of our members. At December 31st, 2018, our members held \$165.2M in Trajectory, a spectacular increase of 28.9% over one year. By choosing Trajectory, members are conscious that their assets are held in an investment strategy that evolves with them over time and that it continuously and automatically optimizes their investments to align them with their risk profile.

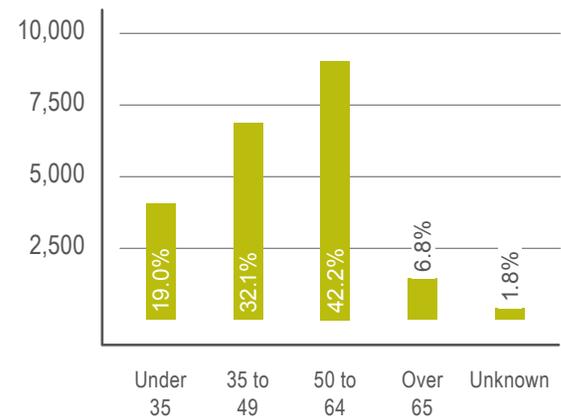
Most of our younger members are turning to this option. In fact, nearly 63.2% of members under 35 invest their funds in Trajectory. Outside of Trajectory, the Bâtirente Diversified Funds remain the most widely used investment option, accounting for 60.9% of members' assets.

CONTRIBUTIONS AND DISBURSEMENTS RETIREMENT SYSTEM

in millions of dollars

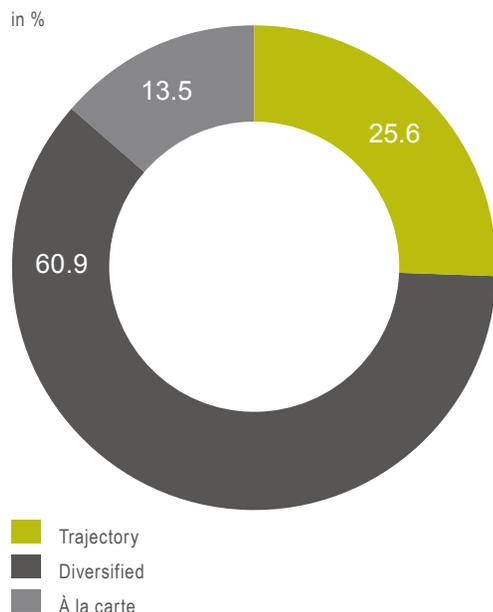


BREAKDOWN OF MEMBERS BY AGE GROUP



The use of Trajectory and the diversified funds increased for the sixth consecutive year, at the expense of the à la carte and guaranteed funds.

BREAKDOWN OF THE RETIREMENT SYSTEM BY INVESTMENT OPTION



MEMBER PROFILE

Lower fees for a better retirement

As the Bâtirente group members' collective savings increase, the average fee rate gradually decreases. While the average group paid a rate of approximately 1.12% in 2013, it only paid 0.965% in 2018.

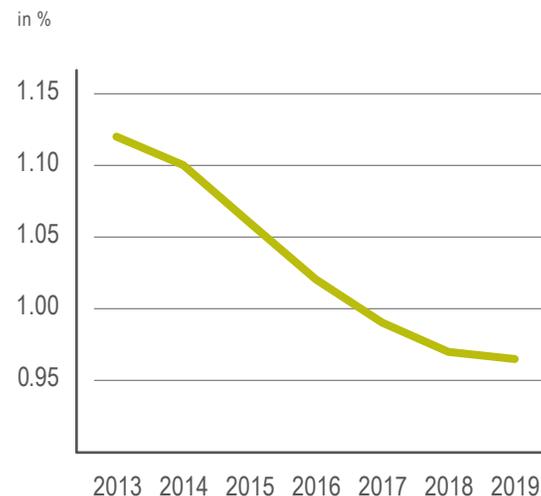
As a non-profit organization, Bâtirente is well aware that its members work very hard to save successfully for their retirement. The mutualisation of savings offered by Bâtirente provides more advantageous fee rates than the rates available in the retail markets. Members can therefore maximize their savings and hence, their retirement income.

