OUR GROUPS, OUR ROOTS, OUR FUTURE
At the core of the labour movement’s action is the will to meet the need of workers and their families to achieve income security and decent living conditions. This philosophy is written in the DNA of the CSN who, close to 30 years ago, asked Bâtirente to add a stone to this structure by helping union members build for themselves, throughout their active life, a stable and solid retirement income based on the strength of the pooled savings of its members.

OUR ROOTS

Since 1987, Bâtirente has been fulfilling its mission to federate labour retirement plans around the important dimension of retirement income preservation. Our grouping provides thousands of members with access to efficient retirement capital accumulation plans and to income plans that retired members can take advantage of to continue leaning on our collective strength during their cashing out years. It is thus with conviction that I call upon all unions that participate in a capital accumulation plan to join the ranks of the Bâtirente system because it is the best way for their members to be collectively served.

Bâtirente takes to heart its responsibilities to the thousands of members and the hundreds of groups that entrust it with the management of their assets, and believes that sound governance is crucial to properly carrying them out. This is why Bâtirente regularly reviews its operational and management practices in the spirit of continuous improvement for the best interest of its members.

Bâtirente will celebrate 30 years of existence in 2017. I am proud to see our organization’s current level of maturity and to witness its solidity and sustainability.
OUR FUTURE

When it was founded, Bâtirente had no groups, no participants, and no assets under management. Appropriate governance structures and operations were thus established. Nowadays, Bâtirente has close to 350 groups, 20,000 participants and assets under management topping $550 million. It also generates more than $6 million in annual operating income.

Since groups are the keystone of the Bâtirente system, in 2015, the board of directors buckled down to review the general by-laws of the corporation, moved by the will to consolidate, even expand, their existing involvement in governance processes, while simplifying these processes. It is with great pride and the satisfaction of a duty well done that in the spring 2016 the board finally adopted major amendments to enshrine this democratic system at the core of our governance and to embed it in our general by-laws.

Starting with the June 2016 general meeting, group representatives will have the right to vote on all corporation business–election of board members, adoption of financial statements and appointment of auditors–and the right to make recommendations. The adoption of these governance process changes inspired by the founding principles of the CSN moves Bâtirente even closer to its labour roots.

Acquired rights naturally come with their round of duties and responsibilities. This is why I warmly invite all groups and group representatives to embrace and to own their rights so that we can all continue building our retirement system together!

ACKNOWLEDGEMENTS

I wish to recognize the attachment and the faithfulness of the Bâtirente board members to our corporation. They embody the stability and the sturdy construction of the Bâtirente model. Many of them have completed several consecutive terms. I congratulate Serge Fournier, President of the Fédération du commerce (FC), who was re-elected to the board in June 2015 and who has been a Bâtirente board member since 1998.

The board of directors can rely on the support of two expert external members and of several committees to complete its reflections and tasks. I wish to thank every board and committee member for their dedication and their involvement in the continuous improvement process of our bodies, a process that Bâtirente holds dear.

A special thank goes to Nathalie Arguin and Andrée De Serres, my governance committee colleagues with whom I had the pleasure of steadily and resolutely completing the governance review.

Andrée De Serres will be leaving the board after the 2016 general meeting and I hereby salute her professionalism and her immense contribution to Bâtirente.

Finally, I reiterate my gratitude to every officer of the CSN federations and to the members of their teams for their support and for the trust they show Bâtirente when it comes to their members’ retirement.
Our retirement system is unique on the market. We call it unique because it brings together, in a coherent mechanism, all of the administrative, financial and fiscal components that allow unionized workers to pool their savings, to grow them and, in due time, to draw their retirement income.

Several factors contribute to the originality of Bâtirente: it is associative and of mostly labour-based governance. Independent from financial institutions, it builds an expert and efficient collective strength by federating medium-sized or small-sized retirement plans. It grows savings, taking into account the general interest of society, in a spirit of mutualism, and makes it all available to everyone, at the best cost.

**BOLSTERED MEMBER SATISFACTION RATE**

According to the annual survey conducted by SOM, Bâtirente members increasingly appreciate their retirement system, with 85 percent of them indicating that they consider Bâtirente as a trustworthy organization. As per the survey, members show a growing interest for their plans, and especially for their retirement. Ever greater numbers of them are indeed reading the annual report highlights that we forward them each spring. Two out of three members read them in 2015, while one out of two had read them in 2014. This renewed interest drove our members’ passive engagement index up from 49 to 65 percent.

This increased interest in our information tools encouraged us to introduce a new media last year. The *Votre chemin* e-newsletter (in French only) is actually distributed to members four times a year, and members can subscribe online on the home page of our website.

Likewise, we are putting great stock in our On Target Retirement® financial planning tool to increase member engagement in taking charge of their plans and of their retirement financial success. Improvements made to the tool in 2015 by our administrator increased its user friendliness and will contribute to increase its popularity. The success of the information campaign led by our development team with several groups encourages us to maintain our efforts to bring members to take ownership of their plans using this tool.

While our Member Services Centre is well appreciated, members mostly use it to complete transactions or to change their information. However, these activities could all easily be completed on the Member Services website. One of our challenges for the next few years will be to convince them to make greater use of our online services.

For its part, Plannuity, our retirement preparation support service, is riding high. Actually, according to the annual survey, 72 percent of members expressed their intention to draw their retirement income from a Bâtirente RRIF or LIF. Since our retiring member retention results are already very encouraging, as described on page 21, we are motivated to be even more ambitious and to aim higher for the future.

1. The passive engagement index represents the proportion of members who read their financial statement and the annual highlights.

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MORE GROUP SUPPORT RESOURCES

A greater presence in the field allows us to better guide those in charge of our groups, to familiarize them with our services and to mobilize our members and, above all, to bring one and all to take the right steps to make the most of their Bâtirente retirement system. In short: to continue to step up their engagement index.

Last spring, Bâtirente added four new employees to its development team: three group-annuity professionals and one group-annuity technician. Pursuant to this resource expansion, we more than doubled our intervention capacity with the Montreal and western Québec regions groups. Our dynamic team won’t stop contacting them till they organize training and education activities with their members.

Likewise, we can be more present with the CSN federations’ advisors to support their involvement with the unions that they are in charge of and that wish to convince their members and employers that Bâtirente is the best option for the success of their retirement plan.

And we will be able to accomplish all of this more efficiently in 2016, after filling the new group-annuity professional position that will soon be added to serve our eastern Québec members from our Québec City office.
THE ASSUMED CHOICE FOR FEE TRANSPARENCY

In 2014, Bâtirente took the lead when it opted for quasi-total transparency with regard to the fees paid by members. The latter can thus see on their biannual financial statements the amount of fees deducted from their account to cover all the services we offer them. Unfortunately, financial industry practices with regard to fees are hardly glowing. We have lost count of the members who approached us to report that representatives from other financial institutions had told them that their institutions’ investment funds charged no fees.

While hoping that regulatory authorities will take steps to discipline the claims and practices of the industry, we, for our part, will continue to post our fees and, above all, to strive to give our members more for their money.

