



The Pension Plan
of The United Church
of Canada



2024 Annual Report

Rooted in History, Reaching for Tomorrow



✳️ 1925

The United Church of Canada was inaugurated on June 10, 1925 in Toronto, Ontario.

1928

The pension plans of the Congregational Union Church, the Presbyterian Church and the Methodist Churches in Canada join to form The Pension Plan of The United Church of Canada (the Plan).



1939-1949

The United Church supported Canada's involvement in World War II, with chaplains overseas providing comfort, counselling, and religious services. By the late 1940s, its focus shifted to post-war reconstruction, advocating for international peace, refugee resettlement, and the rebuilding of war-torn nations.



1936

Ordination of the first woman minister, the Rev. Lydia Gruchy.

1952

General Council supports Medicare, a universal, publicly funded healthcare system in Canada.

Upon the Church's centennial, let us celebrate key milestones, progress in healing, and the spirituality that sustains us.



1962

Woman's Association and Woman's Missionary Society join to form the United Church Women.



1975

Taskforce on the Churches and Corporate Responsibility is founded and ends South African investments in 1986.



1986

The Lay Pension Plan is merged with the Plan.



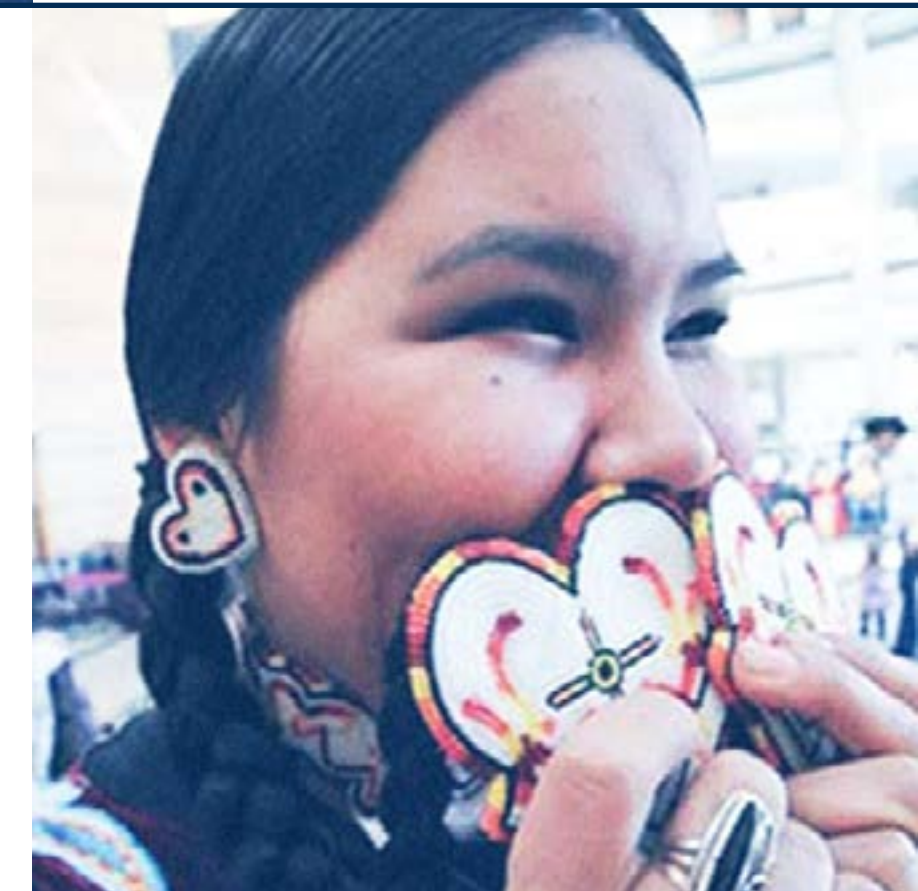
1988

The All Native Circle Conference is inaugurated. The United Church of Canada formally apologizes to Indigenous peoples and acknowledges the church's involvement in the residential school system.



1992

Tim Stevenson becomes the first openly gay man to be ordained as a minister.



1998

The United Church issued a formal apology to Indigenous peoples for its role in the residential school system—a key step toward reconciliation. The Church has continued to engage in efforts to support reconciliation and healing in the years since.



2007

United for Peace Campaign launches as a peace initiative in Palestine and Israel, focusing on education, advocacy and fundraising.



2024

An autonomous National Indigenous Organization is established—consisting of a National Indigenous Council and a National Elders Council.



2012

Two entities merge to form the Sandy—Saulteaux Spiritual Centre, a new Aboriginal theological school.

2012

41st General Council approves changes to the United Church Crest, adding the four “traditional colours” and the phrase “All My Relations” in Mohawk.



2020

“Towards an Anti-Racist Denomination” is referred to the General Council Executive to begin initiatives to rid the church of bias and racism.

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2025



The United Church of
Canada celebrates
its 100th anniversary
on June 10, 2025.

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Fast Facts about Your Pension Plan*



75¢/\$1

in benefits is paid by
investment earnings.
(75.56¢ in 2024)

78.54

Average age
of pensioners

66.29

Average age
at retirement

53.45

Average age
of active members

243 members
joined

In 2024

140 members
retired

5,234

Pensioners¹

1,592

Deferred²

2,770

Active³

47%

40%

13%

Age

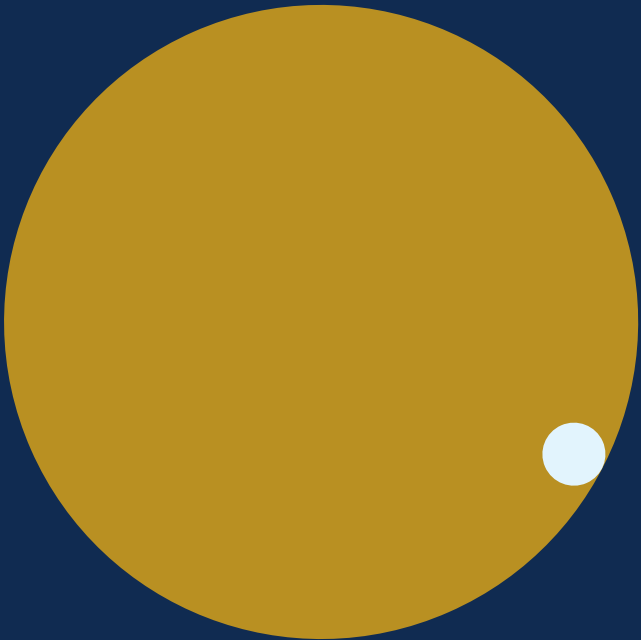
< 55

55—64

> 65

277

members
> age 90



6

members
> age 100

Average years spent:

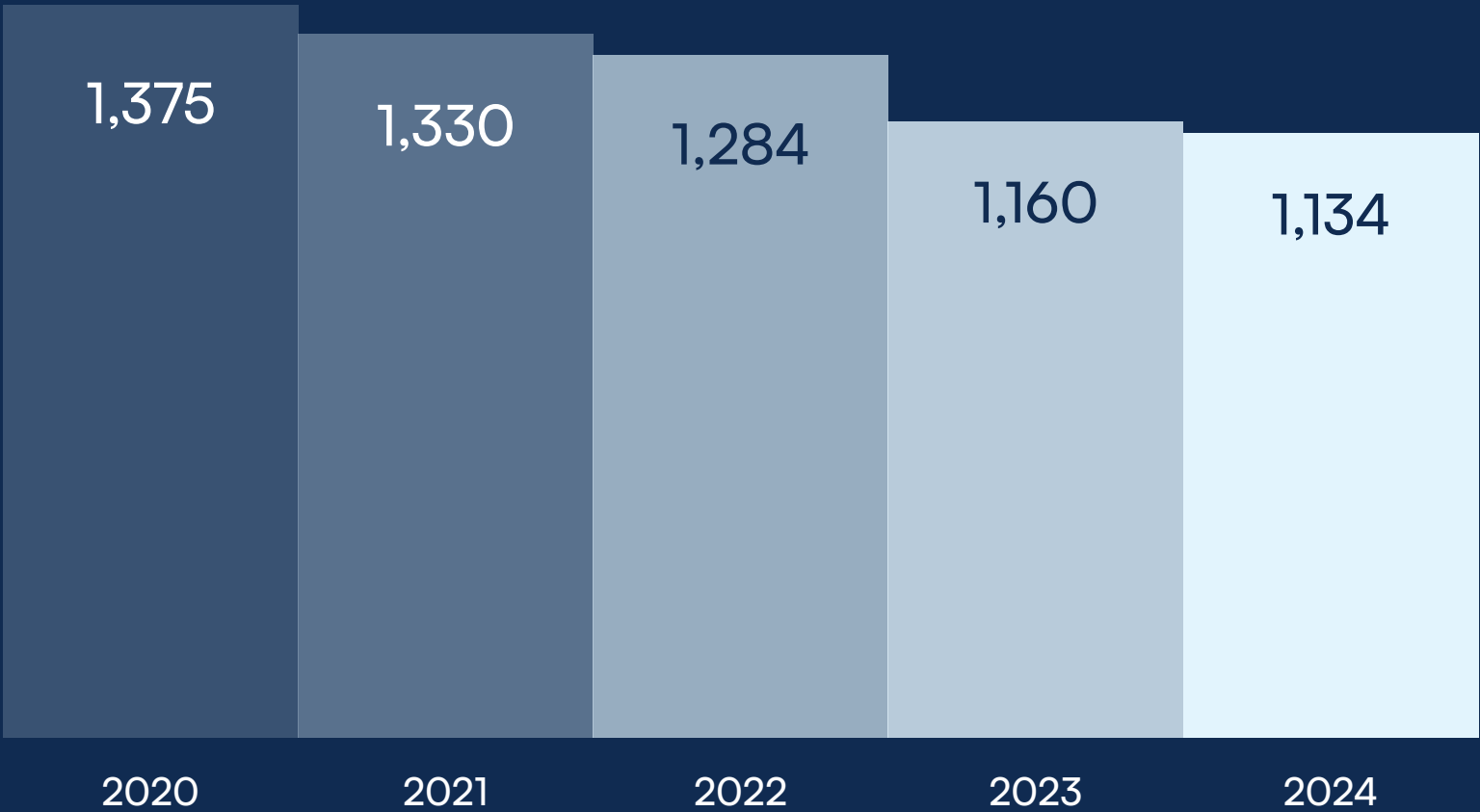
Contributing to the plan

19

Receiving a pension

24.5

Number of participating employers:



*As at December 31, 2024.

- 1. Member who is receiving pension.
- 2. Member who has earned a pension but is not yet receiving it.
- 3. Member who is currently employed by the United Church.



(1)



(2)

From the Moderator and General Secretary

Dear Pension Plan Members,

Our centenary year as a denomination has been exciting, and heartwarming, as stories of our accomplishments, milestones, and joys are told. We have also looked back on our struggles and missteps with humility and honesty, reflecting on learnings from those times. We have honoured the saints of the past century and thanked everyday members who step up, step in, and step out for our ministries locally, nationally, and globally.

While not quite a century old yet, The Pension Plan of The United Church of Canada (founded in 1928), has been a vital part of how our church has supported ministry personnel and lay employees who have served with faith and commitment. And it continues to do so today and into our second century. As noted in the recent total compensation study commissioned by the 44th General Council, the pension plan is a significant part of our overall compensation program. It is valued for its stability and security.

As both members of the Plan and participating employers, you contribute to our defined benefit plan, guaranteeing a secure income to our retirees. Thank you to the volunteers who govern our Plan and to our staff who steward it.

One of the regular required regulatory tests of the health of the Plan is an actuarial valuation on a going concern basis, asking whether the Plan is good to go as far into the future as we can see. Good news: our Plan is in a very good going concern position! And so is our denomination.

May both our church and our pension plan be serious “going concerns” in perpetuity!

Blessings to all,

The Right Rev.
Dr. Carmen Lansdowne
Moderator¹

The Rev. Micheal Blair
General Secretary²



From the Chair of the Pension Board

Dear Members,

I am writing to you to highlight the key activities of the Pension Board in 2024 and offer a glimpse of what we are doing in 2025. Despite increasing geopolitical and economic uncertainty, prudent management of the pension plan has enabled us to earn respectable asset returns, maintain our strong funded position, and grant pension increases to members in 2024 and in 2025.

Pension Board Strategy

The Pension Board Strategy was adopted in December 2022. This document provides guidance and direction on how the Plan is managed to support its long-term sustainability. The board oversees the execution of the strategy with support from the Investment Committee, the Pension Plan Advisory Committee (PPAC), and management.

Key activities relating to the strategy include:

OBJECTIVE 1

Continue to actively prioritize Plan stability and sustainability
An asset liability study was conducted in 2024 (and subsequently completed in the first quarter of 2025). As a result, the asset mix will be adjusted gradually over the next five years to reflect changes in the investment landscape. Building on information from the asset liability study, the Funding Policy is being reviewed with the goal of finalizing the updated policy in late 2025.

OBJECTIVE 2

Enhance risk mitigation
In 2024, a task group was formed to develop an enterprise risk management framework. The framework will outline various risks to the Plan and strategies to mitigate those risks. Management is developing a governance policy for the Plan, which will be presented to the board by the end of 2025. The board will be asked to recommend the policy for approval by the Executive of the General Council.

OBJECTIVE 3

Strengthen approaches to active and responsible investment
Efforts in 2024 and 2025 focus on measuring the current carbon footprint of Plan assets and setting interim carbon emission reduction targets to support a net zero goal by 2050. A climate action plan is expected by fall 2025.

OBJECTIVE 4

Elevate Plan members’ and employers’ appreciation for the value of the Plan

Focused communication with Plan members continued to be rolled out on subjects such as the advantages of a defined benefit pension plan and an explanation of how to read the annual pension statement, using the Connex newsletter and [The United Church of Canada Benefits Centre](#).

OBJECTIVE 5

Enhance and modernize administration to better serve members and employers

The new pension and benefits administration system (PABAS) was launched in November 2024 to replace an outdated system and to modernize administration practices. During 2025, implementation will continue with stabilization measures being introduced.

Pension Increases

At the end of 2024, the board approved a 2025 pension increase for retired and active members (more information may be found in the letter from the PPAC chair on page 10).

Although increases have now been approved for six years in a row, future increases are not guaranteed and will depend on the continued financial strength of the Plan. The board regularly monitors the financial health of the Plan and applies the terms of the Funding Policy to determine whether increases can be considered. The board continues to focus on Plan stability to keep the pension promise now and into the future.

Changes at the Pension Board

Ahren Estabrooks joined the board in March 2025, filling the vacancy created when Joanne Wilson stepped down upon completion of her second term in June 2024. The board thanks Joanne for her contributions in the last six years.

The board also wishes to express its deepest appreciation to the management team for their hard work and skill.

On behalf of the Pension Board,



Anne Soh
Chair

For bios of all pension plan governors, visit [The United Church of Canada Benefits Centre Document Library](#).



From the Chair of the Pension Plan Advisory Committee

Dear Members,

I'm pleased to provide an update on the activities of the Pension Plan Advisory Committee (PPAC) in 2024.

Pension and benefit administration system (PABAS)

The new PABAS system for staff was launched in November 2024, thanks to the hard work and dedication of PPAC members, the Steering Committee, and staff, as well as the cooperation of the team at TELUS Health. PPAC continues to oversee the stabilization phase of the PABAS implementation, with some members taking an active role by sitting on the Steering Committee.

Solid financial position of the Plan

Since the last filed valuation at December 31, 2023, PPAC has received quarterly estimates, which show that the Plan remains well funded on both going concern and solvency bases.

Asset liability study

As part of good governance, an asset liability study was completed in the first quarter of 2025, guided by members of PPAC, the Investment Committee, and the Pension Board. Partially informed by results of the asset liability study, a review of the Funding Policy is currently being conducted and slated for completion by the last quarter of 2025.

Annual review of risk tolerance and scenario testing

Each fall, PPAC obtains detailed scenario tests to show the likely effects of various adverse events on the Plan's funded status. This is yet another way that PPAC monitors the health of the Plan. Some of the valuable tests contained in the asset liability study will be repeated on an annual basis.

Pension increase at January 1, 2025

Owing to the strong funded position, PPAC recommended to the Pension Board a 2.7% increase to the pensions of retired and inactive members effective January 1, 2025, and a temporary increase to the rate at which active members earn their pension in 2024. Although the Plan does not provide for annual indexing of pensions, funding levels have allowed for benefit improvements for six years in a row.

PPAC members are happy to contribute time and expertise toward the success of The Pension Plan of The United Church of Canada. On behalf of PPAC, I recognize and thank General Council Office staff for their contribution.

On behalf of the Pension Plan Advisory Committee,

A handwritten signature in black ink, reading "Jacques Tremblay". The signature is written in a cursive, flowing style.

Jacques Tremblay
Chair

For bios of all pension plan governors, visit [The United Church of Canada Benefits Centre Document Library](#).