MEMBER PROFILE

- ▶ **Age:** 50% are between 50 and 70
Average age is 47
- ▶ **Gender:** 68% are men and 32% are women
- ▶ **Education:** 37% have a college or university degree
- ▶ **Region:** 36% in the Greater Montréal area, 9% in the centre of Québec and 55% in other regions
- ▶ **Marital status:** 71% are couples with or without children
- ▶ **Revenue:** 74% between \$30,000 and \$70,000

Source: SOM survey conducted in 2018

VARIATIONS IN THE MANAGEMENT FEE RATE PARTICIPANTS IN A GROUP



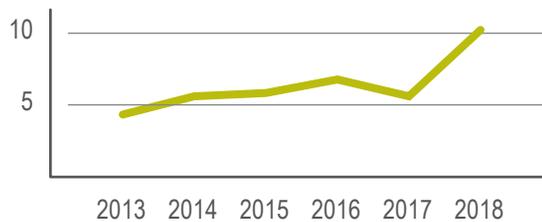
Concretely, this privilege implies that members will have more money during retirement. They will be able to enjoy a longer retirement period or they may even retire earlier. As a result of these rate reductions, each year, more than \$5M is directly* dedicated to our members and to their financial future.

Bâtirente also encourages its members and their spouses to consolidate their savings from other institutions so that they may benefit from the same advantageous fees. Such a consolidation would allow members to have a global view of their assets while taking advantage of the interactive financial planning tools available in the My Account section on batirente.com. The assets transferred to Bâtirente in 2018 amounted to \$13.3M.

*Compared to a base rate of 1.95%

BENEFITS PAID RETIREMENT INCOME PLANS

in millions of dollars



To better understand the needs of our members and to better adapt the services we offer, every year SOM conducts an independent survey on member satisfaction.

A few interesting facts from the 2018 survey:

- To the assertion “Bâtirente is a trustworthy organization”, our members gave an excellent score of 8.5 / 10. They gave a score of 8.3 / 10 for its financial strength.
- They consider that the retirement savings solutions offered by Bâtirente are adapted to their needs and that the risk level of their investments is best suited to them, as evidenced by the score of 8.2 / 10 that was given to this question.

These elements of trust, strength and adapted solutions are significant since they constitute the main reasons that motivate our members to convert their savings into retirement income solutions and by staying with Bâtirente.

The study also reveals that to persuade a bigger number to continue with Bâtirente during their retirement, we must keep our human approach and maintain what distinguishes us from the other financial institutions. We must also continue to focus on the Plannuity service to guide members in their transition to retirement.

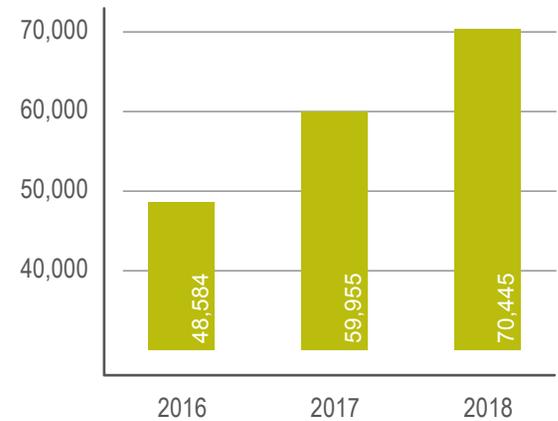
DIGITAL DEVELOPMENT TO PROMOTE A BETTER RETIREMENT FOR OUR MEMBERS

The use of the Member Services section of our website continues to progress at a remarkable pace with more than 70,000 visits in 2018, a 17.5% increase over 2017. The trend we observed in the recent satisfaction surveys is confirmed once again: an increasing number of members preferred electronic communications (44%) to paper communications (35%).

To meet this growing demand, Bâtirente and its partners continue to invest in the enhancement of the member experience. Thus, during 2018 and 2019, the website’s secure section underwent a complete transformation in order to simplify

Bâtirente now offers quarterly financial statements to its members. They are available in the secured section *My account* of our website: batirente.com. At the beginning of the year, members also receive a printed statement that presents the complete financial picture of the past year.