RESPONSIBLE INVESTMENT AT THE CORE OF FINANCIAL DECISIONS

Bâtirente accomplished a great deal in the area of investment policies in 2015. Recalibrating diversified funds asset allocations to adapt them to the financial environment now complements our new ability for short-term modulation of these allocations between categories according to prevailing conditions, in order to protect our members’ savings.

The strengthening of our fixed income components with the addition of Canadian commercial mortgages and global bonds now allows us to deal with the weakness of interest rates while improving the diversification of our portfolios.

We can also be very proud to be the first Québec retirement plan to measure and disclose the carbon footprint of its equity portfolios. We will continue to encourage our managers to strive to reduce that footprint because it is imperative that climate reality be taken into account in allocating capital in the future.

Conscious of the immense climate change that is challenging humankind, we are doing our part because saving the planet is our duty to our members. We are duty-bound to promote their financial security, and we must do so by making sure to protect their right to security, pure and simple.

All this is made possible by the team work of our employees and by the engagement of our board of directors and its committees. This is how Bâtirente has ensured its development for almost 30 years: by staying at the forefront of retirement plans!

Members can see on their financial statements the amount of fees that we collected.
The CSN created Bâtirente in 1987 to meet the need of workers for retirement income security.
SOUND GOVERNANCE FOR THE BENEFIT OF OUR MEMBERS: OUR ROOTS, OUR FUTURE

Bâtirente’s main responsibility is to provide the groups that trust it with a dependable and transparent retirement system. To fulfill it, Bâtirente must implement sound governance practices. In the spirit of continuous improvement, the board of directors regularly ponders and reviews its operating mode. Over the years, Bâtirente has established committees that support it in fulfilling its responsibilities.
Groups are at the heart of Bâtirente’s operations. The board of directors undertook an important reflection in 2014 to define the way in which the 300 or so groups could be brought closer to the “ownership” of Bâtirente and thus take up more space within the corporation’s bodies.

We came to the conclusion that it was necessary to consolidate, even expand, the space that they occupy in governance processes while simplifying our structures. The required changes were developed in 2015 and will become effective in 2016.

**GOVERNANCE: A TRANSPARENT STRUCTURE**

The board of directors has eleven members. Five are elected by group representatives at the annual meeting, pursuant to a call for nominations. Four directors are appointed by the Executive Committee of the CSN and two are appointed by the previously mentioned nine members. The person elected as Treasurer of the CSN has always been one of the four CSN-appointed members and has always served as Chair of the board. Finally, the Chief Executive Officer of Bâtirente has a non-voting seat on the board of directors. Board members have three-year terms that are staggered to maintain continuity. The officers of the corporation are: the Chair, the Vice-chair, the Secretary and the Chief Executive Officer of Bâtirente, who also serves as Treasurer.

The goal of the board members nomination and appointment processes is to ensure the representation of a variety of competencies and skills applicable to the sound governance of the corporation, whose primary mandate is to run the retirement system. The board of directors includes seven men and four women.
ORIGIN OF DIRECTORS

At the June 18, 2015 annual meeting, group representatives elected one board member: Serge Fournier, President of the Fédération du commerce, was elected for a new three-year term. He has been a board member since 1998.

The remaining four board members representing groups are René Gélinas, President of the Syndicat national des travailleurs et travailleuses des pâtes et cartons de Jonquière; Pierre Leduc from the Syndicat national des produits chimiques de Valleyfield (CSN); Néjia Chéhidi, President of the Syndicat des travailleurs et travailleuses de l’hôtel Le Reine Élizabeth; and Benoit Théorêt, President of the Syndicat des travailleurs des Câbles d’acier de Pointe-Claire.

The representatives elected by groups account for more than 40 years of experience as labour militants. Many of them are, or have been, in charge of their local retirement plans. They occasionally participate in various seminars and training sessions on retirement plans and investments.

The four board members appointed by the CSN are Pierre Patry, Treasurer of the CSN; Léopold Beaulieu, President and Chief Executive Officer of Fondaction; Andrée De Serres, Ph.D., Lawyer and Tenured Professor at the Université du Québec à Montréal (UQAM) École des sciences de la gestion; and Nathalie Arguin, Secretary General of the Fédération des employées et employés de services publics (FEESP-CSN). Finally, Louise Charette, a Portfolio Management and Governance Consultant and Normand Brouillet, a Retired CSN Economist, are the two co-opted members appointed by the board of directors.

The terms of office of CSN-appointed Léopold Beaulieu and Nathalie Arguin were renewed until 2018. The same applies to Normand Brouillet, who is co-opted by the board of directors. The terms of office of Louise Charette and Andrée De Serres expire in 2016.

Two additional external members have seats on committees. Yvan Duqueppe, a member of the Audit Committee since 2007, is a business administration, public accounting and finance graduate of École des hautes études commerciales (HEC) in Montréal and Richard Fortier is an experienced manager who worked for over 40 years in various companies administering every type of group savings plans.
Composition

**Investment**
Three members appointed among board members, one of which at least must be a group representative. One or two external members are called upon to sit on the committee as independent experts.

**Audit**
Three members appointed among board members, one of which at least among group representatives, and one or two external members with accounting or financial management expertise and with knowledge of the regulatory requirements applicable to Bâtirente.

**Member Services**
Three members appointed among board members, two of which at least among group representatives, and one external member with pension expertise.

**Extrafinancial Risks Management**
Three members appointed among board members, one of which at least among group representatives, and one or two external members with expertise in one of the following areas: economics, human rights, labour relations, environment, corporate governance or international law.

**Governance**
Three members appointed among board members, one of which at least among group representatives, and at least one with the status of independent board member.

Mandate

**Investment**
- Complete works, studies and analyses on the investment policies of the funds.
- Carry out any other investment-related mandate originating from the board of directors.

**Audit**
- Assure the board of directors of the efficacious, efficient and economical conduct of business, of the appropriateness of controls implemented by management and of financial reporting that faithfully reflects activities and operating results.

**Member Services**
- Assure the board of directors of the suitability and the quality of the services offered and of the adequacy and appropriateness of the information provided.
- Review the fee and service policy.
- Conduct studies on member needs.
- Support the development of training policies for group agents, and monitor the main contracts.

**Extrafinancial Risks Management**
- Assure the board of directors of the updating of the Guidelines on Extrafinancial Risks Management.
- Monitor the conformity of the exercise of voting rights.
- Assess ESG performance in investment activities.
- Check the quality of Bâtirente’s performance reporting.

**Governance**
- Assess the operation of the board and of the committees.
- Draw recommendations to improve their efficiency.
- Develop a by-law on ethics and professional conduct and ensure its application.
CONVERGENCE OF INTERESTS

Many of the board members and external members of committees hold individual savings in Bâtirente Funds, thus furthering the convergence of their interests and those of participants. Out of the eleven board members and two external members, nine are holding investments in Bâtirente Funds. Their total value is over $1,050,000. All of the savings of board members represent their own or their employers’ contributions. Bâtirente makes no contributions to their retirement or savings plans.

EXTERNAL MEMBER COMPENSATION

The purpose of Bâtirente’s compensation policy for external members of the board of directors and its committees is to attract qualified experts. Moreover, elected or appointed representatives of labour organizations receive no compensation in that regard. However, their salary for the time dedicated to Bâtirente governance activities is reimbursed to the labour organizations that employ them and they are entitled to being reimbursed for expenses incurred to participate in meetings.

