

Climate Stewardship Plan

Addressing financially material climate risks through stewardship to support strong long-term investment outcomes for our members.

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About this report

UPP's Climate Stewardship Plan (2026–2029) sets out how we use stewardship to help manage climate-related risks. Under the first plan (2023–2025), we strengthened how we vote as shareholders on climate-related issues, supported more consistent climate-related reporting and market standards, and expanded our engagement with portfolio companies and industry partners to encourage stronger management of climate-related risks and opportunities. Building on that progress, this plan focuses on areas we believe are most relevant to managing climate-related risks.

1.0 Overview

As outlined in our [Climate Action Plan](#), a changing climate can create risk that affects investment performance across our portfolio, financial markets, and the broader economy. Stewardship is an important part of how we respond to financially material climate-related risks that may affect our members' pensions, helping us fulfill our fiduciary duty to act in their best financial interests.

By advocating for effective public policy, working with companies and external investment managers, and exercising our shareholder voting rights, we encourage stronger governance, better management of climate-related risks, more transparent financial markets, and clearer climate-related reporting.

These activities support investment decision-making, portfolio returns, and more resilient markets, helping to protect the pensions our members rely on.

WHAT IS STEWARDSHIP?

The [Principles for Responsible Investment \(PRI\)](#) defines stewardship as “the use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social, and environmental assets on which their interests depend.”

To enhance the impact of our stewardship activities, we often collaborate with other investors and organizations that share our goal of addressing climate risk.

Opportunities for climate-related stewardship

STEWARDSHIP TOOLS



Engagement with portfolio companies

Having direct and collaborative dialogue with companies in our portfolio to influence governance, strategy, and risk management.



Proxy voting

Using our votes at public company shareholder meetings to reinforce accountability and drive change.



Manager oversight and engagement

Engaging external managers to elevate responsible investing practices and ensure alignment with UPP's strategy and standards.



Collaboration and advocacy

Working with other investors, industry groups, and policymakers to promote stronger market standards and practices.

INFLUENCE ACTORS TO PROTECT AND ENHANCE LONG-TERM VALUE FOR MEMBERS



Portfolio companies



External investment managers



Regulators and policymakers

Related resources

[Read UPP's Climate Stewardship Plan \(2023 – 2025\)](#)

[See our stewardship highlights in our latest annual report](#)

[Learn more about UPP's Climate Action Plan](#)

2.0 Measures of success

We will assess progress on this plan by looking for evidence such as:

-  **UPP's portfolio companies** are improving how they manage climate-related risks and opportunities.
-  **UPP's external investment managers** begin or continue to exercise proxy voting, company engagement, or advocacy in support of climate transition.
-  **Regulators and policymakers** respond to UPP's advocacy efforts by adopting policies that improve transparency, support informed investment decisions, and enable real economy outcomes.

While no single investor can drive these outcomes alone, these indicators help us assess whether our stewardship activities are contributing to more resilient companies and markets, stronger risk management, and better information for making investment decisions.



3.0 Commitments

3.1 Climate advocacy

Approach

By engaging with regulators, policymakers, and industry peers, we encourage policies and market conditions that support better investment decisions, strengthen market resilience, and create opportunities to invest in the transition to a lower-carbon economy.

Effectively managing climate-related risks requires market rules and public policies that provide investors with clear information, stable investment conditions, and opportunities to invest in the transition to a lower-carbon economy. UPP engages with regulators and policymakers independently and alongside other investors to help shape these conditions in support of long-term investment outcomes.

Our approach is guided by the Net-Zero Asset Owner Alliance (NZAOA)'s Policy Engagement Guidelines. We also collaborate with peers and organizations such as Ceres, New Economy Canada, and the Principles for Responsible Investment (PRI) to amplify our collective voice.

Commitments

- ✓ Advocate the adoption of climate-related disclosure requirements aligned with Canadian and international reporting standards.
- ✓ Support the development and implementation of Canada's green and transition taxonomy through participation in advisory bodies and consultation processes.
- ✓ Advocate for effective, economically sound, and science-based carbon pricing and methane regulation in Canada.
- ✓ Promote industrial policies that strengthen climate resilience and create investment opportunities in areas such as critical minerals, clean electricity, and nature-based solutions.