GROWTH IN THE NUMBER OF VISITS ON THE MEMBER WEBSITE



and enrich its utilization on mobile devices. As well, at the beginning of 2019, Bâtirente launched a revamped version of its website to offer a richer and more dynamic content.

It should emphasized that these developments do not come at the expense of Bâtirente’s quality of services or its human approach which are at the heart of Bâtirente’s action. The Member Services Centre received more than 12,000 calls in 2018 and 73% of these calls were answered in less than 20 seconds. Moreover, according to the SOM survey, the satisfaction level for this service increased in 2018 with an average score of 8.5. As well, 90% of members assigned it a score of 7 or more, which represents a 5% increase over 2017.



FINANCIAL REVIEW

\$74M

Impact investments



92%

Bâtirente Funds managed by
signatories of the PRI



Central contribution to the creation of a

FRANCOPHONE

space inside the PRI

COMMITTED

FOR A SUSTAINABLE PERFORMANCE

► Capital preservation and capital growth are at the source of Bâtirente's investment decisions for its 21,000 members. As a signatory of the Principles for Responsible Investment (PRI) and an engaged player, Bâtirente integrates the key dimensions of extrafinancial risks and sustainable development to its investment philosophy. This integration is underpinned by our conviction that it is more profitable for the future of our members.

In 2018, Bâtirente continued to engage in responsible investments:

- The value of our impact investments is rising and has now reached 12% of our total assets, or \$74M;
- In partnership with Æquo, Shareholder Engagement Services, 22% of our assets are now under our shareholder engagement strategy;
- The target weight of the AGF Sustainable Growth Fund was increased to 10% of the Bâtirente Global Equities Multi Fund;
- 92% of the assets are managed by firms that integrate ESG criteria to their management process and that are PRI signatories.



KEY AREAS OF COMMITMENT

1. **Invest:** We consider environmental, social and governance (ESG) criteria in our investment decisions.
2. **Engage:** We conduct dialogues with the companies in which we have invested to incite them to implement sustainable business models. We also encourage financial regulators to raise their requirements to promote these models.
3. **Measure:** We call for companies to be more transparent, specifically with the disclosure of information related to ESG issues. We disclose our commitments and follow their development closely.
4. **Cooperate:** We are active in the local and global financial communities in order to entrench responsible investing and best practices.

COMPOSITION OF BÂTIRENTE DIVERSIFIED FUNDS



MANAGERS OF THE BÂTIRENTE FUNDS



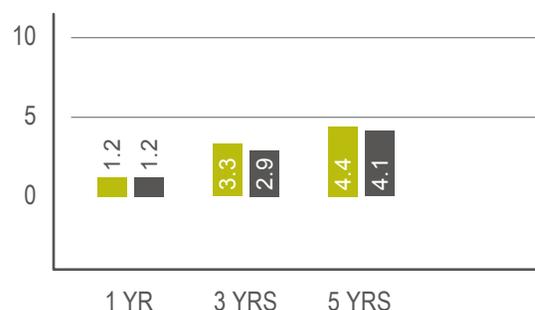
Our portfolio managers are PRI signatories (with the exception of Van Berkomp and Associates and the QEMP).

ANNUALIZED GROSS RETURNS

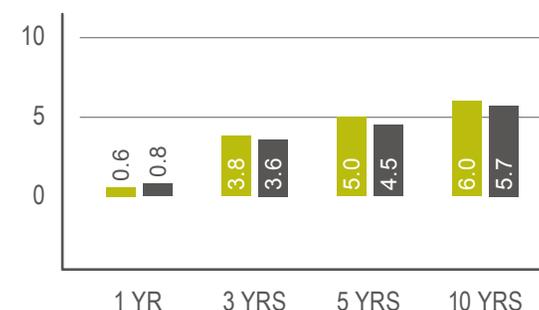
in %



DIVERSIFIED INCOME FUND



DIVERSIFIED PATRIMONIAL FUND



THE BÂTIRENTE RETIREMENT SYSTEM

As the sponsor of the retirement system, Bâtirente offers an array of independent and exclusive funds. It establishes the investment policies, selects, hires and monitors professional portfolio managers, most of which operate in Québec. It also fulfils other responsibilities pertaining to the governance of its assets. The administration of its accounts and the Bâtirente Funds is delegated to Desjardins Insurance, a reputable financial institution.