From the Chair of the Investment Committee

Dear Members,

2024 was a year marked by strong but volatile returns and increasing global risk. Global risk assets rebounded sharply in 2024 as receding inflation and a generative-AI boom powered the equity markets significantly, with the S&P 500 up 26%. Major central banks pivoted: the US Federal Reserve delivered its first rate cut in September while the European Central Bank, the Bank of Canada, and others eased in the fourth quarter, driving bond yields lower and credit spreads tighter.

The fund (i.e., the assets of the Plan) generated strong gross absolute returns of 10.2% in 2024 that exceeded its discount rate, the assumption used to calculate the present value of future pension obligations. Although the fund fell short of its annual policy benchmark of 10.9%, this was compared to public equity indices, which were dominated by returns from a few stocks. The fund's performance was also challenged by sluggish private equity markets that made it difficult to realize gains. Instead of just buying the index, the Investment Committee believes that active management will achieve better risk-adjusted returns over the long term. Active management also allows the fund to pursue its responsible investment objectives, discussed separately in this report on page 22.

It's important to highlight that members are better off compared to a year ago because fund assets grew enough to allow for another benefit increase—the sixth increase in as many years. The fund remains in a well-funded position, demonstrating the ability to provide benefits for the foreseeable future.

Looking ahead, 2025 is shaping up to be another volatile year, where the only certainty seems to be more uncertainty. The war in Ukraine and the destruction of Gaza continue, while the rules of international trade reset. It appears that the only growth industry is defence products, and the fund is restricted from investing in companies that make or sell armaments.

The Investment Committee's target asset mix is defined by its long-term view for investments. Every few years, the Pension Board, PPAC, and the Investment Committee work together to review and reset the asset mix through an asset liability study, with an actuary's help. Such a review was completed in the first quarter of 2025, and the modelling showed that the current asset mix protects the funded status of the Plan over the long term quite well. However, to further strengthen

the Plan's funded status, the study showed that the Investment Committee should increase the proportion of long-dated bonds (with maturities of 20 years or more) in the bond portfolio, increase its investment in infrastructure, and reduce its investment in public equity over time. The Investment Committee will be working to make these changes. In addition, the Investment Committee is opportunistically looking to increase its exposure to private debt as part of the fund's corporate debt exposure. The Investment Committee made one \$20 million commitment in 2024 and is looking to prudently increase its exposure outside of Canada.

Lastly, thank you to the other volunteers on the Investment Committee who make our quarterly meetings collegial and productive. All Investment Committee members believe that helping The United Church of Canada manage an open defined benefit plan for its ministers and employees is a fulfilling way to give back.

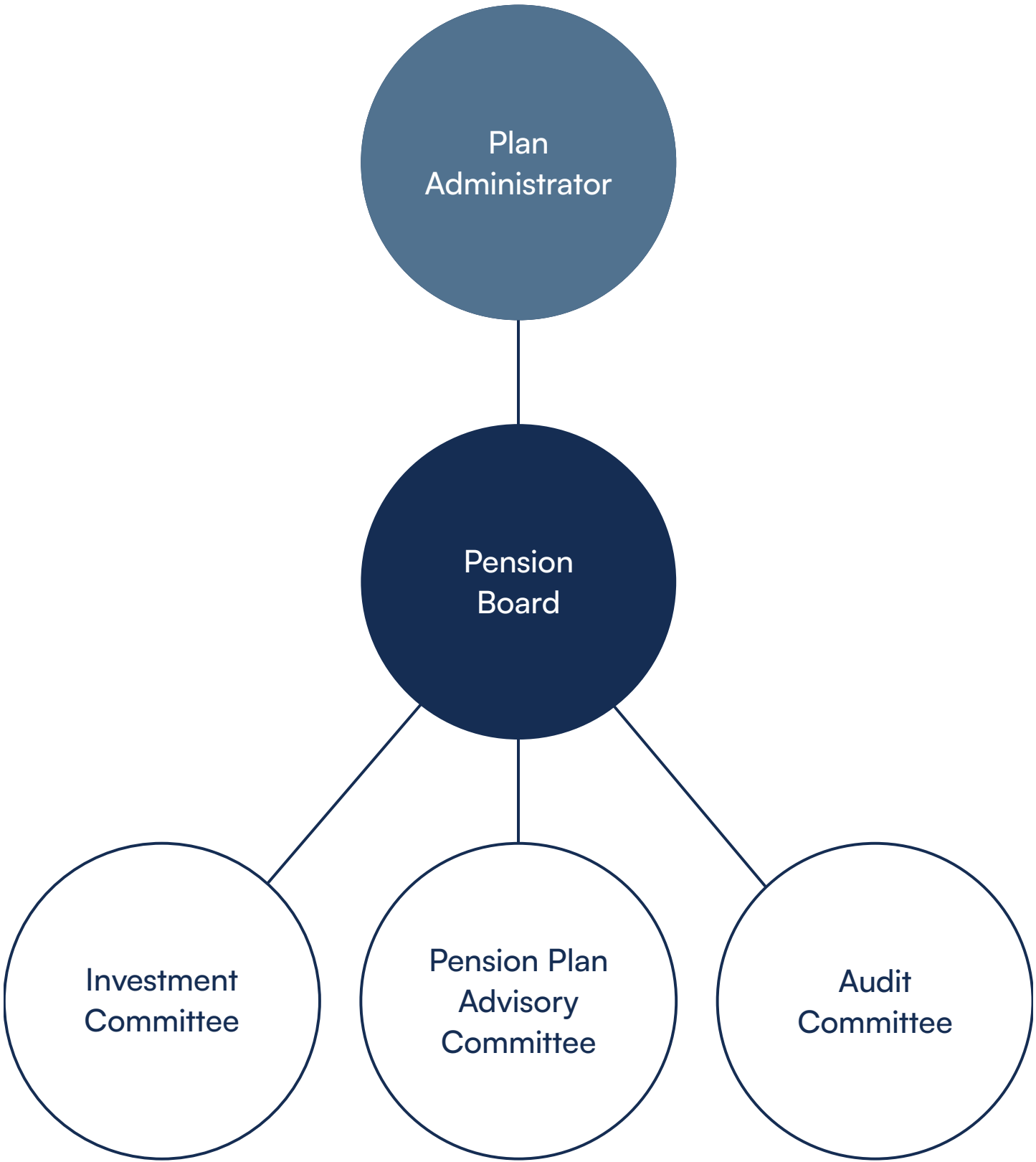
On behalf of the Investment Committee,

A handwritten signature in dark ink, appearing to read 'Andrew Greene', followed by a long horizontal flourish.

Andrew Greene
Chair

For bios of all pension plan governors, visit [The United Church of Canada Benefits Centre Document Library](#).

Pension Plan Governance Structure



Pension Board Strategy

The board of The Pension Plan of The United Church of Canada seeks to be a faithful steward of the assets of the Plan, building on the established foundational principles of good governance, responsible investment, and timely and accurate administration. As the Plan anticipates trends and challenges, the board continues to strengthen the conditions for success so that members can have confidence that it is a secure, reliable, and valuable asset in their retirement.

The first formal Pension Board Strategy was approved by the board in December 2022, and will provide guidance for 2023 through 2027. It has helped to position the pension plan to face potential obstacles and challenges such as plan maturity, reduced number of participating employers, increased member life expectancy, and other risks identified in future studies.

The board is guided by the following strategic objectives:

OBJECTIVE 1

Continue to actively prioritize Plan stability and sustainability
The Administrator of the Plan (the General Council Executive) and the Pension Board will provide a sustainable defined benefit pension plan in accordance with the Plan’s Statement of Beliefs and Guiding Principles, and they will take action to enhance the likelihood that contribution rates remain stable and predictable while providing benefit improvements when it is prudent and affordable to do so.

OBJECTIVE 2

Enhance risk mitigation
Identifying and managing risk is core to securing benefits, particularly in volatile political and economic environments. The Pension Board will actively monitor and manage risks using multiple levers.

OBJECTIVE 3

Strengthen approaches to active and responsible investment

With the primary objective of positioning the Plan for strong and sustainable long-term performance while considering the values of the church and the General Council’s commitment to deep spirituality, daring justice, and bold discipleship, the Pension Board will be an active and responsible investor.

OBJECTIVE 4

Elevate Plan members’ and employers’ appreciation for the value of the Plan

It is important that members and employers appreciate the value of the Plan so it remains relevant and meaningful to members, provides employers with an attractive benefit for current and future employees, and fulfills the church’s objective of contributing to the financial well-being of members during retirement. The Pension Board will work to enhance members’ and employers’ appreciation for the value of the Plan.