THE BÂTIRENTE PLATFORM

Bâtirente develops, and offers CSN-affiliated unions, capital accumulation plans for their active members and retirement income plans for their retired members, along with an array of retirement support and planning services. These plans are deployed on an investment platform that includes eleven funds, of which five are diversified. This platform also includes Trajectory, a turnkey investment strategy that automatically adjusts members’ portfolios based on their investor profiles and on the number of years remaining before retirement or after retirement has been taken.

Moreover, CSN-affiliated unions and other organizations can entrust their financial assets to Bâtirente Funds. While preserving capital accessibility, Bâtirente offers low volatility investments with a return potential superior to that of guaranteed funds.

June 2015: annual meeting of Bâtirente simultaneously held in Longueuil (top photo) and in Lévis (bottom photo).
Bâtirente investment platform

Bâtirente Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Small Cap Equity Fund</td>
<td>5 - 8 - 12</td>
</tr>
<tr>
<td>Global Equity Multi Fund</td>
<td>3 - 4 - 6 - 13</td>
</tr>
<tr>
<td>Canadian Equity Multi Fund</td>
<td>4 - 6 - 8 - 11</td>
</tr>
<tr>
<td>Bond Multi Fund</td>
<td>1 - 3 - 7 - 14 - 15</td>
</tr>
<tr>
<td>Treasury Multi Fund</td>
<td>1 - 14</td>
</tr>
<tr>
<td>Money Market Fund</td>
<td>3</td>
</tr>
<tr>
<td>1, 3 and 5 years guaranteed funds unavailable to institutions</td>
<td></td>
</tr>
</tbody>
</table>

Bâtirente Diversified Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>1st Year</th>
<th>2nd Year</th>
<th>3rd Year</th>
<th>4th Year</th>
<th>5th Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energetic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrepid</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Provident</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Patrimonial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- Treasury Multi Fund
- Bond Multi Fund
- Canadian Low Volatility Equity*
- Global Low Volatility Equity*
- Global Small Cap Equity Fund
- Canadian Equity Multi Fund
- Global Equity Multi Fund
- Commodities*
- Global Real Estate*

*Categories unavailable as funds

Portfolio managers

1. AlphaFixe Capital
2. Desjardins Global Asset Management
3. Fiera Capital
4. TD Asset Management
5. Global Alpha Capital Management
6. Hexavest
7. Horizon 360° and Associates
8. Montrusco Bolton Investments
9. Presima
10. Desjardins Insurance
11. Triasima
12. Van Berkam and Associates
13. AGF
14. Addenda Capital
15. Placements NEI/Amundi Asset Management
Bâtirente plans are usually implemented pursuant to the signature of collective agreements providing for capital accumulation plans with employer and employee contributions. Labour unions then give Bâtirente a mandate to set up their plans and provide related services to their members, including retirement planning services. All members of the CSN, and their spouses, may at any time exercise their right to enroll in any of the retirement plans offered by Bâtirente, whether or not the plan has been set up by their local union.

Bâtirente offers members services that differentiate it on the market. For instance, when they retire, members may continue to enjoy the benefits of their group system by transferring their capital to a Bâtirente retirement income plan—a RRIF or LIF. Members who prefer to have their retirement income partly or wholly covered by a guarantee can avail themselves of the agreements signed by Bâtirente with Canadian life insurance companies to get life annuities at the best conditions.

<table>
<thead>
<tr>
<th>Bâtirente plans</th>
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</thead>
<tbody>
<tr>
<td><strong>From working life...</strong></td>
</tr>
<tr>
<td>Capital accumulation plans¹</td>
</tr>
<tr>
<td>Simplified pension plan (SPP)</td>
</tr>
<tr>
<td>Registered retirement savings plan (RRSP)</td>
</tr>
<tr>
<td>Multi-employer pension plan (Federal MEPP)</td>
</tr>
<tr>
<td>Deferred profit-sharing plan (DPSP)</td>
</tr>
<tr>
<td>Non-registered savings plan (NRSP)</td>
</tr>
</tbody>
</table>

¹ Participation governed by collective agreement.
² Voluntary participation.
³ Non-registered.
As the sponsor of the retirement system, Bâtirente implements a fund offer exclusive to its members, establishes their investment policies, selects and supervises their managers and ensures the governance of their assets. Bâtirente also plans and carries out its communications and ensures the development of business, the support of groups and retired participants as well as the management of extrafinancial risks.

Bâtirente delegates the operations related to asset management and account administration to professional portfolio managers and to recognized financial institutions. Desjardins Trust has been acting as custodian of Bâtirente Funds’ assets since 1987. Asset management is delegated to professional portfolio managers. Several management firms, mostly based in Québec, are responsible for managing Bâtirente Funds’ assets. These firms are listed on the diagram on page 13.

Desjardins Insurance acts as the administrator of the Bâtirente retirement system and assumes responsibility for:

- Participant, group and employer account and transaction administration
- Recordkeeping and statement and report production
- Member and group services (call centres and secure websites)
- Bâtirente Funds’ cash flow management, accounting and daily unit valuation
- Relations with regulatory and fiscal authorities

Desjardins Insurance is also responsible for providing participants who so request with guaranteed capital and interest investments.

Desjardins Trust has been acting as custodian of Bâtirente Funds’ assets since 1987.

Asset management is delegated to professional portfolio managers. Several management firms, mostly based in Québec, are responsible for managing Bâtirente Funds’ assets. These firms are listed on the diagram on page 13.
THE BÂTIRENTE TEAM

In 2015, Bâtirente hired several new employees, most of which following the addition of resources to its development team to manage growth and improve its group services offer. Three new professionals were hired for the Montréal office pursuant to the departure of Group-Annuité Advisor Danick Lessard and Financial Planner Lorraine Pipon, and to the appointment of a Group-Annuité Technician at the Montréal office.

As at December 31, 2015, the Bâtirente team was 13 strong.
Katya Vanbeselaere, Communications Manager
Daniel Simard, Chief Executive Officer
François Meloche, Manager – Extrafinancial Risks
Marie-Diane Deslauriers, CFA, Senior Manager – Institutional Markets
Marie-Pierre Leduc, Communications and Marketing Advisor
Vickie Lavoie, FCA, FSA, Retirement Plan Advisor
Mamadou Karé, Group-Annuity Technician
Michelle Faucher, F.Pl., Group-Annuity Advisor
Planning the conversion of accrued capital into retirement income is a decisive step. In 2015, 158 members started this process with the support of one of our advisors.
THE POOLING OF OUR SAVINGS: OUR ROOTS, OUR FUTURE

Created exclusively for members of the Confédération des syndicats nationaux (CSN) almost 30 years ago, Bâtirente now represents a major collective power, thanks to the pooling of the savings of its 20,000 members. Now more than ever, the size of the assets thus combined directly benefits our groups, who can count on solid and high-performance retirement plans with low fees.
The total assets of the Bâtirente retirement system continued to grow in 2015, moving from $505.0 million to $536.6 million, for a $31.6M or 6.2 percent progression. This increase was due to net contributions of $14.0M and financial returns reaching $17.6M.