CONSISTENT, DECISION-USEFUL CLIMATE-RELATED DISCLOSURE

The Canadian Sustainability Standards Board (CSSB) is a standard setting organization that has developed climate and sustainability-related disclosure standards for Canadian organizations based on the global standards developed by the International Sustainability Standards Board (ISSB). Together, these standards provide a common framework for companies to report material climate-related risks, helping UPP and other investors make more informed long-term investment decisions. Visit [CSSB](#) and [ISSB](#) websites to learn more.



CANADA'S GREEN AND TRANSITION TAXONOMY

Canada's green and transition taxonomy is being developed to provide a common classification system for identifying economic activities and investments that support the transition to a lower-carbon economy. By establishing consistent definitions and criteria, the taxonomy is intended to improve transparency, reduce uncertainty, and help investors identify transition-aligned investment opportunities while supporting Canada's emissions reduction goals. [Learn more.](#)

3.2 Climate-related dialogue and collaboration on climate

External investment managers

Approach

By working closely with external investment managers, we encourage the consistent integration of climate-related considerations across a larger portion of UPP's portfolio to support investment decision-making and long-term investment outcomes.

UPP's in-house investment team works alongside external investment managers to implement our public market investment strategies. Through ongoing collaboration, we deepen our understanding of climate-related risks and encourage best practices in stewardship and investing across a larger portion of our portfolio.

We encourage our external managers to engage with portfolio companies, integrate climate considerations into their proxy voting activities, and support climate-aligned public policy. We also identify opportunities to collaborate on shared priorities, extending our collective influence as long-term investors.

Commitments

Take a proactive approach to working with our external investment managers by:

- ✓ Initiating discussions on relevant proxy votes, portfolio companies, sectors, or thematic issues where we see opportunities to address climate-related risks.
- ✓ Promoting the adoption of robust and comprehensive climate stewardship practices.
- ✓ Identifying opportunities for managers to provide input to market standard-setters, regulators, and industry bodies on climate-related topics.

Portfolio companies

Approach

Our goal is to help companies make better long-term decisions that support more resilient businesses and stronger investment outcomes.

UPP regularly meets with portfolio companies to encourage stronger management of climate-related risks. We focus our efforts where we believe dialogue can have the greatest impact on managing climate-related risks, prioritizing companies based on factors such as portfolio exposure, emissions intensity, opportunities to support the transition to a lower-carbon economy, and where progress can be measured over time.

Commitments

- ✓ Through our partnerships, selectively engage with high-emitting sectors.
- ✓ Encourage priority companies to adopt climate-related disclosures aligned with the CSSB, develop credible transition strategies, and integrate climate considerations into capital allocation decisions.
- ✓ Work with audit and accounting firms, company management, and boards to strengthen the integration of climate considerations into financial reporting and audit practices.
- ✓ Continue supporting the efforts of Climate Engagement Canada (CEC) to strengthen climate risk management across the economy through contributions to its governance bodies and company dialogues.



CLIMATE ENGAGEMENT CANADA (CEC)

CEC is an investor-led initiative that supports climate progress at high-emitting publicly listed Canadian companies through collaborative investor engagement and climate benchmarking. By working together, participating investors can help encourage stronger climate disclosure, transition planning, and governance practices at companies where climate risk is financially material. [Learn more.](#)

3.3 Casting votes on climate

Approach

As a shareholder in publicly traded companies, we use our voting rights to encourage companies to make decisions that strengthen long-term performance and better manage financially material risks, including climate.

Our [Proxy Voting Policy](#) states our positions and expectations of companies in the form of guidelines on key topics, and our votes are publicly disclosed on our [proxy voting page](#). By reinforcing our expectations through our votes, we aim to encourage company decisions that strengthen long-term performance and support resilient investment outcomes.

While climate considerations are already well integrated into UPP's proxy voting approach, we continue to strengthen how climate-related issues are reflected in our voting decisions.

Commitments

- ✓ Support shareholder proposals that call on companies to provide climate-related disclosures that apply the CSSB or ISSB standards.
- ✓ Communicate with priority companies when we vote against management on climate-related matters to explain our voting rationale and encourage improvement.
- ✓ Maintain dialogue with external managers to share UPP's voting priorities and assess their voting practices.
- ✓ Continue to strengthen the integration of climate considerations into UPP's proxy voting policy, informed by emerging research, evolving market practices, and new technologies.
- ✓ Monitor developments related to nature-related risks and update our proxy voting guidelines, where appropriate.

4.0 Monitoring and reporting

We will monitor our progress against the commitments set out in this plan and report publicly on our activities and outcomes. This plan will be reviewed over time to reflect evolving market developments, lessons learned, and emerging priorities.