OBJECTIVE 5

Enhance and modernize administration to better serve members and employers

During the extended period of transition to in-house administration and the implementation of a system to manage pension and benefits, timely service to members has been challenging. The Pension Board commits to enhancing timely and responsive service to members and employers.

Membership and Appointments

Pension Board

Since the last report, the Pension Board welcomed one new member and two returning members. In March 2025, Ahren Estabrooks was appointed to the Pension Board. Anne Soh and Darwin Bozek were reappointed for second terms on the board in June 2024, with Anne graciously agreeing to continue in her role as chair.

Pension Plan Advisory Committee

Four new members were appointed to PPAC since the last report: Alison McKay, Helen Redmond, and Corbin MacGillivray were appointed in June 2024, with Ingrid Chingcuanco appointed effective September 2025. The committee’s complement was at nine out of a maximum 10 members prior to the departures of James Clarkson and Audrey Forbes who completed their terms. Jacques Tremblay agreed to extend his third term by one year to January 2026 to allow for selection of a new PPAC chair.

Investment Committee

Membership on the Investment Committee has been very stable. Samantha Cleyn joined the committee in February 2024.

Pension Governors

Please refer to the complete list of all pension governors who serve on the Pension Board, PPAC, and the Investment Committee in the [Benefits Centre Document Library](#). There you will find a brief biography of each member, detailing their expertise in pensions, finance, and human resources, along with the skills and perspectives they bring to the Plan.

Fiduciary Responsibility and Due Diligence

The Pension Board, PPAC, and the Investment Committee place fiduciary responsibility to members and due diligence as their highest goals.

Fiduciary responsibility includes:

- duty of loyalty to beneficiaries of the Plan (avoiding conflicts of interest, not putting personal interests ahead of the interests of Plan beneficiaries, and not profiting personally from the fiduciary role)
- duty of care for the beneficiaries of the Plan (using due diligence and skill to be well informed of all material information available in order to make the best decisions)
- duty of even-handedness
- duty to provide adequate disclosure
- duty to protect confidential information

The fiduciary standard is not perfection. Establishing due diligence is key and includes:

- considering a range of options to make reasonable choices
- seeking expert advice where appropriate
- documenting/minuting the due diligence process
- keeping pension records as long as possible and practical
- reviewing the governance process and documentation periodically to ensure it meets current best practices

For a detailed explanation of the reporting structures and areas of responsibility of the governing bodies of the pension plan, please view the pension plan governance chart in the [Benefits Centre Document Library](#).



Activities in 2024 and Early 2025

Pension and Benefits Administration System (PABAS)

The new pension and benefits administration system was launched for staff in November 2024, with the member portal to be rolled out in phases in late 2025. The Board and Pension Plan Advisory Committee (PPAC) continue to support the implementation of the new system. A Steering Committee, including members of the management team and PPAC, meets regularly with TELUS Health to oversee progress of the stabilization phase of the implementation.

Pension Increase

Based on the guidelines set out in the Funding Policy and ongoing quarterly tests of the funded position, the Plan was able to provide another pension increase effective January 1, 2025. Retired members received the increase with their January 1, 2025, payments.

Asset Liability Study

The Asset Liability Study Working Group (ALSWG) is a cross-committee ad hoc working group of the Pension Board, formed to facilitate an asset liability study of the Plan. Final results of the study were reported to PPAC and the Investment Committee at their February 2025 meetings, and to the board

at its March 2025 meeting. As a result of this analysis, a new asset mix was approved by the board to be phased in over the next five years.

The asset liability study completed in the first quarter of 2025 will help to execute on two of the five Pension Board Strategy objectives, specifically:

OBJECTIVE 1

Continue to actively prioritize Plan stability and sustainability.

OBJECTIVE 2

Enhance risk mitigation.

Funding Policy Review

The current Funding Policy was approved by the General Council Executive in May 2020. As planned, following completion of the asset liability study and informed by that analysis, a review of the Funding Policy is underway. The goal is to present the revised Funding Policy for approval by the board in the fourth quarter of 2025.



Enterprise Risk Management Framework

The Enterprise Risk Management Framework Working Group (ERMWG) is a cross-committee ad hoc working group of the Pension Board, comprised of members from the Pension Board, the Investment Committee, and PPAC. The ERMWG is working to develop an enterprise risk management policy to support the second objective of the Pension Board Strategy to enhance risk mitigation.

Financials

FINANCIAL STATEMENTS

Statement of net assets available for benefits

as at December 31, 2024 (amount in thousands of Canadian dollars)

	2024	2023
Assets		
Investments	\$ 1,529,028	\$ 1,460,870
Cash	21,623	17,797
Amounts receivable	2,097	1,873
Interest and dividends receivable	6,358	5,823
Prepaid expenses	2	2
	\$ 1,559,108	\$ 1,486,365
Liabilities and Trust		
Amounts payable and accrued liabilities	2,423	2,576
	\$ 2,423	\$ 2,576
Net assets available for benefits	\$ 1,556,685	\$ 1,483,789

Statement of changes in net assets available for benefits

as at December 31, 2024 (amount in thousands of Canadian dollars)

	2024	2023
Net assets available for benefits, beginning of year	\$ 1,483,789	\$ 1,430,464
Increases		
Change in unrealized gains in the year	59,686	90,197
Net gain on sale of investments	43,983	—
Investment income	44,454	41,631
Contributions		
Employers	12,373	12,357
Members	8,273	8,285
	\$ 168,769	\$ 152,470
Decreases		
Net realized losses on sale of investments	—	8,306
Pensions paid	77,706	74,576
Refunds	6,766	4,530
Administrative, project, and investment expenses	11,401	11,733
	\$ 95,873	\$ 99,145
Change in net assets available for benefits	\$ 72,896	\$ 53,325
Net assets available for benefits, end of year	\$ 1,556,685	\$ 1,483,789

FINANCIAL ANALYSIS

Fund Performance

THE PLAN CONTINUED TO DELIVER IN 2024.

The fund rate of return on investment was 10.2% in 2024, less than the benchmark goal of 10.9%, but still a strong absolute return. The underperformance was due to below-benchmark performance in global and Canadian equity asset classes and negative performance in private equity. Both global and Canadian equity underperformed largely due to the heavy benchmark concentration in a few IT-focused companies that had incredible returns in 2024. The fund invested in some of these companies but was underweight compared to the benchmark. Private equity investments continued to experience slower realizations, meaning fewer buyers and sellers of companies could agree on a price. For this reason, private equity managers had to temper their valuations. However, over the long term, private equity investments continue to provide strong absolute returns.

So far, 2025 has been a roller coaster, largely driven by US tariff and budget activities. Central banks have been slow to cut rates as economic growth and inflation outlooks become murkier. Geopolitical tensions remain very high, with no end in sight to the war in Ukraine or the conflict in Gaza. On the bright side, the Plan did provide another benefit increase in 2025 for a sixth consecutive year. The fund remains in a strong financial position in comparison to the size of the pension liability.

Investment Type	2024	2023	2022
Canadian Fixed Income	47%	47%	45%
Global Fixed Income	6%	6%	6%
Canadian Equities	6%	6%	6%
Global Equities	27%	26%	26%
Real Estate	9%	9%	11%
Private Debt	0%	0%	0%
Private Equities	4%	5%	5%
Infrastructure	0%	0%	0%
Cash	1%	1%	1%
	100%	100%	100%

Canadian Fixed Income

Mostly government and corporate bonds issued in Canada

Global Fixed Income

Mostly government and corporate bonds issued in countries outside of Canada

Equities

Mostly large corporate stock, with a market capitalization over \$500 million

Real Estate

Pooled funds, diversified by geography and property type

Private Debt

Mostly secured loans to corporations, similar to bank loans

Private Equity

Equity and debt invested with a diversified group or small to mid-sized companies

