The Pension Plan of
The United Church
of Canada

A Place at the Table

2025 Annual Report

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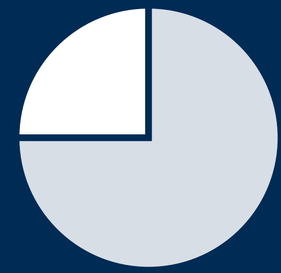
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Fast Facts About Your Pension Plan*



75¢/$1
in benefits is paid by investment earnings

Member breakdown

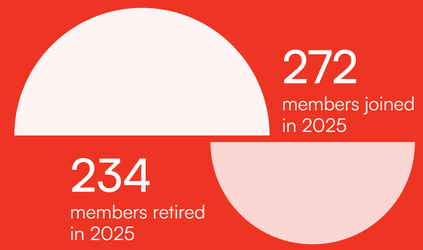
5,378
Pensioners[1]

1,635
Deferred[2]

2,632
Active[3]

19
Average years spent contributing to the Plan

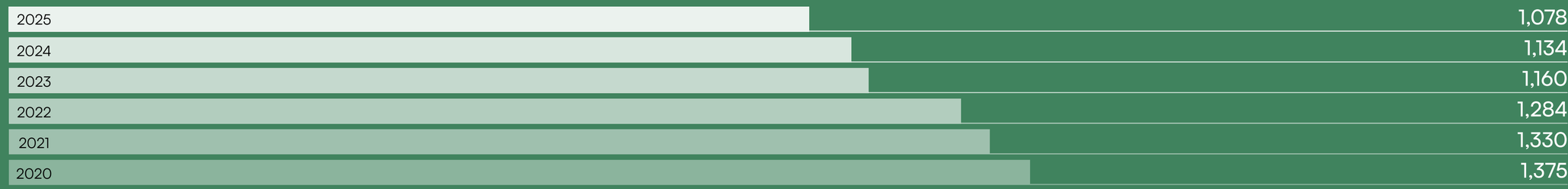
24.5
Average years spent receiving a pension



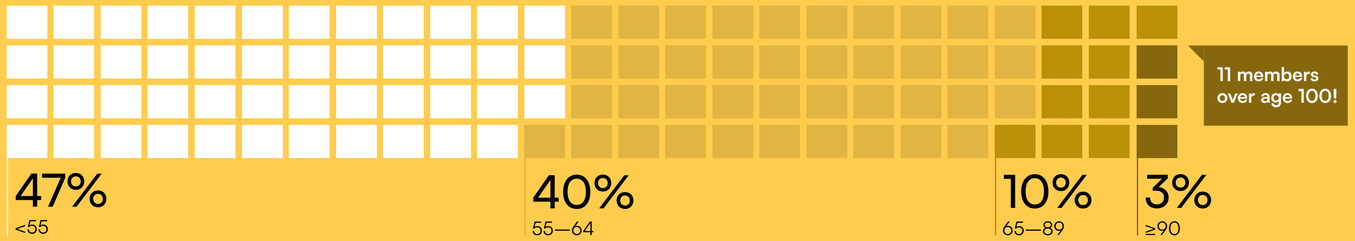
272
members joined in 2025

234
members retired in 2025

Number of participating employers



Age distribution



76.54
Average age of pensioners

53.44
Average age of active members

66.13
Average age at retirement

*As of December 31, 2025
1. Members who are receiving a pension.
2. Members who have earned a pension but are not yet receiving it.
3. Members who are currently employed by The United Church of Canada.

From the Moderator and General Secretary

From the Moderator and General Secretary, on behalf of the General Council Executive

Dear Friends,

This past Centennial year was a busy one, marked by hope, engagement, and curiosity. Celebrating 100 years of The United Church of Canada and holding the 45th General Council in the same year gave us a unique opportunity to learn from the past and engage fully with the church's future.

The General Council Executive—the legal administrator of our pension plan—established the Pension Board and its two primary supporting committees—the Pension Plan Advisory Committee and the Investment Committee. These groups include individuals with experience and expertise in core areas of pension practice such as institutional investing, actuarial science, legal affairs, human resources, and pension governance.

We are grateful for the level of commitment, the strong governance, and the oversight provided by the Board, committees, and our staff. They continue to steward the Plan on behalf of the Executive, ensuring the Plan's success through prudent, long-term decision-making.

Thank you.

The ongoing success of the Plan is also an outcome of good leadership. With Alan Hall's retirement in late 2025, we introduce Harry Li as the new Executive Minister, Pension and Finance. A financial leader with a proven track record in driving fiscal excellence and operational efficiency, Harry brings organizational acumen, a strong member-service focus, and relevant defined benefit pension experience in a faith-based context. We are indebted to Alan for his dedication and astute leadership, and welcome Harry's proven financial expertise.

Through the efforts of this highly skilled team of volunteers and staff, combined with a robust governance framework, the Plan has been consistently strongly funded, providing contribution stability for local churches and Plan members. Through a lens of deep spirituality, bold discipleship, and daring justice, we celebrate this spirit and character of our church, which in turn supports our commitment to providing a defined benefit plan that supports members in their next chapter. Your retirement security remains in good and faithful hands!