Desjardins is the administrator of the Bâtirente retirement system whose architecture is backed by group-annuity contracts and segregated funds. It also has the responsibility to provide investments to members who request investments with guaranteed capital and interest. Desjardins Trust is the custodian for the securities held in the Bâtirente Funds.

Bâtirente delegated to Æquo, Shareholder Engagement Services, the management of voting rights and the engagement activities for the companies that are held in its portfolios.



Bâtirente, in partnership with the *Regroupement pour la responsabilité sociale des entreprises (RRSE)*, founded Æquo, Shareholder Engagement Services, in 2016.

All internal activities tied to shareholder engagement were then transferred to Æquo whose goal is to make these services accessible to the institutional investment community in Québec and beyond. Bâtirente believes that, as more capital is committed to this movement, the impact of shareholder engagement will be amplified by Æquo and enhance the progression of responsible investing.

BÂTIRENTE DIVERSIFIED FUNDS

Fund returns

Despite a remarkable year on the global economic front, financial markets have been in turmoil, especially towards the end of 2018. The returns of the Bâtirente Diversified Funds reflected the performance of the markets, while playing their role of preserving the capital in difficult times.

Funds with a heavy fixed income allocation had slightly positive returns: the Income Fund returned 1.2% and the Patrimonial Fund had a return of 0.6%. The Provident, Intrepid and Energetic Funds were impacted by the decline in the equity markets and registered negative returns. Funds with higher equity exposures fared the worst.

In periods of market turbulence, it is important to stay the course and look at the long-term performance. Over a five-year period, the Bâtirente Diversified Funds registered returns ranging from 4.4% to 7.1, depending on their position on the risk/return scale of our range.

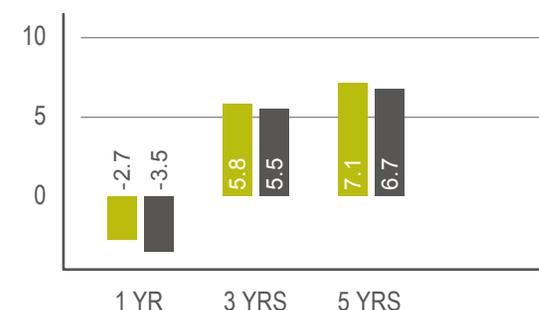
DIVERSIFIED PROVIDENT FUND



DIVERSIFIED INTREPID FUND



DIVERSIFIED ENERGETIC FUND



All the Diversified Funds outperformed their benchmark portfolios by an average of 0.4% over a five-year period.

Performance, risk and active management

Bâtirente promotes active management and, for the benefit of its members and their financial future, it evaluates its portfolios on an ongoing basis in order to adapt to today's major trends and to anticipate tomorrow's.

Several factors and trends have an impact on economic growth and on the markets. For instance, geopolitical events and technology will often cause short-term market reactions. Bâtirente seeks to position its portfolios in such a way as to detect all the perceived risk factors.

2018 was marked by several geopolitical events which had a significant impact on equity markets, especially towards the end of the year. In Canada, the uncertainties generated by the negotiations on the renewal of NAFTA failed to slow the economy. It continued to make headway, advancing at a 2% rate. However, the settlement of trade negotiations with the United States and Mexico did not result in a significant rally in the stock market because

of the shocks in the Canadian oil sector. Overall, the Canadian equity market index fell by 8.9%.

The Canadian equity market was not the only one to decline. Despite the astonishing economic growth in the United States, the US stock market corrected, more specifically, in the fourth quarter and ended the year down 4%. The geopolitical uncertainties in the fourth quarter, along with the rate hikes by the Canadian and US central banks clouded the outlook and made it necessary to reassess the 2019 forecasts and therefore, future corporate profits were revised. Against this backdrop, fixed income securities provided a safe haven and ended the year in positive territory, also benefitting from the announcement of a pause before the next rate hikes. Presently, the dark clouds on the horizon for the economy and the financial markets remain the uncertainties surrounding the trade relations: China – United States, Europe – United Kingdom (Brexit).