Infrastructure

Equity invested in large to mid-sized infrastructure projects

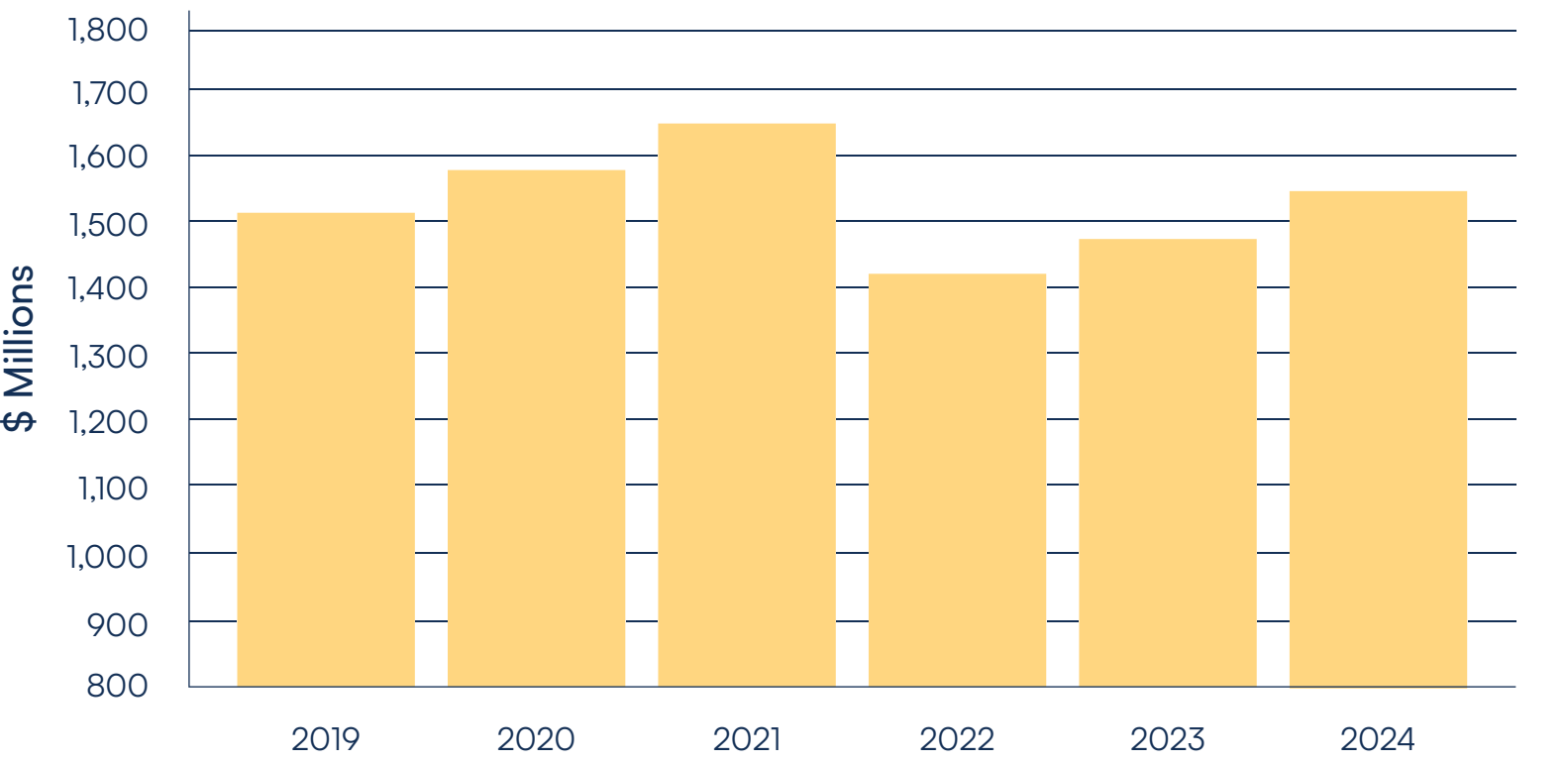
Assets in the fund are invested using a prudent investment philosophy, with a goal of providing stable benefits to its members over the long term. The target asset mix remains at 55% fixed income/cash and 45% equities. Both public equity and fixed income provided positive returns in 2024; however, public equity returns were significantly higher

than fixed income returns. Even with the drag from negative private equity returns, the asset mix had a 1% overweight to equities and a corresponding underweight to fixed income at year-end. The overweight to equities is well within the acceptable bounds of the fund’s policies. The Investment Committee rebalances regularly through necessary redemptions to fund pension payments.

The Investment Committee made a new \$20 million commitment to a private debt fund in 2024. Money will not be drawn against this new commitment until 2025. In 2022, two US\$10 million commitments were made to infrastructure funds. Deployment has been slow, but in 2025 both have invested around 30%. The fund has 9% of its assets in real estate, 1 percentage point above its target allocation of 8%. The real estate allocation will likely decrease over the coming years after expected distributions. The Investment Committee continues to review private debt and infrastructure commitments and will invest in these asset classes methodically in the years to come.

The financial value of the fund’s assets increased by \$73 million in 2024, as investment gains and contributions more than offset pension payments.

Net Assets



Financials

2024 Pension Annual Report

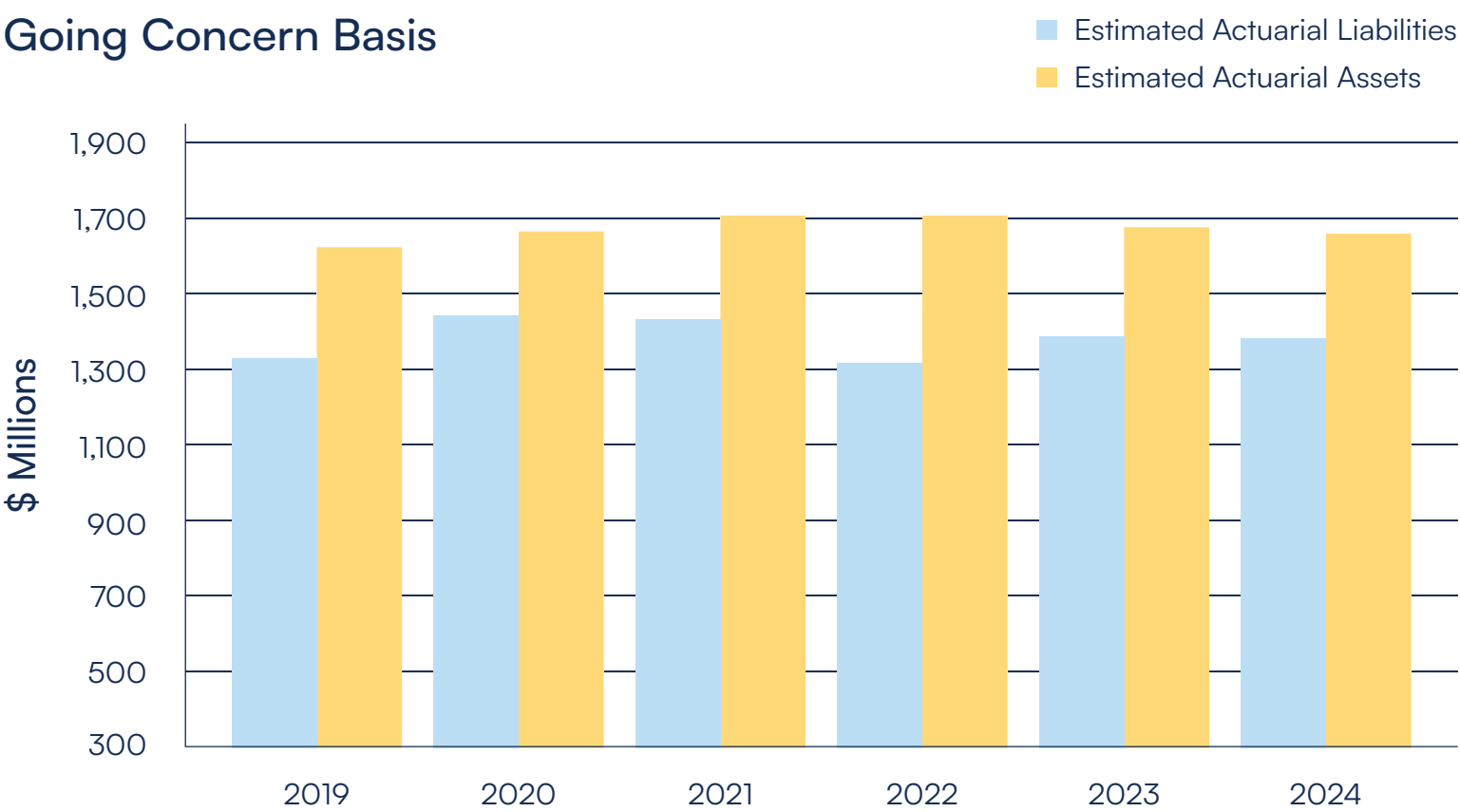
Actuarial Performance

ON A GOING CONCERN BASIS, OUR FUNDED POSITION REMAINED STRONG IN 2024.

When valuing the Plan, a going concern basis assumes that the Plan and the investments in the fund will continue as is well into the future. The actuarial value of the Plan’s assets includes the investment in the fund and the present value of future contributions. It also averages the investment income so that a large gain or loss in any one year does not unduly affect the result. The actuarial liability of the Plan is the present value of future payments to pensioners, which means that an increase in interest rates decreases the calculated liability and improves the funded position of the Plan.