The assets of income plans posted a net increase of more than 30 percent for the year. Note that the assets of these plans experienced an average annual progression of 30 percent over the past five years. Actually, between 2011 and 2015, the value of the assets transferred to income stream plans more than doubled, moving from $7.7M to $16.2M.

For their part, the assets of capital accumulation plans that represent 93.6 percent of the retirement system progressed by 5.0 percent, moving from $478.7M to $502.5M.

Bâtirente groups were 300 strong as at December 31, 2015. Among the unions holding group-annuity contracts, 108 are affiliated to the Fédération du Commerce (FC-CSN), 97 are represented by the Fédération de l’industrie manufacturière (FIM-CSN) and 41 belong to the Fédération des employées et employés de services publics (FEESP-CSN).
CONTRIBUTIONS AND DISBURSEMENTS

The last year proved very positive for contributions to capital accumulation plans, as they experienced a 16.7 percent increase, moving from $47.2M in 2014 to $55.1M in 2015.

Results are also encouraging on the side of recorded disbursements for these plans which decreased by 17 percent, moving from $49.5M to $41.1M. This decrease marks a reversal of the trend observed over the past few years.

PLANNUITY SERVICES

Retired member retention: a continued success!
The efforts invested over the past few years to convince members to retire with Bâtirente continue to bear fruit. The value of transfers from capital accumulation plans to one of our retirement income plans increased by close to 70 percent in 2015, moving from $9.6M to $16.2M. As such, close to 150 members opened an income stream account, for an 11 percent increase over 2014. We reckon that 39 percent of retired members, representing 54 percent of the assets held by the 2015 cohort, elected to stay with Bâtirente.

Individual support
Planning the conversion of accrued capital into retirement income is a step that members must prepare for in advance. For this reason and for a new height in 2015, 158 members started this process with the support of one of our advisors. These conversions will be completed over the years, as applicable.

Another sign of Plannuity’s success is the constant progression of the value of periodic benefit payments. Paid benefits that represented $2.7M in 2011 reached $5.9M in 2015.
The pooling of savings and the mutualisation of costs allow Bâtirente to offer high-quality retirement plans at the lowest cost. Moreover, the fee rate paid by members of a Bâtirente group gradually decreases as the group’s patrimony is constituted. Actually, while an average group paid a rate of approximately 1.55 percent in early 2009, the same group will only be paying 1.02 percent in 2016. This represents an annual fee reduction ratio of 5.75 percent. Within Bâtirente, close to 70 percent of groups, accounting for 82 percent of members and 97 percent of total assets, are enjoying fee rates below the standard rate of 1.95 percent applicable to most funds. Furthermore, 25 percent of members belong to groups whose fee rate is below 1 percent.

### BÂTIRENTE INVESTMENT PLATFORM: PERFORMANCE AND STABILITY

#### Investment options

**Capital accumulation plans**
As noted over the past few years, the five Bâtirente Diversified Funds, on the one hand, continue to attract the biggest slice of our participants’ savings with 72.9 percent of assets. On the other hand, the Trajectory turnkey investment strategy that uses these funds maintains its progression with 9.2 percent of their assets. Thus, at the end of 2015, the diversified funds, including the Trajectory share, represented over 80 percent of the total assets of these plans, with the lion’s share going to the Provident Fund.

We are also delighted with the significant decrease in the proportion of assets invested in guaranteed funds. This product that does not provide the long-term return required for a sound retirement capital accumulation, currently only counts for 5.5 percent of the total.

**Retirement income streams**
The Patrimonial Fund is the one that receives the most assets from our retired members, with 44 percent of the total, while 31 percent is channelled to the Income Fund, followed by the Provident Fund, progressively declining in popularity with 24 percent. This situation is also a cause for satisfaction since the Patrimonial and Income Funds were designed for retired members whose risk tolerance is lower and who are less focused on higher returns because they have usually planned the cashing out of their funds based on conservative return hypotheses. This is also true of retirees who chose the Trajectory option which is currently receiving 24 percent of their savings.

Besides, participants in retirement income plans are keeping a higher share of their investments in guaranteed funds, with 8 percent of the total.

### Changes in average management fee rate (in %) For participants linked to a group

<table>
<thead>
<tr>
<th>Year</th>
<th>Fee Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1.20</td>
</tr>
<tr>
<td>2012</td>
<td>1.17</td>
</tr>
<tr>
<td>2013</td>
<td>1.12</td>
</tr>
<tr>
<td>2014</td>
<td>1.10</td>
</tr>
<tr>
<td>2015</td>
<td>1.06</td>
</tr>
<tr>
<td>2016</td>
<td>1.02</td>
</tr>
</tbody>
</table>
On its website, Bâtirente gives members access to a retirement financial planning tool. On Target Retirement® helps members set a retirement income target and shows them how to reach it. At all time, if members are not on the right track, it makes recommendations and guides them to the adjustments needed to make them hit their target.

Because we are very confident in the relevance and the efficiency of this tool, we rolled out a promotional campaign for On Target Retirement with our largest groups last fall. These groups that account for close to 20 percent of our members were visited by our advisors, who held hands-on training sessions on how to use the tool. More than 3,650 Bâtirente members were targeted for this campaign that allowed us to increase the use of On Target Retirement by 93 percent with the targeted groups and to increase the total number of registrations for access to Bâtirente’s secure website by 21 percent. We will multiply this kind of training workshops so that all members are given the opportunity to become familiar with the tool and to take their financial future into their own hands.

Moreover, in December 2015, major improvements were made to On Target Retirement to make it much more user-friendly. In addition to a new, more intuitive, interface, the key data that members use to simulate the calculation of their retirement income is pre-filled in their account, allowing them to see where they are currently standing in relation to their desired retirement income. They can then adjust their strategy by analyzing various scenarios to best plan their retirement.

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For the past 10 years, Bâtirente has regularly optimized the asset allocation of its five Diversified Funds which receive over 80 percent of our members’ assets.
BÂTIRENTE FUNDS: OUR ROOTS, OUR FUTURE

Bâtirente Funds are the investment vehicles we offer our members to enable them to grow their retirement capital. This is the core of the mission entrusted to our organization. This is the reason why we dedicate a good part of our resources to making sure that they provide the return expected in relation to the risk level that those who choose them are ready to accept.
or the past ten years of so, Bâtirente has regularly optimized the asset allocation of its five Diversified Funds. We remind the reader that they receive over 80 percent of the assets held in Bâtirente by our members. The last optimization process started in the fall 2014, with the purpose of adjusting asset allocation in a context where expected returns had manifestly evolved.

This important Investment Committee project was finished on June 1, 2015, with the implementation of new weights for the various asset categories. As previously done, they are calibrated based on a graduation of the risk/return profile of every diversified fund in our fund offer.

The important features of benchmark portfolios recalibration are, on the one hand, the increased weight acquired by variable income securities at the expense of fixed income securities and, on the other hand, the increased space given to short-term and mid-term bonds in the fixed income category and, finally, the decrease of Canadian equity to the benefit of global equity.