Fund optimization in view of decumulation

In order to reflect financial market trends, Bâtirente regularly undertakes an exercise to optimize the strategic asset allocation of its Diversified Funds. Adjustments were made in two diversified funds in 2018. The Revenue and the Patrimonial Diversified Funds as well as Trajectory, our turnkey investment strategy, were enhanced to ensure an optimal relationship between the expected risk and returns for the disbursement period.

Hence, the key changes that were made to these funds were:

- The implementation of a specific allocation to a banking loan portfolio;
- An increase in the Funds' exposure to global real estate and commodities in order to increase diversification.

For all our Diversified Funds, we have approved a change that allows Presima, our manager, to focus our real estate portfolio on the best securities in the market in terms of ESG performance.



The PRI Association acknowledges Bâtirente's leadership in its responsible

investment practices. In fact, for the second consecutive year, the assessment report recognized Bâtirente's excellence in strategy and governance and in the direct and indirect management of its assets. Bâtirente was assigned a score of A+. The Association also assigned a score of A in the "Active Management – Listed Securities" category and in the "Fixed Income Financial" category.

Bâtirente was among the first 26 PRI signatories when it was launched in April 2006. Since then, we have unfolded innovative practices to further reinforce our commitment to these principles.

For more information, please refer to the complete report in the *Measure* section in the *Responsible Investment* menu on our website.

These changes reinforce Bâtirente's leadership in supporting its members in retirement and in the sphere of responsible investments.

Bâtirente equity portfolios' carbon footprint measures (at December 31st, 2017)

Bâtirente was among the first signatories of the Montréal Carbon Pledge at the annual PRI in Person Conference in September 2014. The institutional investors who subscribe – they are now more than 150 worldwide – commit to measure and report their equity portfolios' carbon footprint.

Measuring the carbon footprint helps investors to better understand, quantify and manage the impacts, risks and opportunities of climate change on their financial portfolios. The report published by Bâtirente in 2017 came to the following conclusions:

- Overall, the carbon footprint of our equities portfolios is 28% lower than their benchmark indices;
- In Canadian equities, the carbon footprint is 36% lower than their benchmark markets;
- The Small Cap Equity Fund's footprint is slightly above 40% of its benchmark index;
- The footprint of our global equity portfolios, all caps, is slightly lower than the reference markets.

Beyond the publication of the carbon footprint, Bâtirente continues its actions for the climate which include:

- Increasing the capital allocation to impact investments. At this time, more than 12% of Bâtirente's assets are committed to strategies that help finance the transition to a low-carbon economy;
- Efforts to raise the awareness of the investment management companies we work with to the benefits of integrating extrafinancial risks to evaluating businesses in general and, more specifically, to carbon risk;
- Ongoing action in the area of institutional finance to raise the awareness of financial players to issues related to the transition to a low carbon economy, to the opportunities generated by the adoption of this transition and to the implementation of best practices in responsible investing, more specifically, in the UN Principles for Responsible Investment.

Bâtirente believes that the combination of these activities will inevitably lead not only to the reduction of our portfolios' carbon footprint, but above all, to raising the awareness of financial players of the necessity to prioritize investments that contribute to the energy transition, while respecting our duties towards the members of our retirement system.