The following chart shows that the Plan has been in a surplus position on a going concern basis, where assets are greater than actuarial liabilities, since 2019. This has largely been the result of positive investment returns, except for 2022. The Plan maintained the surplus position at the end of 2024, whereby assets exceeded actuarial liabilities by an estimated \$278 million. The surplus remained about the same as for 2023. Positive asset returns in 2024 offset the increased liabilities associated with the 2025 benefit increase.

Going Concern Basis



On a wind-up basis, the Plan is estimated to be fully funded with a healthy surplus. This means that, if the Plan had ceased operating, it would have had sufficient funds to cover all of its obligations on one date.

The Plan is a mature plan where the number of retirees exceeds the number of active members. Contributions cover only 24% of benefit payments; the remainder of benefit payments are covered by investments. Over time, benefit payments will continue to increase and contributions will decrease, placing more reliance on investments to cover the Plan’s cash requirements.

Plan Audit

KPMG LLP, Chartered Accountants, the auditor for the pension plan, audited the special purpose financial statements as at and for the year ended December 31, 2024.

Responsible Investment Report

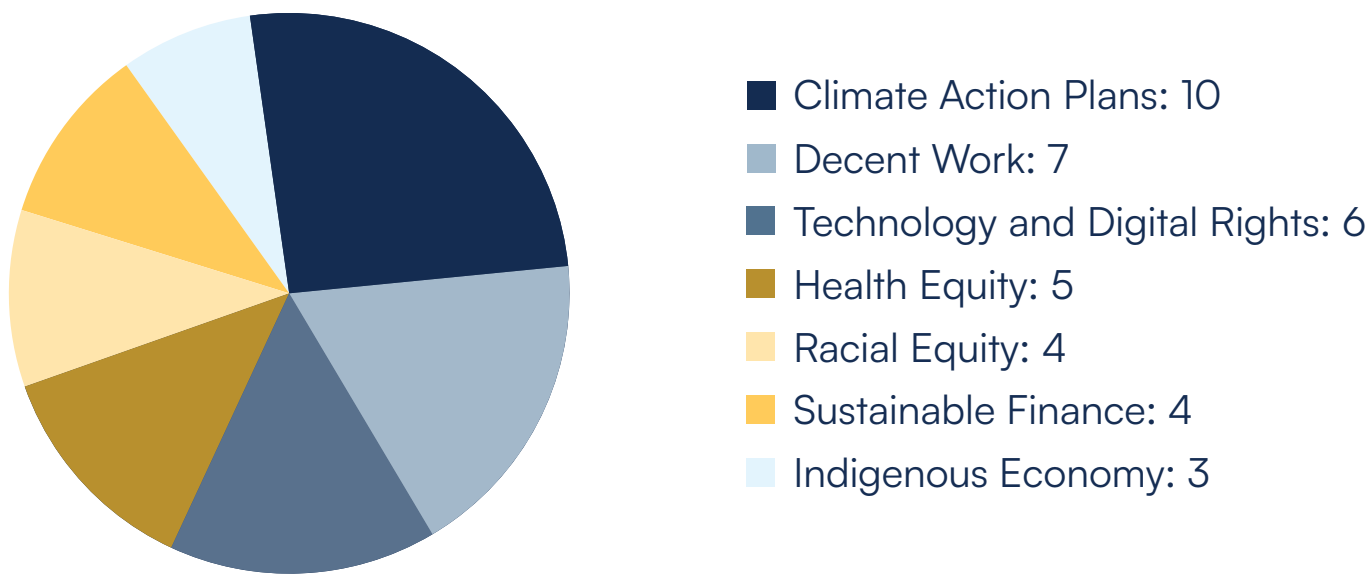
The Plan executes its responsible investment (RI) mandate with three overlapping activities: engagement, proxy voting, and a commitment to net-zero emissions by 2050.

In 2023, the Pension Board established the Sustainable Investment Working Group (SIWG) as a subcommittee of the board. The SIWG’s mandate is to strengthen approaches to active and responsible investment. This entails strengthening the incorporation of environmental, social, and governance (ESG) factors into the Plan’s investments, promoting active stewardship, and improving governance and risk management, all in alignment with the Pension Board Strategy.

Engagement

The cornerstone of the Plan’s RI activities is engagement. The Plan engages directly with invested companies on ESG issues using the services of the Shareholder Association for Research and Education (SHARE). Each year, SHARE proposes an engagement plan describing the issues and companies that it plans to address. The SIWG and board review the engagement plan to ensure it aligns with the Statement of Beliefs and Guiding Principles, which reflects the pension plan’s approach to RI.

Engagement on ESG Issues with Invested Companies



In 2024, with SHARE, the pension plan engaged with 31 of the 96 companies owned directly by the Plan, addressing 39 issues, as summarized below.

The following are some highlights of those engagements:

- In June 2024, the Plan sponsored a shareholder proposal asking the board of Alphabet, the parent company of Google, to obtain an independent third-party human rights impact assessment (HRIA) of Google’s targeted advertising policies and practices. The proposal received 48% support from independent shareholders and 19% support overall. The company was not willing to implement the proposal or any alternatives to address the issues raised. In December 2024, SHARE sent an investor letter to Alphabet’s board, undersigned by institutional investors representing US\$1.5 trillion in assets under management, requesting that the company respond to the shareholder proposal. Alphabet expressed unwillingness to meet with investors on this issue. The Plan refiled the proposal later the same month, this time with 10 institutional investors from North America and Europe on board as co-filers. Unfortunately, at Alphabet’s June 2025 annual general meeting, the proposal was supported

by only 38% of the independent vote and 14% overall, a decline from 2024. Although disappointing, the result indicates that shareholder support remains significant. SHARE will continue its engagement strategy for Alphabet in the coming year.

- In 2022, SHARE filed a proposal requesting Loblaw conduct an HRIA on migrant workers within the company's operations and supply chain. SHARE has continued dialogue with Loblaw since, receiving regular progress updates. In December 2024, Loblaw completed an HRIA and indicated that a summary of the progress made will be included in the company's 2024 Modern Slavery Act report and annual ESG report. Loblaw shared that the audit identified potential salient human rights risks, and a set of short-, medium- and long-term recommendations have been noted to improve or address human rights impacts within the company's supply chain.
- In September 2024, the Plan sponsored a shareholder proposal to have Nike investigate the merit of joining worker-driven social responsibility initiatives. Although the proposal did not achieve majority approval, after SHARE and a group of investors sent a private letter to Nike's incoming CEO, Elliot Hill, a Nike supplier factory joined a new binding agreement, the Central Java Agreement for Gender Justice, to combat gender-based violence and harassment in Indonesia. This agreement covers 6,250 workers in two Indonesian factories. In addition, Nike agreed to remediate longstanding labour rights violations at its Thailand supplier Hong Seng Knitting.

- As part of Climate Engagement Canada (CEC), a finance-led initiative to promote a just transition to a net-zero economy, SHARE met with CN. CEC has been encouraging the railway to move from its 2030 emissions reduction target to an absolute reduction target. CEC met with CN to discuss the company's strategy to reduce emissions, involving fleet renewal, equipment modernization, and operational and fuel efficiency. In this meeting, the value of an absolute target was discussed as well as fuel suppliers' engagement strategy to meet the emissions reduction target, which covers fuel- and energy-related activities. CN subsequently announced science-based net-zero targets, which included a target to reduce absolute scope 1, 2, and 3 greenhouse gas (GHG) emissions by 90% by 2050 from a 2019 base year. CEC will continue to engage with the company on its emissions reduction efforts.
- In 2024, SHARE worked extensively with securities regulators across Canada to enact new regulations requiring Canadian issuers to report on the presence of people with disabilities in executive and board leadership positions and wrote public op-eds supporting the rule change.

The Plan also engages with its investment managers. This is very important as they are the ones making the investments on behalf of the Plan. All the Plan's investment managers integrate ESG into their investment decisions; either they are signatories to the UN Principles for Responsible Investment or they file reports with GRESB, an independent organization that validates ESG performance data and provides peer benchmarking. ESG integration is a key consideration when hiring investment managers.

Engaging investment managers on their ESG approach is an ongoing process. Managers' efforts are reviewed on a continual basis to integrate diversity, Indigenous rights, and climate change into their investment process through meetings and questionnaires. In the current political environment, some of these investment managers are less visible in their efforts, but none have abandoned them. In 2024, the Plan alerted a fixed-income manager that its emissions were substantially above benchmark. The manager took that feedback and was able to reduce emissions by 40% for one portfolio while still providing above-benchmark returns for the year.