Blessings,



The Right Rev.
Dr. Kimberly Heath
Moderator



The Rev. Michael Blair
General Secretary,
General Council

From the Chair of the Pension Board

Dear Members,

The Pension Board 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.

The Board's actions are guided by the Pension Board Strategy 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's objective is 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 Board fulfils its responsibilities with support from the Investment Committee (IC), the Pension Plan Advisory Committee (PPAC), and management. The IC supports the Pension Board in governing, managing, and operating the Fund, and PPAC supports the Pension Board in general governance, Plan design, Plan funding, and Plan administration.

Key results for the past year include:

- A solid return of 8.2% in 2025, exceeding the 7.9% benchmark return, despite the volatile geopolitical environment
- A healthy funded position at December 31, 2025, of 120% on a going concern basis and 134% on a wind-up basis, providing benefit security
- Provision of a pension increase for active and retired members at January 1, 2026, for the seventh consecutive year
- Approval of the funding policy by the GCE based on the recommendation of the Pension Board
- Approval of an overarching Governance Policy by the GCE in February 2026 based on the recommendation of the Pension Board
- Adoption of a Climate Action Plan to support the Plan's goal of achieving net zero by 2050

The rest of this report provides details on the above and other activities undertaken in 2025 and early 2026.

Acknowledgements

The Pension Board welcomed Kathleen Loewen as a representative of the General Council Executive after Mitchell Anderson's tenure came to an end. Members-at-large Hae-Bin Jung and Sharon Aylsworth left the Board at the end of 2025 upon completion of their terms. At the first meeting of 2026, the Board appointed Blair Paterson and Dan Yourkevich as the new members-at-large. The Board thanks Mitchell, Hae-Bin, and Sharon for their hard work and dedication and welcomes Kathleen, Blair, and Dan.

I recognize the essential and valuable contributions of the Pension Plan Advisory Committee and the Investment Committee. Ingrid Chingcuanco became chair of the Pension Plan Advisory Committee in January 2026, taking over from Jacques Tremblay. Andrew Greene continues to effectively chair the Investment Committee. The Board and management wish to thank Ingrid, Jacques, and Andrew, along with all members of both committees, for contributing their time and expertise for the benefit of Plan members.

I wish to express the Pension Board's appreciation of General Council Office staff for their hard work and skill. I would especially like to acknowledge the invaluable contributions of Alan Hall, who retired at the end of 2025 after many years of diligent leadership of the Pension and Benefits team. The Board welcomes Harry Li, Executive Minister, Pension and Finance, who has taken on this important role.





From left to right: Ingrid Chingcuanco, Jacques Tremblay, Andrew Greene

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.

Pension Plan Governance Structure

Pension Board Strategy
The first formal Pension Board Strategy was approved by the Board in December 2022 to 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 Pension 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

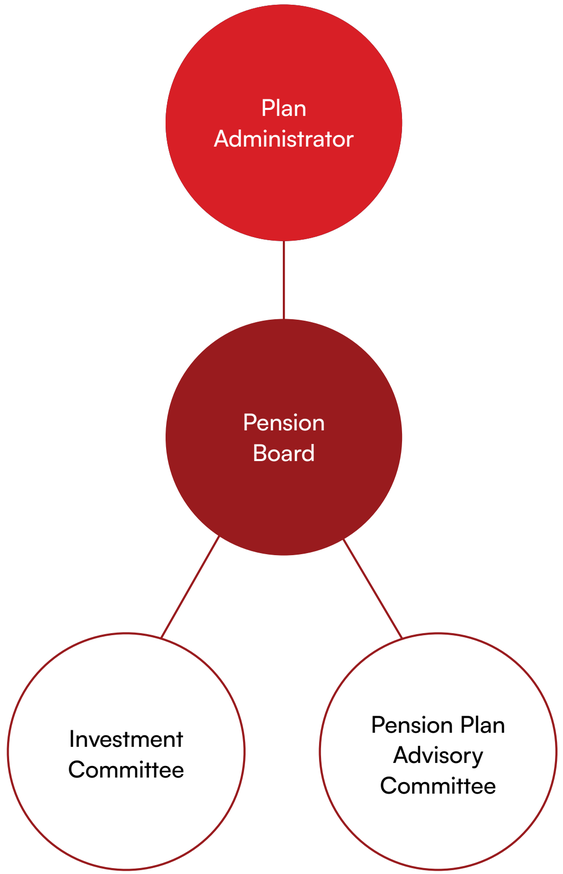
Enhance risk mitigation

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 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 new administration system, timely service to members has been challenging. The Pension Board commits to enhancing both timely and accurate service to members and employers.

Membership and appointments

Pension Board

Kathleen Loewen joined the Pension Board as a representative of the General Council Executive upon completion of Mitchell Anderson's term. Members-at-large Hae-Bin Jung and Sharon Aylsworth completed their terms in 2025. At the first meeting of 2026, the Board welcomed Blair Paterson and Dan Yourkevich as our new members-at-large.

Pension Plan Advisory Committee

As mentioned in the 2024 report, Jacques Tremblay agreed to extend his third term by one year to January 2026 to allow for selection of a new PPAC chair. Ingrid Chingcuanco became the chair in January 2026.

