

# RESPONSIBLE INVESTING REPORT

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## Responsible Investing (RI) aims to incorporate relevant and material environmental, social, and governance (ESG) factors into investment decisions and capital stewardship.

As outlined in our Responsible Investing Policy, RI plays an important role in meeting our fiduciary duty and ensuring the sustainability of the Plan. We consider ESG factors in our investment analysis and decision-making processes, both as risks and opportunities, with the aim of improving risk-adjusted returns. Furthermore, we seek to use our rights and influence to protect and enhance the overall long-term value of the Plan for our beneficiaries.

### Responsible Investing Framework

We have established a framework to guide our approach to RI, which focuses on four principles:

- ➔ **Integrate** - Integrating ESG within our investment manager selection and investment governance processes
- ➔ **Engage** - Engaging through our investment managers and proxy voting as well as through industry associations
- ➔ **Inform** - Continuous learning regarding RI trends and integration of best practices
- ➔ **Evolve** - Reviewing and updating our approach to RI, including our beliefs and priorities

### Responsible Investing Journey

As the investment environment changes, our approach to RI continues to evolve. Our RI Policy and integrated ESG considerations are used in the selection and monitoring of our investment managers. We also use our established Stewardship Guidelines to provide a framework for conducting and monitoring stewardship activities and to articulate our beliefs regarding key ESG issues.

We continue to work on our ESG priorities and are pleased to present the progress we have made on our journey.



## Responsible Investing Priorities

In considering the potential ESG risks that may impact the Plan, our Board identified four priorities to focus our investment monitoring and engagement activities:



### Climate Change

How companies are managing climate risks, capturing climate change-related opportunities, measuring their greenhouse gas emissions and setting reduction goals



### Labour Practices

How companies are advancing fair labour practices and safe workplaces



### Diversity, Equity and Inclusion

How companies are increasing the diversity of their boards and workforces as well as integrating equitable and inclusive practices into their business



### Inequality

How companies are contributing to global social and economic equality of members of society

## Climate Change

In 2025, we focused on our climate change priority and established climate metrics for our portfolio. All of our active investment managers integrate climate considerations into their investment process, and 73% have established climate policies. We have also determined that approximately three-quarters of them either track or report some greenhouse gas emissions data. We will continue to gather and assess emissions data to measure our portfolio's carbon footprint.

## Governance

Our Board is responsible for all investment activities of the Plan, including the approval and oversight of our RI Policy. Our management team implements, reviews, and updates the Policy and gives an annual update to the Board, describing how ESG considerations have been integrated into the administration, execution, and operation of our investment activities.

In addition to managing and reporting on investment activity, we are dedicated to continuous learning regarding ESG trends and integrating best practices into our RI framework. We incorporate an overview of ESG considerations into our orientation and onboarding process for new employees, Board members, and external Investment Committee members and offer periodic training opportunities. Some recent topics the team has explored include physical climate risks and biodiversity.

## Investment Manager Selection and Monitoring

We administer a customized ESG questionnaire as part of our due diligence process when selecting investment managers. It is designed to gather information regarding each manager's approach to RI and provide valuable insights into the performance and practices of new investment managers. It is also used as part of our ongoing monitoring of existing investment managers to ensure our understanding of their RI practices remains current.

Our questionnaire showed that all but one of our investment managers are signatories to the United Nations Principles for Responsible Investment (PRI) and participate in the PRI assessment process. As PRI signatories, these managers commit to incorporating ESG factors into their decision-making and ownership practices and reporting on their RI activities.

The ESG questionnaire process, which includes consideration of investment managers' PRI assessments, enables us to engage in meaningful dialogue about each manager's approach to RI with a view to identifying opportunities for improvement and sharing best practices.

During 2025, in light of several anti-ESG developments in the United States and Canada, we discussed with our investment managers the impact, if any, of those developments on their beliefs, investment approach, or reporting. Our managers remain aligned with our belief that ESG issues represent financial risks and opportunities, and consideration of those factors must remain part of the investment process. Likewise, they agree that diverse organizations drive better financial outcomes.