The Plan supports public policy outreach largely through its relationship with organizations such as SHARE, Canadian Coalition for Good Governance (CCGG), Climate Engagement Canada (CEC) and the Responsible Investment Association (RIA).

Proxy voting

The Plan uses external investment managers to manage its assets. For equity accounts, the Plan directly holds company shares in its accounts, where feasible. Investment managers have discretion to buy and sell shares, but the Plan controls how proxy votes are cast at a company’s annual general or special meeting. The Plan uses a proxy firm, Groupe Investissement Responsable (GIR), to vote its shares. The Investment Committee works with GIR to determine how the Plan should vote on particular issues. Most of the votes relate to the election of company directors, but others touch on executive pay, diversity, and climate issues. Shareholders have the right to file resolutions at meetings to influence companies to act on particular issues.

Below are the results on how the Plan voted by category in 2024:

2024 Proxy Votes	Total	Agrees with Management	Contrary to Management
Meetings	96		
All Proposals	1,489	45%	55%
Director Elections	1,030	43%	57%
Executive Pay	115	15%	85%
Auditor Ratification	89	88%	12%
Shareholder Proposal	130	26%	74%
Environment	31	26%	74%
Social	54	32%	68%
Governance	45	18%	82%

GIR voted on 1,489 proposals at 96 meetings on the Plan’s behalf. Overall, the Plan disagreed with a company’s management 55% of the time. For shareholder proposals, the Plan voted against management 74% of the time.

Here a few examples of shareholder proposals that the Plan voted in favour of:

- Shareholder proposal requesting that the board of directors of Kroger publish a just transition report indicating how Kroger assesses and addresses the impacts of climate change and ensures the protection of fundamental labour rights for employees in its agricultural supply chain, in accordance with International Labour Organization (ILO) guidelines for a just transition towards environmentally sustainable economies and societies for all.
- Shareholder proposal that the board of directors of TJX Companies oversee an independent assessment and report to shareholders on the effectiveness of the company’s due diligence to prevent forced labour, child labour, and prison labour in its supply chain.
- Shareholder proposal asking Meta to report on the effectiveness of measures taken to prevent and mitigate human rights risks in its five largest markets (outside the US) related to the proliferation of hate speech, misinformation, and incitement to violence on its Instagram and Facebook platforms.

- Shareholder proposal requesting that the board of directors of Gildan oversee and publish a report assessing the effectiveness of the company’s existing human rights infrastructure, in line with its human rights commitments, given that workers at the clothing plant in San Miguel, Honduras, were not relocated after its closure, as well as employee health and safety.
- Shareholder proposal requesting that the board of directors of Quebecor consider the advisability of introducing a new incentive compensation orientation to link a portion of compensation for all employees to the organization’s performance regarding its ESG objectives.
- Shareholder proposal requesting that Berkshire Hathaway issue a report disclosing how it intends to measure, disclose, and reduce GHG emissions associated with its lending, insurance, and investment activities, consistent with the Paris Agreement goal of limiting global temperature rise to 1.5°C, which requires net-zero emissions by 2050.
- Shareholder proposal requesting that the board of directors of PepsiCo conduct and publish an independent audit to analyze the racial impacts of the company’s policies, practices, products, and services, and provide recommendations for improvement.

Commitment to Net Zero by 2050

In 2022, the pension plan signed on to the Canadian Investor Statement on Climate Change. Accordingly, the pension plan has a responsibility to establish long-term and interim GHG reduction targets that are based on climate science and aligned with the ambition of achieving net-zero emissions by 2050 or sooner. Developing milestones to meet these goals is part of the Pension Board Strategy and the SIWG’s mandate.

So far, the journey to net zero has focused on improving education and collecting GHG emissions data on the Plan’s assets in order to determine the portfolio’s carbon footprint.

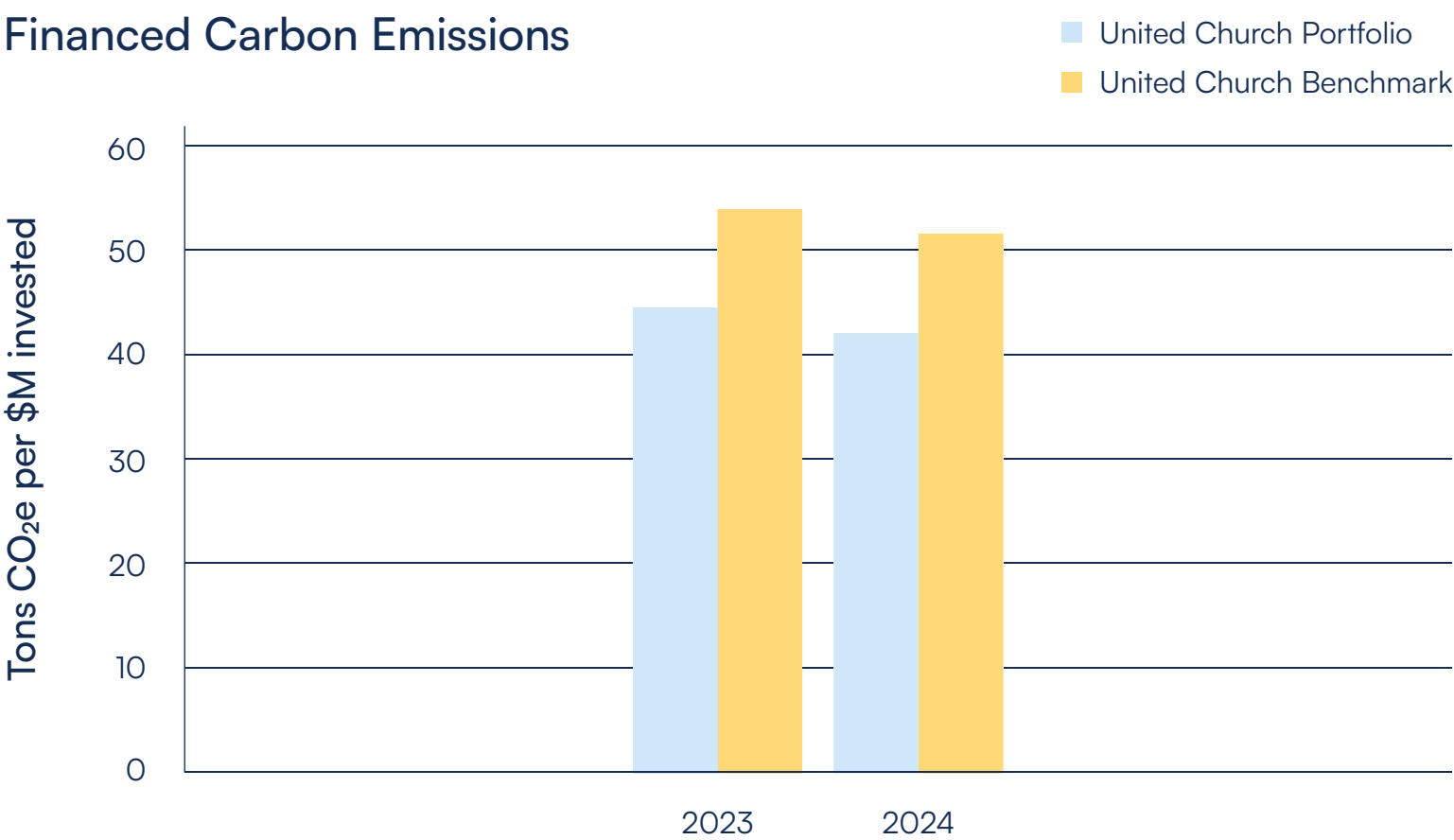
GHG emissions data is broken into three types as follows:

- Scope 1 GHG emissions are direct carbon emissions that a company generates while performing its business activities. This includes generation of electricity, heat, or steam.
- Scope 2 GHG emissions are the indirect emissions generated by the production of purchased energy. This includes purchased electricity, heating, or cooling.
- Scope 3 GHG emissions are all other indirect emissions that occur in the value chain of a company and are not already included within scope 2. These emissions are a consequence of the company’s business activities but occur from sources the company does not own or control. Scope 3 emissions include emissions generated from the use of sold products and services.

Scope 1 and 2 emissions data is more readily available based on companies’ reporting practices.

With respect to the Plan’s investments, the emphasis is on the financed emissions that are indirect emissions attributed to financing activities from lending or investing.

The Plan is currently focused on capturing scope 1 and 2 financed emissions data. The following chart shows that the Plan’s financed emissions were less than its passive investment benchmark, both in 2024 and in 2023. It is important to note that only about 50% of the portfolio’s assets were included in these measures. GHG emissions data was not available for government bonds, including federal, provincial, and municipal bonds, or for investments in private equity and real estate, so these assets were not included in the calculation. The financed emissions decreased in 2024 by 5% largely because of one of the Plan’s larger fixed income managers was engaged to pursue investments with fewer financed emissions while still maintaining return objectives.