Investment Committee

Gavin Ingram was appointed to the Investment Committee effective May 2026, filling the vacancy created when Sean Macaulay completed his term in February 2026.

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.

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

Activities in 2025 and Early 2026

Pension and Benefits Administration System (PABAS)
Under the leadership of Harry Li, Executive Minister, Pension and Finance, and with oversight from the Pension Board, the Pension and Benefits team continues to advance the multi-year initiative to modernize administrative capabilities. This includes strengthening IT infrastructure, enhancing the member experience, and expanding team capacity to better serve members, participating employers, and communities of faith.

This work has taken on added complexity with the decentralization of payroll and related administrative functions across regions. While progress has been steady, it has been slower than initially anticipated. We are grateful for the patience, understanding, and continued trust of our members and partners as we move forward together in this important work.

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, 2026. Retired members received the increase with their January 1, 2026, payments.

Although increases have now been approved for seven years in a row, future increases are not guaranteed and will depend on the continued financial strength of the Plan. The Pension 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.

Governance Policy
The Plan has a strong governance structure and procedures to effectively manage and oversee its assets. Although individual policies such as the Funding Policy and Terms of Reference for the Pension Board and each committee have supported the Plan for many years, there was no one policy to gather all the components in one place. A Governance Policy has therefore been developed to support the prudent and effective management of the Plan. The Governance Policy lists all the component policies and contains a responsibility matrix to set out which staff role or committee is responsible for each essential task. With the Board's recommendation, the General Council Executive approved the Governance Policy at its February 2026 meeting.

Funding Policy
The Funding Policy, which is used to guide decisions on pension increases, contribution levels, and actuarial valuations, was reviewed and updated to reflect changes to actuarial standards and industry best practices since 2020. The updated Funding Policy was recommended by PPAC and the Pension Board and was approved by the General Council Executive in November 2025.

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

Climate Action Plan
The Sustainable Investment Working Group worked with an external provider, Quinn+Partners, in 2025 to create a Climate Action Plan for the pension plan, which establishes financed carbon emissions reduction targets in line with the Plan's commitment to reaching net zero by 2050. As a result of this work, a Climate Action Plan to support the Plan's commitment to net zero by 2050 was approved by the Board in December 2025.

Financial Statements

Statement of net assets available for benefits

as at December 31 (amounts in thousands of Canadian dollars)

	2025	2024
Assets		
Investments	$ 1,579,266	$ 1,529,028
Cash	18,863	21,623
Amounts receivable	2,081	2,097
Interest and dividends receivable	6,769	6,358
Prepaid expenses	22	2
	$ 1,607,001	$ 1,559,108
Liabilities and trust		
Amounts payable and accrued liabilities	3,073	2,423
	$ 3,073	$ 2,423
Net assets available for benefits	$ 1,603,928	$ 1,556,685

Statement of changes in net assets available for benefits

as at December 31 (amounts in thousands of Canadian dollars)

	2025	2024
Net assets available for benefits, beginning of year	$ 1,556,685	$ 1,483,789
Increases		
Change in unrealized gains (losses) in the year	6,394	59,686
Net gain on sale of investments	61,805	43,983
Investment income	55,994	44,454
Contributions		
Employers	12,370	12,373
Members	8,242	8,273
	$ 144,805	$ 168,769
Decreases		
Pensions paid	80,770	77,706
Refunds	4,570	6,766
Administrative, project, and investment expenses	12,222	11,401
	$ 97,562	$ 95,873
Change in net assets available for benefits	$ 47,243	$ 72,896
Net assets available for benefits, end of year	$ 1,603,928	$ 1,556,685

Financial Analysis

Fund performance

2025: Another solid year, buoyed by strong absolute returns from public equity.

Our fund rate of return on investment was 8.2% in 2025, better than the benchmark goal of 7.9%. The outperformance was due to strong performance in global equities, which returned 18% versus a benchmark of 15%. Canadian equities underperformed their benchmark but still delivered a strong absolute return of 26%, albeit below the benchmark return of 32%. Performance of private equity investments continued to drag, delivering a -1% return, but distribution activity did pick up, with the Fund receiving $12 million in the year. Infrastructure investments are growing and represented 1% of the Fund's assets at year-end, with some strong initial returns.

Assets in the Fund are invested using a prudent investment philosophy, with a goal of providing stable benefits to the Plan's members over the long term. The target asset mix remains at 55% fixed income and cash and 45% equities. Both public equity and fixed income provided positive returns in 2025; however, public equity returns were significantly higher than those generated by fixed income. Even with the drag from negative private equity returns, the asset mix had a 1% overweight to equities and 1% underweight to fixed income at year-end. The overweight to equities is well within acceptable bounds of the Fund's policies. The Investment Committee rebalances regularly through necessary redemptions to fund pension payments.