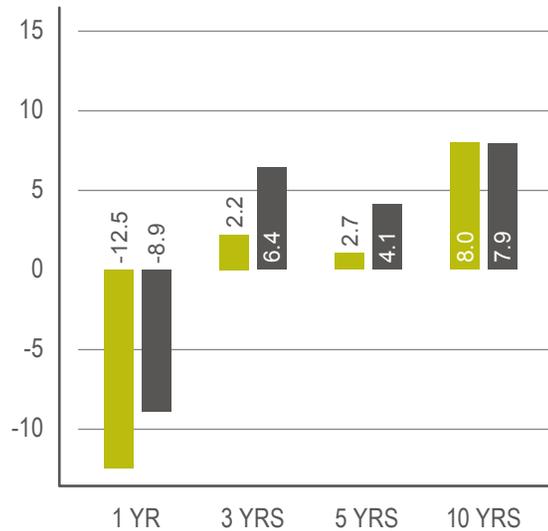
ANNUALIZED GROSS RETURNS

in %



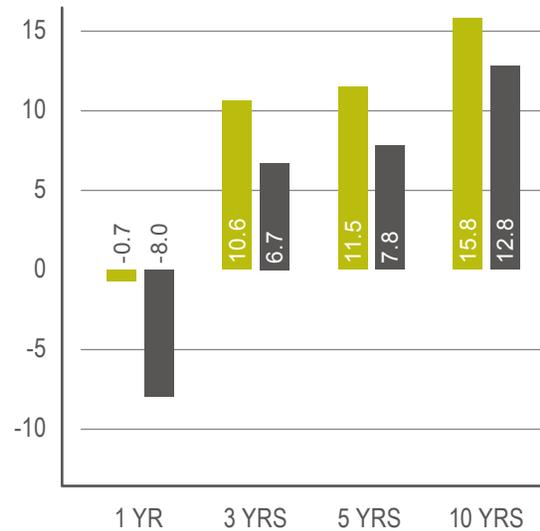
CANADIAN EQUITY MULTI FUND

S&P/TSX Index



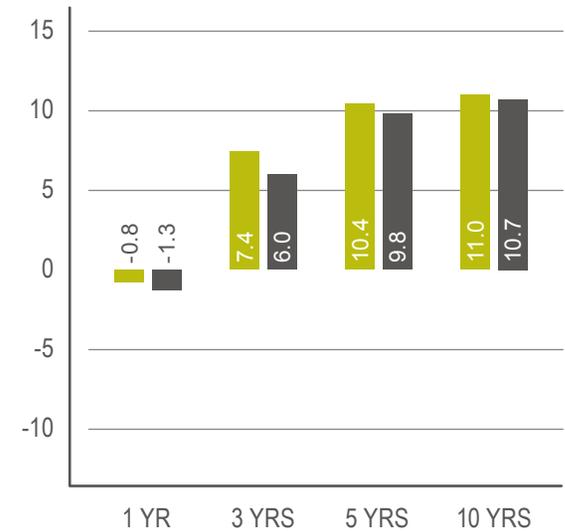
GLOBAL SMALL CAP EQUITY MULTI FUND

MSCI World Small Cap Index (\$CA)



GLOBAL EQUITY MULTI FUND

MSCI ACWI Index (\$CA)



EQUITY FUNDS

Fund returns

The Canadian Equity Multi Fund has experienced some difficulties in 2018. Our portfolio managers focus on long-term, value-oriented corporate securities, but in 2018, growth stocks gained momentum. As such, the “value” stocks held in the Fund had a lackluster performance in a strongly declining market environment, providing a return of -12.5% in 2018, which in turn, had a negative impact on the Fund’s 5-year returns (2.7%).

For all periods under consideration, the Canadian Equity Fund underperformed its benchmark index.

Foreign equity funds had a better relative performance, with slightly negative returns. The Global Equity Multi Fund posted a 0.8% decline in 2018 but nevertheless, posted an average yearly return of 10.4% over the last 5 years, beating its benchmark index.

The Global Small Cap Equity Fund also posted a negative return (-0.7%), but was way ahead of its benchmark index which ended the year with a return of -8.0%. Over the five-year period, this Fund performed remarkably well, providing a compound annual return of 11.5% compared to its benchmark index return of 7.8%.

Over the past years, international equities put up a much better performance than Canadian equities.

DIALOGUE WITH CORPORATIONS

ISSUES	ENVIRONNEMENTAL	SOCIAL	GOVERNANCE	EXCHANGES IN 2018
SECTORS				
Alimentation Couche-Tard	●	●		●
Canadian Tire		●	●	●
DISCRETIONARY CONSUMPTION				
Dollarama	●	●	●	●
Dorel Industries	●	●	●	
Loblaw Companies	●	●		●
Quincaillerie Richelieu		●	●	
ENERGY				
Canadian Natural Resources	●	●	●	●
Husky Energy	●	●	●	●
Imperial Oil	●	●		●
Suncor Energy	●	●		●
FINANCE				
CIBC Bank	●	●	●	●
RBC Bank	●	●	●	
Scotia Bank	●	●	●	●
TD Bank	●	●	●	●
INDUSTRY MATERIALS				
WSP Global	●		●	●
Norbord (follow-up)	●	●		●
Stella Jones	●	●		
UTILITIES				
Fortis	●	●		●

Review of investment management mandates

Bâtirente dynamically and proactively reviews the performance of its fund managers. A few changes were made in 2018. Among these, we can note:

- In the Global Small Cap Equity Multi Fund, the Fund's investments are now focused exclusively on international equities. Small-cap Canadian equities were excluded and the asset allocation between the remaining mandates was revised;
- In the Global Equity Multi Fund, a small portion of the Fund is now invested in index funds in order to increase our agility and reduce transaction costs related to rebalancing.