Given the prevailing low interest rate context, we introduced commercial mortgages into the Treasury Multi and Bond Multi Funds to increase interest income and diversify income sources. To this end, global bonds were also added to the Bond Multi Fund. Moreover, the weight of the alternative, real estate and commodities categories was slightly reduced. Since global equity has become one of the most important asset categories in our portfolios, we introduced a mandate focused on sustainable growth emphasizing the energy transition that is starting pursuant to the Paris climate agreement. (Please refer to the box on page 34.)

Lastly, effective last summer, the Investment Committee was also authorized to take advantage of the room for maneuver in allocating assets among the various asset categories permitted. Thus, the benchmark portfolio of a diversified fund that sets the targeted allocation of its investments in each asset category—fixed income, variable income and alternatives—now includes lower and upper boundaries on either side of the target. The Investment Committee now has the capacity to modulate fund assets within these boundaries with the main purpose of preserving capital when adverse market conditions are anticipated.
ECONOMY AND MARKETS

In 2015, global economic activity was marked by below-expectations growth. Indeed, it moved from its historically weak 3.4 percent rate in 2014 to a disappointing 3.1 percent rate. For the fifth year in a row, the economic growth rate of emerging countries slowed down, while a continued modest recovery could be observed in developed countries.

Slackening economic activity in China, falling oil and commodities prices and continued extremely accommodating monetary policies by most central banks are the three material factors that affected the global economy in 2015. However, the U.S. Federal Reserve (the Fed) went its own way. Actually, at its December meeting, the Fed increased its leading rate by 0.25 percent, the first increase since the fall 2008 financial crisis. This budding monetary policy normalization was due to better labour market conditions and the anticipated return of inflation to its 2 percent target in the mid-term.

It is true that the American economy experienced a solid expansion in 2015. The progression of employment levels combined with lower gasoline prices rekindled consumer confidence, with private domestic demand and residential construction following in its wake.

For its part, the Canadian economy faced head winds, especially due to economic conditions unfavourable to commodities. The strong decline in base metal and oil prices led to sharp production and investment reductions in the resources sector and their unavoidable major job losses. Nonetheless, thanks to the resistance of activity in other sectors, employment levels were maintained despite the sluggishness of the extractive sector. The weakness of interest rates that fostered household demand and sustained global demand played a significant role in the Canadian economy’s resilience.

In this environment, equity and bond markets closed the year with modest, albeit positive, returns with the exception of the Canadian equity market (-8.3 percent). Besides, the decline of the Canadian dollar compared to major world currencies boosted the performance of foreign markets. For example, for Canadian investors, the global equity return of 2.7 percent in local currencies leapt up to 18.9 percent once converted into Canadian dollars.
**FUNDS’ PERFORMANCE**

**Bâtirente Diversified Funds**
Bâtirente Diversified Funds closed 2015 with respective returns of 3.8 percent for the Income Fund, of 3.9 percent for the Patrimonial Fund, of 4.8 percent for the Provident Fund, of 5.8 percent for the Intrepid Fund and finally, of 6.0 percent for the Energetic Fund. These are interesting returns considering the low level of inflation, and they are due to the returns of the various asset categories that make them up and whose performances are commented hereinafter.

<table>
<thead>
<tr>
<th>Annualized gross returns in %</th>
<th>Bâtirente Funds</th>
<th>Target portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diversified Income Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1yr</td>
<td>3.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>3 yrs</td>
<td>4.0%</td>
<td>5.4%</td>
</tr>
<tr>
<td>5 yrs</td>
<td>5.4%</td>
<td>5.2%</td>
</tr>
<tr>
<td>10 yrs</td>
<td>5.4%</td>
<td>5.2%</td>
</tr>
<tr>
<td><strong>Diversified Patrimonial Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1yr</td>
<td>3.9%</td>
<td>6.4%</td>
</tr>
<tr>
<td>3 yrs</td>
<td>4.8%</td>
<td>5.8%</td>
</tr>
<tr>
<td>5 yrs</td>
<td>5.8%</td>
<td>5.7%</td>
</tr>
<tr>
<td>10 yrs</td>
<td>5.8%</td>
<td>5.7%</td>
</tr>
<tr>
<td><strong>Diversified Provident Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1yr</td>
<td>4.8%</td>
<td>7.2%</td>
</tr>
<tr>
<td>3 yrs</td>
<td>6.4%</td>
<td>6.7%</td>
</tr>
<tr>
<td>5 yrs</td>
<td>7.2%</td>
<td>6.7%</td>
</tr>
<tr>
<td>10 yrs</td>
<td>7.2%</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>Diversified Intrepid Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1yr</td>
<td>5.8%</td>
<td>8.4%</td>
</tr>
<tr>
<td>3 yrs</td>
<td>6.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td>5 yrs</td>
<td>8.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td>10 yrs</td>
<td>8.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>Diversified Energetic Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1yr</td>
<td>6.0%</td>
<td>10.9%</td>
</tr>
<tr>
<td>3 yrs</td>
<td>5.7%</td>
<td>10.3%</td>
</tr>
<tr>
<td>5 yrs</td>
<td>7.1%</td>
<td>10.3%</td>
</tr>
<tr>
<td>10 yrs</td>
<td>10.1%</td>
<td>10.3%</td>
</tr>
</tbody>
</table>
Fixed Income Fund
The Canadian fixed income securities market posted a 3.5 percent return in 2015. Business conditions led the Bank of Canada to lower its leading rate twice over the year, causing the whole Canadian interest rate structure to sag. In its wake, the looney depreciated compared to Uncle Sam’s currency, sliding from $0.86 in early January 2015 to below $0.72 by the end of December. Conscious of the sluggish economic situation, investors shunned corporate bonds, finding refuge in government issues. Provincial bonds (4.1 percent) thus posted the best sectoral performance, followed by federal securities (3.7 percent) and corporate securities (2.7 percent). The mid-term segment produced the best annual performance (4.9 percent), followed by the long-term (3.8 percent) and the short-term (2.6 percent). Over the course of the year, five and ten-year federal bond rates declined respectively by 61 and 39 basis points to finish the year at 0.7 percent and 1.4 percent.

The defensive behaviour adopted by the Bond Multi Fund in fear of rate increases and a slight overweighting of corporate securities explain its 3.2 return, slightly below the 3.5 percent market index.

For their part, the Treasury Multi Fund and the Money Market Fund posted respective returns of 2.1 percent and 1.1 percent, slightly below market index for the former and 0.5 percent above market index for the latter.
Bâtirente Canadian Equity Multi Fund

The Canadian Stock Exchange was the only developed capital market to post a negative return in 2015. On top of the commodities price correction, this shortfall was due to the retreat of Valeant Pharmaceuticals’ stock that had boosted the market during the first half of the year with a growth over 50 percent before its governance problems made it tumble down just as spectacularly during the second half.

In this context, the Canadian Equity Multi Fund managed to post an annual return of -3.6 percent, or 4.7 percent above market index.

Bâtirente Global Small Cap Equity Fund

The Global Small Cap Equity Fund, invested at the rate of 25 percent in Canada, of 50 percent in the United States and of 25 percent in the rest of the developed world, finished the year up by 17.2 percent, or 6.1 percent above its benchmark index. Despite the weakness of the Canadian market with its high resources proportion, the positive performances of other markets were amplified by the substantial depreciation of the Canadian dollar.