Investment Type	2025	2024	2023
Canadian Fixed Income	47%	47%	47%
Global Fixed Income	6%	6%	6%
Canadian Equities	8%	6%	6%
Global Equities	26%	27%	26%
Real Estate	8%	9%	9%
Private Debt	0%	0%	0%
Private Equities	3%	4%	5%
Infrastructure	1%	0%	0%
Cash	1%	1%	1%
	100%	100%	100%

Canadian Fixed Income
Mostly government and corporate bonds denominated in Canadian dollars

Global Fixed Income
Mostly government and corporate bonds denominated in foreign currencies

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

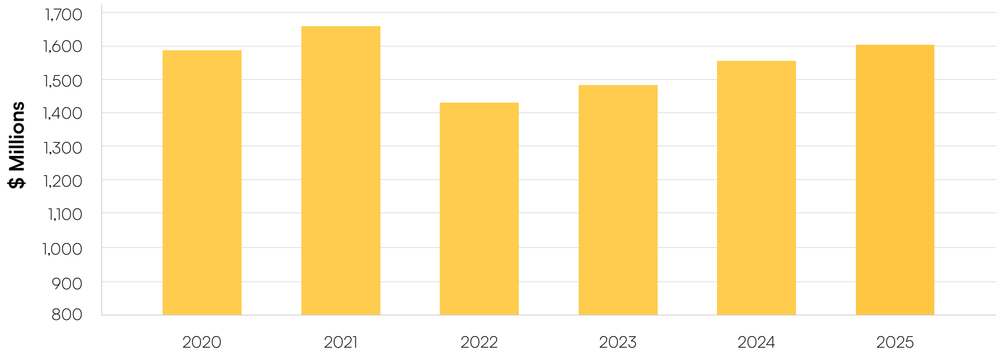
Infrastructure
Equity invested in large to mid-sized infrastructure projects

Cash
Includes short-term investments, treasury bills, and cash on hand

In 2025, the Investment Committee implemented changes to the asset mix stemming from the recommendations of the asset liability study approved in 2025. Within the fixed income portfolio, the committee increased its investment in longer-dated bonds to better match the liabilities of the Plan, thereby reducing overall risk. The emerging market equity manager was also terminated due to performance issues. The committee did not hire a new manager, preferring instead to use the opportunity to review regional allocations in public equity. The approved asset liability study recommendations also supported increased allocations to private debt and infrastructure. The Investment Committee is reviewing such commitments and will invest in these asset classes methodically over the coming years.

The financial value of the Plan's assets increased by $47 million in 2025, as investment gains and contributions more than offset pension payments.

Net Assets

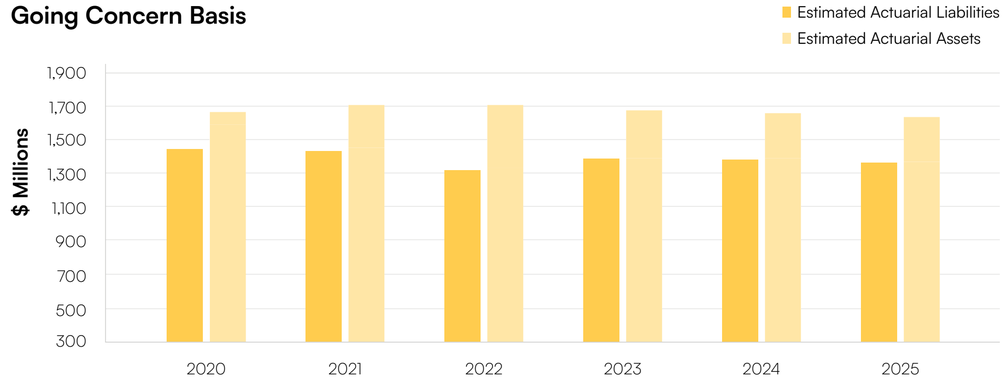


Actuarial Performance

On a going concern basis, our funded position remained strong in 2025.

The Pension Plan Advisory Committee regularly monitors the Plan's funded position on both a going concern and a wind-up basis. When valuing the Plan, a going concern basis assumes 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.

Going Concern Basis



The above chart shows that the Plan has been in a surplus position on a going concern basis, where assets are greater than actuarial liabilities, since 2020. This has largely been the result of positive investment returns, except in 2022. The Plan maintained the surplus position at the end of 2025 whereby assets exceeded actuarial liabilities by an estimated $275 million. The surplus remained about the same as in 2024. Positive asset returns in 2025 offset the increased liabilities from the 2026 benefit increase.

On a wind-up basis, the Plan is estimated to be in surplus (assets greater than liabilities) by close to 30%. The Plan is a mature plan, where the number of retirees exceed active members. Contributions cover only 24% of benefit payments, with the remainder covered by the investment earnings. Over time, benefit payments will continue to increase and contributions decrease, placing more reliance on investments to cover the Plan's cash requirements.

Plan audit

In 2023, the Pension Board appointed KPMG LLP, Chartered Accountants, as the auditor for the pension plan. KPMG audited the special purpose financial statements as at and for the year ended December 31, 2025. The Plan is also subject to regular, ongoing actuarial review.