## Stewardship

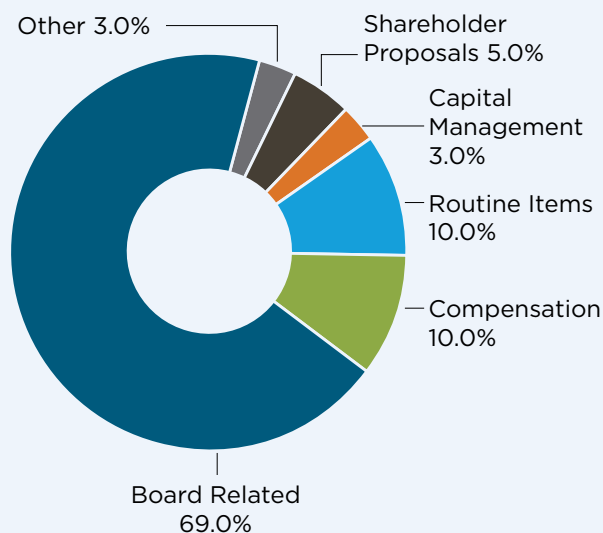
We aim to use our influence to promote sustainability and advance our ESG priority areas by improving the corporate behaviour of our investee companies and engaging with policymakers.

### Proxy Voting

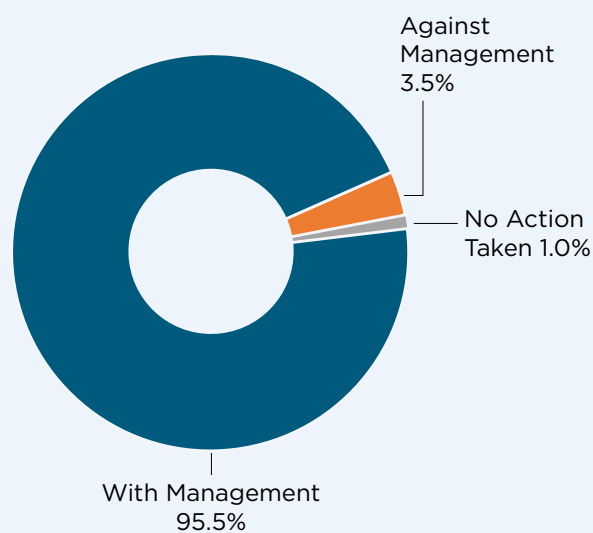
We have delegated responsibility for proxy voting to our external public equity investment managers, who endeavour to vote at all shareholder meetings of the companies in our portfolio.

Our investment managers support proposals that address issues material to the company as well as those which are in the long-term financial interest of shareholders. Specific to proposals related to climate, they tend to support those that improve transparency in a decision-useful way, address material climate risks relevant to the company’s business model, and enhance board oversight and accountability. Votes may be cast against or withheld due to a lack of information regarding a proposal or to signal concern to company management.

#### 2025 Proposals by Category



#### 2025 Proxy Voting



### Engagement and Advocacy

Throughout 2025, our investment managers engaged with companies on our behalf to enhance their understanding of the ESG risks and opportunities that companies are facing, as well as their approaches to and oversight of these issues. They encourage enhancements to disclosure where they feel shareholders would benefit from further information. In relation to climate change, discussions focused on emissions strategies and energy transition, including the role of hydrogen, carbon capture, and climate targets.

We collaborate with our peers through our membership in the Pension Investment Association of Canada (PIAC), the Canadian Coalition for Good Governance (CCGG) and the Institutional Limited Partners Association (ILPA).

In 2025, we participated in the CCGG annual engagement program, and a member of our investment team serves on its Public Policy Committee. In the past year, one of CCGG's initiatives was to respond to the Canadian Securities Administrators' pause on climate and diversity disclosure regulations. They urged securities regulators to move forward with governance and risk management disclosures for climate and to revisit their decision to no longer gather and publish annual diversity disclosure data for women on boards and in executive officer positions.

Finally, our investment team members attended PIAC's conferences and other networking events, taking advantage of the opportunity to connect with peers and discuss current issues, such as responsible investing topics.

## Conclusion

We believe that RI plays an important role in meeting our fiduciary obligations, and our approach to RI will evolve over time. Building on our understanding of our investment managers' RI practices, we will continue to progress our RI priorities. With respect to climate change, in 2026, we will continue working toward establishing a baseline carbon footprint for our portfolio. We intend to utilize portfolio emissions data to assess our exposure to climate-related risks and opportunities, and to inform our stewardship activities. We will also advocate for the adoption of standardized ESG metrics as well as disclosure of relevant ESG data.

We look forward to providing updates on our RI activities and outcomes as part of our annual reporting cycle.