Bâtirente Global Equity Multi Fund

Global stock exchanges, as measured by the MSCI ACW (all countries) index, closed 2015 with a return of only 1.3 percent in local currencies. However, here again, the sharp depreciation of the Canadian dollar boosted the return obtained by Canadian investors to 17.1 percent. The Global Equity Multi Fund closed the year at 14.6 percent, or 2.5 percent below market.

Other assets

The other assets are sought for the added diversification that they contribute to our diversified funds. In 2015, commodities finished the year on negative ground (-18.2 percent), outperforming the benchmark index by 6.5 percent. However, global real estate securities experienced another excellent year and posted a 13.9 percent increase, also stimulated by the decline of the looney.
Bâtirente places its members’ long-term financial interest and general interests at the heart of its action. This is why we intervene with the business enterprises that we invest in to have them improve their extrafinancial or ESG (environmental, social and governance) risks management.

In 2015, Bâtirente contacted 26 companies to broach various ESG issues. We actually met with eleven of them (please refer to the table below). We covered the themes of climate change, responsible taxation, community relations, human rights, labour and ESG reporting.

### Status of dialogue

<table>
<thead>
<tr>
<th>Company</th>
<th>Climate</th>
<th>Taxation</th>
<th>Communities</th>
<th>Labour</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alimentation Couche-Tard</td>
<td>O</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bank of Nova Scotia</td>
<td>O</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>National Bank of Canada</td>
<td>O</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Bank of Canada</td>
<td>O</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>BMO Bank of Montreal</td>
<td>O</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollarama</td>
<td>O</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eldorado Gold</td>
<td>O</td>
<td></td>
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<tr>
<td>Goldcorp</td>
<td>O</td>
<td></td>
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<td></td>
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<tr>
<td>Loblaw</td>
<td>O</td>
<td></td>
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<tr>
<td>Metro Inc.</td>
<td>O</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Suncor Energy</td>
<td>O</td>
<td></td>
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</tr>
</tbody>
</table>

- **O** Ongoing dialogue
- **N** Neutral
CLIMATE CHANGE

In 2015, the issue of climate change was more than ever at the forefront of actuality through, for one, the December Paris Climate Change Conference. Measuring the carbon footprint of investment portfolios (please refer to the box on the next page) and the efforts made to allocate more capital to transition to a low-carbon economy are among the key evolutions this issue has experienced in the financial world this year.

Bâtirente broached the climate risk issue with several corporations in its portfolios to understand their greenhouse gas emissions reduction strategy. For instance, we discussed with a number of banks the possibility of improving their disclosure of investment and loan portfolios’ exposure to high carbon intensity sectors.

Many energy corporations engage directly, or through intermediaries such as industry-based institutions, in intense government lobbying activities to put a bridle on the adoption of policies against climate change. These activities counter the efforts of institutional investors who see climate change as a growing risk factor capable of compromising the global performance of their portfolios, and who are calling for more government regulation. This is why Bâtirente joined the recent investor statement to the corporate world to express our expectations in matters of climate change lobbying. Along with some sixty other institutional investors, we stated our wish that corporations support government policies aimed at limiting climate change and make sure that the positions defended by their industry-based institutions are aligned with their own position. We directly broached this issue with TransCanada Corporation.
In December 2015, Bâtirente disclosed the carbon footprint of its equity portfolios, pursuant to the Montréal Carbon Pledge (MCP) launched by the Principles for Responsible Investment Association (UNPRI) at its 2014 annual conference held in Montréal. We were one of the first signatories to the Pledge.

The investors’ enthusiastic response—118 signatories representing 10.8 trillion ($ US) in assets under management—sent a clear message to the governments of all countries in the world upon the opening of the December 2015 Paris Conference (COP21): global institutional finance was ready to take action and to join the historic fight against climate disturbance.

The carbon footprint of our 13 equity portfolios represents our share of the greenhouse gas emissions of every corporation directly held or held through a pooled fund, and calculated at a pro rata of the capital stock held over outstanding capital stock.

We found that the carbon intensity of all shares held by Bâtirente Funds, i.e. 69.9 t. eq. CO₂ per million dollars, represented only 68 percent of the intensity of their benchmark indexes, i.e. 102.2 t. eq. CO₂ per million dollars. Only on the Canadian market—large and small cap—did the carbon intensity of our portfolios prove superior to that of their market indices.

By measuring the carbon footprint of its portfolios, Bâtirente took an important step in the processes that allow investors to act on climate change. Actually, pinpointing the sources of emissions in equity portfolios makes it possible to work on their reduction. Furthermore, since the MCP requires annual footprint disclosure, Bâtirente will monitor its evolution over time in full transparency.

To be able to act on climate, institutional investors must first and foremost reallocate their capital to sectors and corporations that will contribute to the reduction of global GHG emissions.

Moreover, as early as November 2015, we made our first reallocation move when we directed 10 percent of our global equity investments to a fund specialized in sustainable growth. The fund invests assets in corporations that work on GHG emissions reduction by improving energy efficiency or that work in the field of environmental services such as wastewater treatment, to name a few. The fund also completely avoids the fossil fuel sector.

This is why we have started the next major step which consists in making our portfolio managers more aware of the urgency of turning the reallocation curve. Hence, over the next few years, we will devote ourselves to mobilizing the management firms entrusted with our Canadian and global equity portfolios and our real estate securities portfolios. We will encourage them to take the carbon risk into account, just as they are taking other types of risks into account, and to incorporate it into their management process.

Furthermore, as part of our action on climate change and as we have been doing for ten years, we will continue to devote important shareholder engagement efforts to convincing the corporations we hold investments in to reduce their GHG emissions.

The full disclosure is available in our website’s pressroom.
RESPONSIBLE TAXATION

The highly publicized controversies revealed by LuxLeaks helped to put aggressive tax avoidance on the international community’s agenda. Since 2013, the Organisation for Economic Co-operation and Development (OECD) undertakes important projects to reform the international taxation system established over the last century with no global vision and consequently, no applicability to a global economy. The existing system allows transnational corporations to transfer profits from one jurisdiction to another to benefit from more favourable tax rates. These avoidance practices have negative consequences at many levels: on governments whose resources are thus reduced; on local businesses that are rendered less competitive faced with the competition of these multinationals; and on investors, who bear the nuisances inflicted on the latter and who don’t know the facts about the true profitability of these corporations, whose profits could evaporate if the loopholes were closed.

Recognized for its responsible taxation knowledge, Bâtirente contributed to developing a guide to support responsible investors’ dialogues with corporations on this issue. The guide lists, amongst others, a series of indicators to help identify at-risk corporations. It also covers corporate policies, the role that the board of directors should play in supervising the taxation risk and the transparency of financial information as well as “country-by-country” reporting that would make it easier to identify those corporations that funnel profits to tax havens.

In 2015, we brought up this issue with various mining companies and financial institutions. We targeted mining companies whose corporate structures are especially complex, with many subsidiaries located in countries currently labelled as “tax havens”. Although some companies justified the existence of their subsidiaries with the operational advantages that they provide, others remained silent, leading to the assumption that they are used for tax purposes. Banks, for their part, could be involved in facilitating tax evasion for some of their clients.