Responsible Investment Report

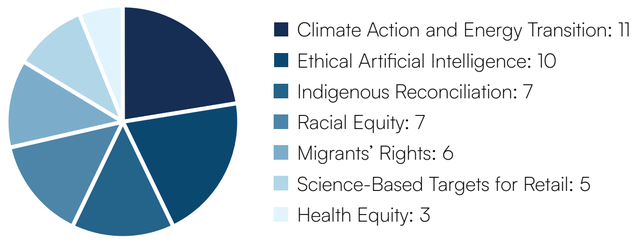
The Plan executes its responsible investment (RI) responsibilities with three overlapping activities: engagement, proxy voting, and a commitment to net-zero emissions by 2050.

In 2023, the Pension Board established the Sustainable Investment Working Group (SIWG) as a subcommittee of the board. The SIWG's mandate is to enhance 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 Plan's approach to RI.

Engagement on ESG Issues with Invested Companies



In 2025, with SHARE, the Plan engaged with 40 of the 109 companies owned directly by the Plan, addressing 49 issues, as summarized below.

The following are some highlights of those engagements:

- SHARE engaged Canadian Pacific Kansas City (CPKC), requesting a meeting to discuss the company's approach to Indigenous reconciliation. Following this meeting, CPKC updated its 2025 proxy circular to provide additional disclosure on its approach to reconciliation. Disclosures include enhanced transparency around the five pillars underpinning CPKC's Indigenous and Tribal relations, as well as commitments on deepening meaningful relationships with Indigenous communities, creating targeted outreach and employment opportunities, enhancing understanding of Indigenous histories and cultures internally, developing job creation and procurement pathways with Indigenous partners, providing cross-cultural awareness training, and engaging in government policy where appropriate.
- SHARE engaged Finning International Inc. to discuss the company's efforts to advance Indigenous reconciliation across its governance and operations. In November 2025, the company confirmed in writing that it joined the Canadian Council for Indigenous Business's Partnership Accreditation in Indigenous Relations (PAIR) program. SHARE recognized this step as an important part of the company's approach to Indigenous reconciliation. SHARE will meet with Finning in 2026 following the release of its 2025 sustainability report.
- Firms in the health insurance sector have been under scrutiny for alleged use of artificial intelligence (AI) to deny coverage. Without adequate governance and oversight, the use of automated processes can exacerbate inequalities. In 2025, SHARE met with Elevance Health to discuss its governance structures,

board-level oversight of AI, risk management processes, and its appetite to strengthen AI disclosure. Following the meeting, Elevance agreed to consider enhancing AI transparency in its 2026 proxy statement and annual impact report, in line with recommendations proposed by SHARE. Elevance is also committed to reviewing its policies and practices to further develop its programs, which aim to protect human rights and promote the responsible use of AI. SHARE will continue engagement with Elevance in 2026 on this issue.

- Engagement with Toronto Dominion Bank (TD) in 2025 focused on the Energy Supply Finance Ratio (ESFR), which details the ratio of financing of low carbon renewable energy to fossil fuels. This is a critical metric for banks to demonstrate their relative exposure in the transitioning global energy market. Investors want banks to disclose this ratio, be transparent about methodology, work across the sector for consistent methodologies, and include financing not publicly disclosed. SHARE coordinated with the Trottier Family Foundation and PFA Pension—the largest pension fund in Denmark—to file a proposal for the 2025 annual general meeting. The proposal received 38.3% support, representing the third-highest investor support for a proposal at the bank in the last 20 years and setting precedent as the highest support for a climate proposal in the bank's history. Following in-person meetings, SHARE was successful in securing the following that will be included in their spring 2026 disclosures: (1) TD has developed an internal methodology and are completing initial calculations for its ESFR, (2) TD remains committed to report annually on their $500 billion by 2030 Sustainable & Decarbonization Finance Target, and (3) TD will continue to track and evaluate sector best practices with respect to an ESFR and will continue to consider disclosure.
- SHARE engaged National Bank of Canada (NBC) to review its progress toward conducting a racial equity audit (REA). NBC plans to retain an auditor to initiate the commercial auditing process in Q4 2025, with a primary focus on Black and Indigenous communities. SHARE provided recommendations on best practice related to scope of the audit. SHARE will meet with NBC in 2026 to assess progress.
- Canadian National Railway (CN) is Canada's largest railway company in terms of both revenue and the physical size of its rail network. The largest emissions reduction potential for this sector stems from biodiesel, renewable diesel, and hydrogen locomotives. SHARE, as part of Climate Engagement Canada, engaged the company on its progress toward achieving its interim 2030 and net zero by 2050 targets. Although the company's leadership position is demonstrated by setting near-term and net-zero targets, it does not quantify its emissions reduction initiatives, which in turn fails to provide transparency on the efficacy of its strategy. As CN is currently partnering with the industry to scale up the infrastructure of alternative fuels, SHARE will primarily follow up on encouraging the company to build on these efforts by clearly quantifying its emissions reduction initiatives.
- The Plan sponsored a shareholder proposal for consideration at Alphabet's 2025 annual general meeting requesting that its Board publish an independent third-party human rights impact assessment on Alphabet's targeted advertising policies and practices. The proposal received 37.7% support from independent shareholders (14.3% of the overall vote), making it the most supported proposal on the ballot related to social issues. Despite the vote results, the company was unresponsive to the request.