VOTES ON SHAREHOLDER PROPOSALS

TYPE OF PROPOSAL	AGAINST	FOR
Shareholders' rights	1	9
Executive compensation	1	8
Other governance issues		3
Board of Directors	1	1
Human rights		2
Sustainable development		1
Labour rights		1
Environment		1
Economic issues		1
TOTAL	3	27

Shareholder Engagement

Bâtirente is an active investor whose goal is to create value for its members. To do so, it relies on exercising its voting rights and engagement activities for the companies in which it invests. Below, we present a summary of the votes we exercised, and included the votes related to different shareholder proposals.

The list of companies held in our funds with which we have entered a dialogue through Æquo, Shareholder Engagement Services, is also presented below.

As a final point, collaboration is one of Bâtirente's main lines of action in responsible investments. This collaboration is expressed through initiatives in which we participate as well as letters that we co-sign along with other investors around the world.

Exercise of voting rights

In 2018, Bâtirente exercised its proxy voting rights at 129 shareholder meetings. Out of a total of 1,427 resolutions, we stood behind 42% of the Board of Directors' positions. We opposed the re-election of Directors 53% of the time. Our opposition was mainly motivated by questions related to a lack of independence of the administrators. We have often expressed our opposition on matters pertaining to advisory votes on compensation (93% of the time), mainly because we are opposed to compensation systems that include a stock option plan.

INVESTOR INITIATIVES IN WHICH BÂTIRENTE COLLABORATES

Labour standards in the agro-food supply chains (PRI): collaboration of investors whose goal is to bring food companies to ensure that improvements are being made by their supply chain regarding the respect of labor rights

Climate Action 100+: initiative of the California Public Employees Retirement System (CalPERS). Its goal is to gather investors from all over the world around a plan to engage the world's biggest corporate emitters of greenhouse gas (GHG).

Task force on risks tied to carbon assets: investor group working with the American organization Ceres, which seeks to establish a dialogue on carbon issues with energy companies.

PRI task force on plastic: a group that aims to raise investor awareness on the impacts, risks and opportunities of plastic.

Collaboration of the PRI on fiscal issues: collaborative initiative of the PRI regarding issues tied to responsible taxation for corporations.

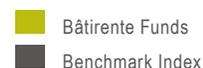
PRI Advisory Committee on energy transition and climate change transition for oil and gas: committee launched in the fall of 2017 by the PRI for the purpose of establishing a framework for investor groups that seek to engage in dialogues with oil and gas corporations on risk management in energy transition.

INVESTOR LETTERS SIGNED BY BÂTIRENTE

- *Statement on Agreement for the Bangladesh Accord continuation*
- *Letter to the Government of Bangladesh regarding labour and environmental risks in the leather industry*
- *Letter requesting better disclosure of water treatment (CDP) in the energy sector*
- *Letter aimed at combatting the loss of plastic granulates*
- *Letter urging businesses to adopt the best practices with regards to the disclosure of the compensation ratio*
- *Investor expectations on deforestation in soybean supply chains*
- *Investor letter in support of regulatory action for methane in the US*
- *Letter to banks targeting the Dakota Pipeline*
- *Banking on a low carbon future*
- *Letter asking the Canadian Government to adopt a funding strategy that focuses on clean growth*
- *Statement of investor commitment to support a just transition*
- *Investor letter addressed to the Roundtable on Sustainable Palm Oil (RSPO) regarding the revision of the standards over a five-year period and on the ESG factors*
- *Global Investor Statement to G7 Governments on Climate Change*
- *Investor statement on Supply Chain Modern Slavery Legislation in Canada*