As part of these dialogues, we started recommending that corporations adopt responsible taxation policies, to show more transparency regarding their subsidiaries and to make sure that their tax planning does not hinder sustainable development.

Bâtirente, in equal partnership with the Regroupement pour la responsabilité sociale des entreprises (RRSE), established a corporation called Æquo Shareholder Engagement Services Inc. By summer 2016, Bâtirente will have transferred to Æquo the shareholder engagement activities currently internalized. By spinning off our responsible investment activities, we aim to make available to the institutional investment community in Québec and beyond these services that are currently absent from our market.

We are counting on the fact that the mobilization of more capital behind this activity will increase the impact of our actions and help responsible investment reach new heights.
HUMAN RIGHTS
AND HUMAN RESOURCES

Since the 1990s, many business enterprises have adopted codes of conduct designed to prevent their suppliers from violating fundamental labour rights. In the past, the reputation of many brands has been tainted when the media linked their supply chain to cases of forced labour or the employment of minors. In 2011, the approval of the Guiding Principles on Business and Human Rights by the United Nations Human Rights Council (UNHRC) established the responsibility of corporations to respect human rights not only in their direct activities but also in their supply chain.

For our part, we expect retail businesses to inform their suppliers on the practices that are not tolerated and to implement efficient human rights respect control systems. We also encourage them to go further in seeking to increase States’ capacity to better supervise their labour markets to make sure that their business enterprises respect human rights and decent working conditions.

We started discussing the issue of social performance with Dollarama in 2013. They have now adopted an Approach to Sustainable Development and a code of conduct for their suppliers covering minimum conditions for compliance with fundamental labour rights, amongst others. The vast majority of their suppliers, mainly located in Asia, have signed the code and Dollarama is assessing the strategies to be deployed to ensure its respect. The company is presently reviewing the code improvement and implementation recommendations we presented them with in 2015.

Metro is another retailer with whom we have been talking for several years. We recently recommended that the company, who is striving to improve its responsible procurement approach, integrate the issue of labour rights into its process. Actually, over the past few years, multiple cases of forced labour have been reported in Southeast Asia’s shrimp farming industry. This is why we recommended that the food retailer join the Shrimp Sustainable Supply Chain Task Force, a retailer, government and NGO alliance, aiming to end forced labour in the Thai fishing industry, amongst others.

We also contributed to the PRI task force on professional relations in the retail sector. This group first developed a corpus of performance indicators in the field of human resources before starting a campaign with 27 retailers to obtain the disclosure of data on these indicators including turnover rate, employee satisfaction and investment in professional training. The dialogues held by the 24 investors who participated in the group led several companies to improve their disclosure. However, Bâtirente was unable to obtain the formal engagement of Alimentation Couche-Tard, Empire (Sobeys) or Loblaws on this matter.

We expect retail businesses to inform their suppliers of the practices that are not tolerated and to implement efficient human rights respect control systems.
In 2015, Bâtirente exercised its voting rights with 103 corporations. The votes covered 1,152 resolutions. We supported board recommendations in 403 (or 35 percent) of these votes.

In general, we vote against directors—or abstain from voting when the option to vote against is not available—because we want to protest against the corporation’s governance practices. As a consequence, we would vote against a non-independent director when less than 66 percent of directors on the board are independent from management, or when a retiring director is a member of the compensation committee and the compensation plan of senior management does not meet the key criteria of our policy, or when the retiring director maintains low board and committee meeting attendance rates. This explains why we abstained from voting or voted against 502 board of directors candidates.

Likewise, we abstained from voting or voted against the appointment of the recommended external auditors in the majority of the 97 resolutions, because this is how we vote whenever the auditors’ firm draws less than 75 percent of its professional fees from activities not related to the audit or whenever the duration of the audit mandate exceeds seven years. In our opinion, non-compliance with either of these criteria taints the necessary independence of auditors.

We voted against all consultative resolutions on executive compensation and against the majority of proposals seeking the adoption of new compensation plans. In most cases, we voted in this way because we systematically oppose compensation plans that include stock-option plans.

We also voted in favour of 33 shareholder resolutions purporting to the environment, climate change, human rights and governance.

Voting reports are available on our website, under the Responsible Investment tab.
By measuring the carbon footprint of its portfolios, Bâtirente took an important step in the processes that allow investors to act on climate change. Once the sources of GHG emissions are pinpointed, it becomes possible to work on their reduction.
As early as 2004, Bâtirente was anxious to adopt the best social and environmental impacts disclosure practices. We were then publishing every other year a global report based on the Global Reporting Initiative’s (GRI) indicators. We consolidated disclosure in 2014 pursuant to a decision to focus our transparency efforts on the indicators most relevant to our organization’s specific activities and size, and to do so every year. Ever since, as a signatory to the Principles for Responsible Investment (PRI) and as an institutional investor active on public markets, Bâtirente has produced annual reports on its practices in this area.
ENVIRONMENTAL PERFORMANCE

GHG emissions
A financial services firm’s activities generate little greenhouse gas (GHG) emissions. Our emissions are essentially attributable to the professional travels of employees assigned to group or member support, which primarily involve car travel. Our engagement in the sphere of responsible investment, including the Principles for Responsible Investment (PRI), occasionally calls for air travel.

Bâtirente seeks to promote sustainable development with its staff, encouraging them to acquire or maintain good work-home commuting practices. With this in mind, Bâtirente subsidizes the purchase of monthly public transit passes, thus contributing to maintain the use of public transit by sedentary personnel at approximately 73 percent.

Furthermore, Bâtirente and the other employers at the Carrefour financier solidaire established the CarboPOINTS programme for the purpose of encouraging employees in the building to replace their solo use of the car with sustainable or active means of transportation. The points credited for using these modes of transportation can be redeemed for gift certificates with retailers recognized for their contribution to sustainable development, or for donations to organizations promoting human rights or the environment such as Amnesty International or Équiterre. Every spring, the programme also holds a free on-site bicycle maintenance tune-up day for all Carrefour cyclists.

Paper consumption
The paper consumption presented herein is divided in two categories: direct consumption for internal Bâtirente employee and committee needs and indirect consumption attributable to the administrator’s communications and business development activities on behalf of Bâtirente.

Travel-related GHG emissions

<table>
<thead>
<tr>
<th></th>
<th>In metric tons of CO₂, equivalent</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
</tr>
<tr>
<td>Direct emissions</td>
<td></td>
</tr>
<tr>
<td>Employees’ business travels</td>
<td>15</td>
</tr>
<tr>
<td>Board members’ business travels</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
</tr>
<tr>
<td>Emissions per 1,000 participants, in kg</td>
<td>10</td>
</tr>
<tr>
<td>Indirect emissions</td>
<td></td>
</tr>
<tr>
<td>Employees’ commuting</td>
<td>0.81</td>
</tr>
</tbody>
</table>

Sources: Bâtirente and Planétair
Bâtirente’s direct consumption
The paper consumption by Bâtirente employees and the committees that ensure the governance of the organization increased by 15 percent, moving from 64,300 sheets in 2014 to 73,900 in 2015. The increase was due to the need for more staff to develop business. All told, the paper consumption growth for ongoing activities was fairly small compared to the number of additional individuals.