  In December 2025, SHARE refiled a shareholder proposal requesting that Alphabet's Audit Committee charter be amended to reflect formalized oversight of responsible AI. This proposal also follows removal of human and civil rights oversight at the board level in October. In the same month, SHARE alongside 30 investors sent a joint investor letter to Alphabet's Board, requesting a dialogue with the company on its management of human rights risks related to artificial intelligence. SHARE will continue engaging Alphabet in 2026.

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, and they are either 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 efforts is an ongoing process. Managers' efforts are reviewed on a continuous basis to integrate diversity, Indigenous rights, and climate change into their investment process through meetings and questionnaires. In the current political environment, some investment managers are less visible in their efforts, but none have abandoned them. In 2025, the Plan engaged managers that will be affected by the new Climate Action Plan, as discussed below, to ensure that they were aligned with the Plan's goals. All managers agreed that these goals are achievable under existing mandates. However, there will be a need to monitor progress and keep everyone on track.

The Plan supports public policy outreach largely through its relationship with organizations such as SHARE, the Canadian Coalition for Good Governance (CCGG), and the Responsible Investment Association (RIA). Of note, the Plan participates in Climate Engagement Canada (CEC) through its relationship with SHARE. Climate Engagement Canada is a finance-led initiative that drives dialogue between finance and industry to promote a just transition to a net-zero economy.

Proxy voting

The Plan uses external investment managers to manage its assets. For equity accounts, the Plan directly holds company shares, 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 agree on a set of guidelines on 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 2025.

2025 Proxy Votes	Total	Contrary to Management	Agrees with Management
Meetings	100		
All Proposals	1,510	55%	45%
Director Elections	1,007	57%	43%
Executive Pay	130	86%	14%
Auditor Ratification	92	10%	90%
Shareholder Proposal	122	71%	29%
Environment	24	88%	12%
Social	35	57%	43%
Governance	63	73%	27%

GIR voted on 1,510 proposals at 100 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 71% of the time.

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

- Shareholder proposal requesting that the Board of Dollarama adopt a policy to minimize waste in its operations by setting targets and determining a formal action plan.
- Shareholder proposal that the Board of Directors of Meta request that the company publish a report detailing its policies, practices, and effectiveness in combating hate speech on its platforms and services.
- Shareholder proposal asking the Board of AtkinsRéalis Group to require the company to adhere to a voluntary code of conduct for the responsible development and management of advanced generative artificial intelligence systems.
- Shareholder proposal requesting that the Board of PepsiCo publish an independent assessment of the company's efforts to evaluate and mitigate the health risks associated with the use of sweeteners or sugar substitutes.

Commitment to Net Zero by 2050
Climate change is not only an environmental issue but also a financial one. It presents risks and opportunities that can affect investment performance over time. These risks can take different forms. Physical risks can result from floods, wildfires, or other extreme weather events that affect assets, operations, and supply chains. Transition risks can arise as the economy adapts to lower-carbon technologies and shifts in public policy, regulatory framework, market expectations, and consumer demand. These changes can affect how companies perform and how investments are valued over time.

As a long-term investor and steward of members' financial future, the Plan has a responsibility to manage risks that can influence the value, resilience, and performance of its investments in the decades to come.

In 2022, the Plan signed on to the Canadian Investor Statement on Climate Change, committing to establish long-term and interim greenhouse gas (GHG) emissions reduction targets with the ambition of achieving net-zero emissions by 2050 or sooner. This strategic plan includes milestones to attain these objectives.

As it works toward its net-zero ambition, the Plan has focused on building foundational capabilities in greenhouse gas measurement so that a baseline for the portfolio's carbon footprint can be established and potential data gaps identified.

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 uses a third-party data provider to supply Scope 1 and 2 emissions data for public equity and corporate bond investments. Exposure to Scope 3 emissions is not currently quantified or tracked against emissions reduction targets.

Climate Action Plan
In 2025, a Climate Action Plan (CAP) was developed to support progress toward the Plan's commitment to net zero by 2050, which reflects the scientific consensus on climate change, as well as its fiduciary responsibility to consider factors that may impact its investments. In December 2025, the Pension Board approved the CAP to operationalize this climate commitment.

The CAP describes how the Plan will integrate this commitment into investment processes and engagement activities with asset managers and portfolio companies. It also outlines the metrics and targets the Plan will use to track progress over time.

The CAP draws on guidance developed for investors and organizations seeking to manage and report on climate-related risks, including the Net-Zero Asset Owner Alliance Target-Setting Protocol and the Task Force on Climate-related Financial Disclosures (TCFD).[1] The Plan is also enhancing its approach to climate-related disclosure by organizing climate reporting in line with the recommendations of the TCFD. A TCFD disclosure index is posted on the Benefits Centre site.

The CAP is built on four key components: governance and oversight, investment integration, capital stewardship, and metrics and targets. Together, these components explain who is responsible for the CAP, how climate considerations are integrated into investment oversight, how the Plan engages with managers and companies, and how progress will be measured over time.

1. As of 2023, TCFD recommendations were integrated into the International Sustainability Standards Board (ISSB) IFRS S2 Climate-related Disclosures, as well as Canadian Sustainability Disclosure Standards 2 (CSDS 2), which is Canada's adaptation of IFRS S2.