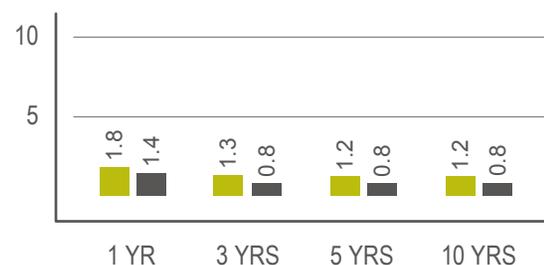
ANNUALIZED GROSS RETURNS

in %



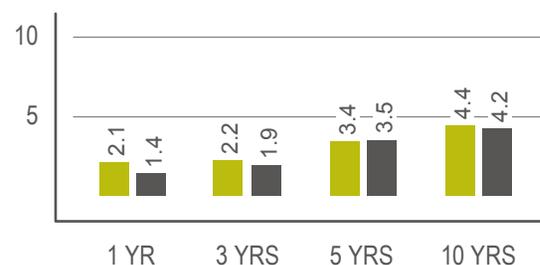
MONEY MARKET FUND

FTSE Canada 91 Day TBill Index



BOND MULTI FUND

FTSE Canada Universe Bond Index



TREASURY MULTI FUND

FTSE Canada Short Term Overall Bond Index



FIXED INCOME

Fund returns

Until the month of October, fixed income funds faced an environment of rising interest rates. Against this background, the Money Market Fund experienced one of the highest returns of the last few years: 1.8%. The Treasury Multi Fund generated a 2.6% return, while the Bond Multi Fund posted a 2.1% return. These two funds benefited from their large exposure to commercial mortgages and lower long-term yields in November and December. The Bond Multi Fund stood out with an annualized return of 3.4% over the last 5 years.

Impact investments

We have increased our investments in green bonds in 2018, which presently account for 4.4% of our total assets. These bonds enable us to participate in the efforts to preserve the integrity of the environment by financing projects specifically dedicated to energy transition and to help adapt to climate change.

In keeping with our values and commitments, we have mandated AlphaFixe Capital, one of our fixed income investment management partners, with a portion of our bond portfolio to help us progress in meeting the objectives of the Paris Accord.



During the company's annual meeting, a number of Couche-Tard shareholders sought greater transparency in its management of environmental, social and governance (ESG) issues

Bâtirente, and PGGM, a major Dutch pension fund manager, submitted a joint shareholder proposal to *have the company's Board of Directors produce a report on their approach*

to business risks and opportunities related to environmental and social issues, by the 2019 shareholder meeting (...).

“These two long-time shareholders of Alimentation Couche-Tard want to encourage the company to improve its communication about key issues and implement responsible governance practices that a growing number of its global competitors has adopted,” explained **Jean-Philippe Renaut, CEO of Æquo, Shareholder Engagement Services.**

In a similar process, Æquo was instrumental in the shareholder dialogue with the Albertan oil company TransCanada, which finally resolved to disclose its energy transition approach this past March.

“Alimentation Couche-Tard creates significant value for its shareholders and jobs for communities where it operates,” noted Mr. Renaut. “Our clients would like the company to continue to grow within a changing technological, economic, and social environment—one which is increasingly demanding when it comes to corporate responsibility.”

This proposal, which was presented on September 20, 2018, was supported by 23% of the total votes with close to 84% of the votes coming from shareholders other than the founding shareholders.

Alimentation Couche-Tard committed to respond to the shareholder request and to improve its ESG strategy and disclosure by producing a sustainable development report.

Source: Æquo, Shareholder Engagement Services Inc., August 30, 2018

Signatory of:



Supporting the PRI's Francophonie

The PRI Francophonie Advisory Committee was officially unveiled at the PRI Association's annual meeting in September 2017.

The committee's mission is to advise and guide the PRI on its francophone program to further promote responsible investment within French-speaking countries, particularly among institutional investors and asset owners. The PRI board appointed Daniel Simard, CEO of Bâtirente, to chair the committee.

2018 Annual Report

The French version of the 2018 annual report was printed in 800 copies and is also available on Bâtirente's website.

2018 Financial Report

The annual financial report is available in French in the *About Us* section of the Bâtirente website. It contains the audited financial statements of Bâtirente Funds.

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