The Plan will continue to advance its work toward its net zero 2050 commitment. Quinn & Partners has been hired to help develop a climate action plan that will set out interim targets to achieve this goal. The climate action plan should be published and publicly available by the end of 2025.



Service Providers

The United Church of Canada Benefits Centre

The United Church Benefits Centre manages the daily transactions for the pension and benefits plans and can be reached by telephone at 1-855-647-8222, or by email at:

benefits@united-church.ca
disability@united-church.ca
pension@united-church.ca

United Church employees staff the centre, which is based at the General Council Office in Toronto.

Specialist Services

Other services used on an ongoing basis by the Pension Board to fulfill its fiduciary duty to Plan membership through due diligence are:

Prescient Compensation Law

John Prezioso, of Prescient Compensation Law, provides legal services for the pension plan. Until June 2025, he fulfilled this role as a partner at Brown Mills Klinck Prezioso LLP, but he has since done so through his own law firm, Prescient Compensation Law. He advises the Plan with regard to pension standards and income tax compliance issues, as well as matters of Plan administration, interpretation, and communication. He also supports Plan governance, attending meetings of the Pension Board and PPAC, providing support and insight as needed, delivering fiduciary education to board and committee members, and delivering periodic legal updates.

Mercer

Mercer provides actuarial and consulting services for the Plan, including ongoing monitoring of the Plan's funded status. Mercer also attends meetings of PPAC to provide analysis of legislative changes.



Shareholder Association for Research and Education

A Canadian leader in responsible investment services, research, and education, SHARE provides engagement services to the Pension Board. Working with SHARE allows the board to leverage the fund's assets with those of other clients to bring more assets under management to the table in discussions with companies. When possible, engagement is done ecumenically or in partnership with other investors who share the United Church's concerns or values.

Groupe Investissement Responsable

GIR votes the United Church's proxies. The Investment Committee works with GIR to determine how the Plan should vote on particular issues.

KPMG LLP, Chartered Accountants

KPMG serves as the auditor for the pension plan. KPMG audited the special purpose financial statements as at and for the year ended December 31, 2024.



Founding Principles

Statement of Beliefs and Guiding Principles

The Statement of Beliefs and Guiding Principles is reviewed periodically. The current version was adopted by the Sub-Executive of the General Council in April 2019.

Terms of Reference

The Terms of Reference for the Pension Board, Investment Committee, and Pension Plan Advisory Committee set out requirements such as the board’s or committees’ responsibilities and accountabilities, the minimum and maximum number of members for each committee, and the areas of expertise required in the membership. The Terms of Reference are reviewed periodically to ensure they reflect current best practices.

Statement of Investment Policies and Procedures

The Statement of Investment Policies and Procedures is a required document for all pension plans registered in Ontario. It is reviewed annually, and any revisions are filed with the regulator.

Funding Policy

The Funding Policy was drafted for consistency with the Statement of Beliefs and Guiding Principles of the Pension Plan. It provides guidelines for members of the Pension Board and its delegates in making decisions regarding asset mix, pension increases (or decreases), and contribution levels. Funding requirements for Ontario-registered defined benefit pension plans were changed effective May 1, 2018, and the Funding Policy was revised in response. The current Pension Plan Funding Policy, which was approved by the General Council Executive in May 2020, is currently under review with completion of the updated Funding Policy expected in late 2025.



Communications from the Pension Board

Keeping You Informed

The goal of the communications from the Pension Board and the Shared Services Unit is to provide you with information about your pension plan and the efforts of the Pension Board to ensure that your Plan is secure. Despite many challenges common to all defined benefit pension plans, the Plan's actively contributing members and pensioners belong to a pension plan that is responsibly managed by many talented and diligent governors, including senior Canadian pension professionals, members of the General Council Executive, and members-at-large drawn from United Church membership. It is overseen by a Pension Board that does everything possible to honour the pension promise.

We've developed a few different ways to share pension information:

The Benefits Centre

Visit the [United Church Benefits Centre website](#) for important information and updates on your pension plan and group benefits plans, including the steps to take when you are ready to retire. The United Church Benefits Centre has been working on an enhanced in-house administration system with an intuitive and member-centric portal that will be rolled out gradually in late 2025. More information about this can be found on the [Pension and Benefits Administration System \(PABAS\)](#) web page.

Annual Member Statements

Each year in June, pension staff issue annual member statements to active, retired, and inactive members of the plan. As required by pension legislation, annual member statements are mailed to members' homes, which makes it particularly important to keep your address up to date.

To Update Your Mailing Address

Actively employed: Advise your payroll administrator
Retired: Contact pension@united-church.ca,
or call 1-855-647-8222.



Online Seminars

Staff in the Shared Services Unit have updated the online presentations to shift the focus from personnel who are getting ready to retire to a more inclusive pension information seminar that is relevant to all employees. Learn how your pension works for you, how the Plan is governed, and what you should be aware of as you accrue benefits during your active years.

Offered in collaboration with [United in Learning](#), these online seminars are regularly attended by a range of employees and volunteer leaders (treasurers, ministry and personnel committee members) and are accessed virtually through [CHURCHx](#). The interactive format is great for getting answers to questions and learning from other participants and the staff of the Shared Services Unit.

If you can't join live or would like to watch or rewatch previous webinars, recordings are available on the [United in Learning](#) website.

Pension Annual Report

The Pension Annual Report is no longer printed but is available as a PDF from the [Benefits Centre Document Library](#).



Governors & Staff

Pension Board

Rev. Mitchell Anderson, BA (Hons), MBA, MDiv (Hons)
Sharon Aylsworth, BA (Hons)
Darwin Bozek, FCPA, FCGA
Tamara DeMos, FSA, FCIA
Ahren Estabrooks, CFA (from March 2025)
William Gilliland, BA (Hons), LLB, ICD.D
Rev. Hae-Bin Jung, BA, MDiv, MTS
Alison McKay, BA, BAdmin, CPA, ICD.D
Katharine Preston, BEng, MBA
Thea Sheridan-Jonah
Anne Soh, FSA, FCIA (Chair)
Joanne Wilson, BSc, MBA (to June 2024)

Pension Plan Advisory Comittee (PPAC)

Juan Diz, BA (Hons) (to November 2024)
James Fera BSc, LLB
Audrey Forbes, BAS, CEBS, MPA (to April 2025)
Corbin MacGillivray, BSc, ASA
Peggy McCallum BA (Hons Journalism), LLB, C.Dir.
Alison McKay, BA, BAdmin, CPA, ICD.D
(Pension Board representative)
Laura Newman, FCIA, FSA
Kevin Pyo, FSA, FCIA
Helen Redmond, BA (Hons)
Jacques Tremblay, FCIA, FSA, MAAA (Chair)



Investment Committee

- Adam Buzanis, CFA
- Cathy Carlin, CFA
- Doug Chau, CFA, PRM, CQF, MSc, PhD
- Samantha Cleyn, CFA, MBA (from February 2024)
- Andrew Greene, MA, CIM, CAIA (Chair)
- Lori Hall-Kimm, BBA (Hons), MBA
- Sean Macaulay, CFA
- Deborah Ng, CFA, M.Finance
- Katharine Preston, BEng, MBA (Pension Board representative)
- Steve Smith, BCom, CPA
- Kathleen Wylie, CFA

Staff Support

- David Dawrant, Director, Pension and Benefits Administration, and PABAS Project Manager
- Rev. Alan Hall, Executive Officer, Shared Services
- Derek Hurst, Pension Fund Investment Manager
- Harry Li, Executive Officer, Finance
- Shenagh Rosa, Pension and Governance Advisor
- Stefanie Uyesugi-Cooper, Coordinator, Pension and Benefits Member Engagement



The Pension Plan of The United Church of Canada

This report is for you, members of the pension plan. Through it, we seek to be accountable for the resources you have entrusted to our care. We endeavour to be faithful to this stewardship trust.

We thank you for your faithful service in The United Church and in the local ministries, organizations, and communities where you serve. Together, we share a commitment to celebrate God's presence, to live with respect in Creation, to love and serve others, to seek justice and resist evil, and to proclaim Jesus.

In order to save paper, printing, and mailing costs, the Pension Annual Report is distributed online.

For questions and comments, contact:

Shenagh Rosa
Pension and Governance Advisor,
srosa@united-church.ca
or
pensionboard@united-church.ca

For more information, visit:

united-church.ca
uccbenefits.ca/pension