To limit the environmental footprint generated by that consumption, all Bâtirente publications are printed on FSC or 100 percent recycled paper.

Bâtirente continues to raise employee awareness of the importance of paper consumption reduction.

Administrator’s indirect consumption
Since Desjardins Insurance became our administrator on January 1, 2014, we have made greater efforts to convince group members and those in charge of groups to turn to electronic communications and we deployed new tools to accelerate the transition.

For the first year of its mandate, Desjardins Insurance was unable to track its paper consumption, which it only started to do in January 2015.

The mailing of the personalized administrative documents that our administrator has to forward to members and to those in charge of groups or of remittances accounted for 265,000 sheets and 98,000 envelopes.
Electronic transition

Bâtirente has been accelerating its transition towards electronic communications to include members and those in charge of groups, the key stakeholders enjoying dedicated websites.

As at December 31, 2015, 14 percent of members were managing their accounts online using the Member Services website where they can also retrieve their financial statements and tax slips if they so desire. For their part, more than 50 percent of groups were using our online services to carry out various plan administration tasks (i.e.: downloading reports, forms and guides).

Moreover, the popularity of the two e-newsletters developed for these two audiences is growing. Currently, 75 percent of those in charge of groups subscribe to the *Le Porte-parole* newsletter while 20 percent of members subscribe to our mailing list, and have thus been receiving the *Votre chemin* newsletter since January 2016.
SOCIAL PERFORMANCE

As at December 31, 2015, Bâtirente had twelve employees, nine of which were unionized. A third collective agreement was then being negotiated, to be signed in March 2016. The agreement establishes working conditions and includes a range of benefits including a retirement plan, a group insurance plan, a supplemental parental leave programme and access to professional training. The collective agreement also provides for an advantageous array of paid holidays and annual vacation.

The flexibility that employees enjoy in organizing their work schedule supports work-life balance. In addition, they have access to support services to deal with the personal hardships they may be faced with.

Salary conditions
Bâtirente’s entry level salary is $23.16 per hour, which represents more than 2.25 times the current Quebec minimum wage.

As at December 31, 2015, the Bâtirente team included six men and six women.

In 2015, the ratio of women’s maximum basic salary compared to men’s was 88.1 percent.

Retirement plan
Bâtirente employees have access to a defined benefit pension plan. As at December 31, 2014, the plan posted a solvency rate of 87.4 percent.

Professional development
The finance professionals employed by Bâtirente hold professional certifications granted by the Autorité des marchés financiers, the CFA Institute and the Canadian Institute of Actuaries. These organizations require 30 to 100 hours of professional development per two-year period. Bâtirente covers the applicable fees for concerned employees. Employees in other job categories also have access to professional development. In 2015, seven permanent Bâtirente employees completed 330 professional development hours.

Sponsorships and local engagement
In addition to the activities directly related to its role as a retirement system sponsor, Bâtirente is engaged in various labour, community or social initiatives dedicated to the improvement of the retirement conditions of workers and to the sustainable development of communities, both goals being connected to the fulfillment of its mission. Bâtirente’s engagement takes the form of donations and sponsorships or participation in fund-raising campaigns or other philanthropic activities, to name a few.

The goal of Bâtirente’s policy is that sponsorships and donations must serve purposes of community information and education, economic development and welfare. The allocation of donations and sponsorships is governed by an internal policy supervised by the Governance Committee.
In 2015, Bâitrente supported the following labour, humanitarian and social, sustainable development, education and research and responsible investment organizations and events:

**Labour**

Leucan's Vol d'été Camp
Conventions, golf tournaments, anniversaries and internal publications of CSN central councils and CSN-affiliated labour unions
Conventions of federations

**Responsible investment**

FSI-PRI Scholarship for Best Research on Responsible Investment
PRI Québec Network's Responsible Investment Symposium

**Human rights and sustainable development**

Amnesty International
Équiterre
La rue des femmes
Terre Sans Frontières

**Education and research**

CERIUM's summer school on climate change
Fondation pour l'éducation à la coopération et à la mutualité
Lea Roback Foundation

**Culture**

Tous amis de Radio-Canada
Grands amis du Devoir
Fête africaine à Inverness
Groups are at the heart of Bâtirente’s operations. An important reflection undertaken by the board of directors in 2014 concluded that it is necessary to consolidate, even to expand, the space that they occupy in governance processes.
BOARD OF DIRECTORS

CHAIR

Pierre Patry  ●  □  □
2014* Montréal
Treasurer
Confédération des syndicats nationaux

VICE-CHAIR

Nathalie Arguin  ●  □  □
2015 Montréal
Secretary General
Fédération des employées et employés de services publics (CSN)

SECRETARY

Normand Brouillet  ●  □  □
2015 Greenfield Park
Retired
Confédération des syndicats nationaux

DIRECTORS

LEOPOLD BEAULIEU  ●  □
2015 Lanoraie
President and Chief Executive Officer
Fondaction

LOUISE CHARETTE  ●  □
2013 Montréal
Portfolio Management and Governance Consultant

NEJJA CHÉHIĐ  ●  □
2014 Montréal
President
Syndicat des travailleuses et travailleurs de l’hôtel Le Reine Elizabeth (CSN)

ANDRÉE DE SERRES  ●  □  □
2013 Town of Mount Royal
Lawyer and Tenured Professor
École des sciences de la gestion de l’UQAM

SERGE FOURNIER  ●  □
2013 Saint-Nicolas
President
Fédération du commerce (CSN)

RENÉ GÉLINAS  ●  □
2013 Chicoutimi
President
Syndicat national des travailleurs et travailleuses des Pâtes et Cartons de Jonquière (CSN)

PIERRE LEDUC  ●  □
2013 Salaberry-de-Valleyfield
Syndicat national des produits chimiques de Valleyfield (CSN)

Pierre Théorêt  ●  □  □
2014 Lachine
President
Syndicat des travailleurs Câbles d’Acier de Pointe-Claire (CSN)

NORMAND BROUILLET  ●  □  □
2015 Greenfield Park
Retired
Confédération des syndicats nationaux

Pierre Patry  ●  □  □
2014* Montréal
Treasurer
Confédération des syndicats nationaux

Nathalie Arguin  ●  □  □
2015 Montréal
Secretary General
Fédération des employées et employés de services publics (CSN)

Normand Brouillet  ●  □  □
2015 Greenfield Park
Retired
Confédération des syndicats nationaux
**Richard Fortier**  
2014  Longueuil  
Retired  
CFA

**Yvan Duceppe**  
2013  Longueuil  
Finance and Administration  
Advisor, CPA, CA  
MCE Conseils

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* The date indicates the beginning of the three-year term ending at the regular annual meeting held on the year of its expiration. The terms of external members of committees end at the first board meeting following the said annual meeting.
2015 annual report
The French version of the 2015 annual report was printed in 1,200 copies and the English version is available on Bâtirente’s website.

2015 financial report
The annual financial report is available in French in the Documentation section of the Bâtirente website. It contains the audited financial statements of Bâtirente Funds.

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June 2016