COMPONENT 1

Governance and oversight

The Pension Board and Investment Committee oversee the Climate Action Plan. Staff manage day-to-day implementation and work with external investment managers to advance climate integration, engagement, and reporting. The CAP will be reviewed every five years, as part of the strategic planning cycle.

COMPONENT 2

Investment integration

The Plan uses external investment managers to invest on its behalf. There are various ways for investment managers to integrate climate considerations into investment decision-making, depending on their mandate, strategy, and investment approach. As such, the Plan's ability to advance its climate objectives depends in part on how managers integrate climate considerations into investment decision-making and stewardship activities.

To support this, the Plan communicates its climate ambitions to managers and regularly assesses and monitors their approach to integrating climate considerations into investment decision-making. This includes due diligence during manager selection, annual reviews of managers' climate integration and engagement practices, and ongoing dialogue to better understand climate risks and opportunities across the portfolio.

COMPONENT 3

Capital stewardship

Influencing the companies in the portfolio to make progress on climate is one way the Plan can support its climate objectives. This involves engaging with managers and portfolio companies to improve practices that reduce climate risk. The Plan is committed to engaging all investment managers each year on their approach to climate through discussions on how managers integrate climate into investment processes, what climate targets they have set, how they identify and manage climate-related risks and opportunities, and how they engage companies on climate-related issues.

The Plan also commits to engaging the 20 companies with the highest-financed emissions in its portfolio on an annual basis. These discussions may focus on transition planning, emissions reduction, and climate-related disclosure and may occur directly, through investment managers, or through a third-party engagement service provider. This work is also supported through proxy voting at companies' shareholders meeting.

COMPONENT 4

Metrics and targets

To track progress toward net zero, an interim target was set to reduce financed GHG emissions intensity by 20% by 2030 relative to a 2024 base year in listed equity and corporate bond portfolios. The financed emissions target is informed by the Net-Zero Asset Owner Alliance Target-Setting Protocol (Fourth Edition). The current financed emissions inventory focuses on Scope 1 and 2 financed emissions.

The target is expressed as tonnes of carbon dioxide equivalent per million dollars invested (tCO_2e/$ million invested). This intensity-based approach allows the Plan to assess portfolio emissions relative to the amount invested and to monitor progress over time as the size and composition of the portfolio changes.

The Plan also tracks the share of assets included in the financed emissions inventory. It is important to note that only about 50% of the assets were included in these measures. GHG emissions data was not available for government bonds, including federal, provincial, and municipal bonds, as well as investments in private equity, infrastructure, and real estate, so these assets were not included. As data availability and coverage improve over time, the Plan will seek to expand its financed emissions inventory to include additional asset classes.

The Plan recognizes that achieving this target will ultimately require the companies it invests in to reduce their GHG emissions. This will depend on a range of factors, such as the availability of new technologies, the overall carbon intensity of the grid, and government policy. If governments and companies do not meet their stated climate targets, or scale them back, this may impact the Plan's ability to achieve its financed emissions reduction goals. The Plan also recognizes that divestment from high-emitting companies will not reduce real-world emissions. Efforts will therefore be focused on engaging companies in the portfolio to reduce their emissions. The financed emissions target will be reassessed every five years.

Progress thus far

The initial iteration of the Climate Action Plan focuses on establishing foundational targets and processes to track progress over time. The focus is now on integrating these processes and targets into daily investment activities. Following is a summary of the updates to CAP implementation since approval of the plan in 2025.

UPDATE 1

Financed carbon emissions

Financed carbon emissions are the GHG emissions associated with the investment and lending activities of financial institutions. Financed emissions are tracked in line with guidance from the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard, a recognized standard for calculating financed emissions.

	2025	2024
Total absolute financed emissions (tCO_2e)	36,910	38,631
AUM in scope for financed emissions ($CAD million)	1,363	1,324
Financed emissions intensity (tCO_2e/$ million)	37.1	41.9

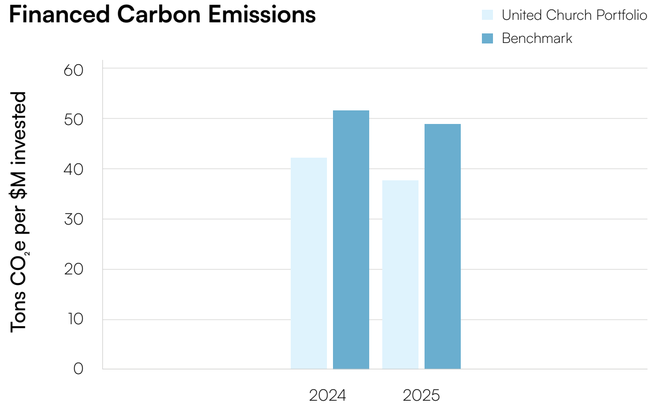
The Plan's financed emissions intensity decreased from 41.9 tCO_2e/$ million invested in 2024 to 37.1 tCO_2e/$ million invested in 2025, representing an approximately 11% reduction. This was primarily driven by the public fixed income portfolio, where financed emissions intensity fell from 61.9 to 50.9 tCO_2e/$ million invested.

The year-over-year decrease is due in part to changes in portfolio holdings, including the disposition of a higher-emitting issuer in the public fixed income portfolio, as well as engaging fixed income managers around the Plan's climate action goals.

These results provide an early indication of progress. However, the Plan's annual financed emissions can fluctuate due to portfolio composition, market movements, and data availability. Over the long term, achieving the Plan's target will require the companies in which the Plan invests to reduce their GHG emissions.

The Plan also compares its financed emissions intensity against a passive investment benchmark, which represents a comparable market index. This helps assess whether the Plan's portfolio is more or less emissions-intensive than the broader market exposure it is measured against.

Financed Carbon Emissions



The Plan's financed emissions intensity was below the passive investment benchmark in both years. In 2025, the portfolio was approximately 24% below the benchmark, compared with 19% below the benchmark in 2024.

UPDATE 2

Manager engagement

In 2025, the Plan communicated its emissions reduction targets to public market managers. This builds on the existing manager engagement process, through which the Plan reviews managers' efforts to integrate diversity, Indigenous rights, and climate change into their investment process through meetings and questionnaires.

Ongoing monitoring will help the Plan assess how managers integrate climate considerations into investment processes, identify and manage climate-related risks and opportunities, and engage portfolio companies on climate-related issues.

UPDATE 3

Company engagement

Using its 2025 financed emissions inventory, the Plan has identified the 20 companies that contribute the most to financed emissions. The Plan is now determining the appropriate level of engagement with each manager and reviewing current engagement activity through SHARE and other engagement channels.

These discussions will focus on transition planning, emissions reduction, and climate-related disclosure, and may occur through investment managers or through a third-party engagement service provider. Efforts are underway to document the engagement approach over the summer.

Looking ahead

The Climate Action Plan is part of a longer journey. The focus will remain on careful stewardship, transparency, and long-term oversight of members' pension assets.

The Plan expects its approach to continue evolving as data improves, guidance develops, and market practice changes. In 2026, it will continue improving financed emissions data quality, monitoring progress against the 2024 baseline, integrating Climate Action Plan objectives into manager reviews, and documenting the engagement approach for the 20 highest-financed emitters.

Progress will continue to be documented in an annual report, with the financed emissions target and the Climate Action Plan reviewed every five years, in coordination with the Plan's regular strategic planning cycle. Updates will be made as required to reflect the latest climate science and guidance for asset owners.

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

Founding Principles

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

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. The Pension Plan Funding Policy was reviewed and updated to reflect changes to actuarial standards and industry best practices since 2020. The updated Funding Policy was recommended by PPAC and the Pension Board and was approved by the General Council Executive in November 2025.

Governors and Staff

Pension Board
Rev. Mitchell Anderson, BA (Hons), MBA, MDiv (Hons) (to June 2025)
Sharon Aylsworth, BA (Hons) (to December 2025)
Darwin Bozek, FCPA, FCGA
Tamara DeMos, FSA, FCIA
Ahren Estabrooks, CFA
William Gilliland, BA (Hons), LLB, ICD.D
Rev. Hae-Bin Jung, BA, MDiv, MTS (to December 2025)
Kathleen Loewen, BSc, BEd, MEd
Alison McKay, BA, BAdmin, CPA, ICD.D
Rev. Blair Paterson, MDiv
Katharine Preston, BEng, MBA
Thea Sheridan-Jonah, BA
Anne Soh, FSA, FCIA (Chair)
Rev. Daniel Yourkevich, MDiv

Pension Plan Advisory Committee (PPAC)
Ingrid Chingcuanco (Chair) (from January 2026)
James Fera, BSc, LLB
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)
(to December 2025)

Investment Committee
Adam Buzanis, CFA
Cathy Carlin, CFA
Doug Chau, CFA, PRM, CQF, MSc, PhD
Samantha Cleyn, CFA, MBA
Ahren Estabrooks, CFA (Pension Board representative)
(from September 2026)
Andrew Greene, MA, CIM, CAIA (Chair)
Lori Hall-Kimm, BBA (Hons), MBA
Gavin Ingram (from May 2026)
Sean Macaulay, CFA (to February 2026)
Nirupa Muthurajah (from September 2025)
Deborah Ng, CFA, M.Finance
Katharine Preston, BEng, MBA
(Pension Board representative) (to June 2026)
Steve Smith, BCom, CPA
Kathleen Wylie, CFA (to May 2025)

Staff Support
Angelica Benalcazar, Executive Minister, Shared Services
David Dawrant, Director, Pension and Benefits Administration, and PABAS Project Manager
Derek Hurst, Director, Investment Management
Harry Li, Executive Minister, Pension and Finance
Shenagh Rosa, Director, Pension Governance and Member Services
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 annual report of The Pension Plan of The United Church of Canada is distributed online.

For questions and comments, contact:

Shenagh Rosa
Director, Pension Governance and Member Services
srosa@united-church.ca

Stefanie Uyesugi-Cooper
Coordinator, Pension and Benefits Member Engagement
suyesugi@united-church.ca

For more information, visit:
uccbenefits.ca/pension

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