

2024

Engagement Report



UNJSPF

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Introduction

The United Nations Joint Staff Pension Fund (UNJSPF or “the Fund”) considers active ownership essential to mitigating risk, meeting our investment objectives and creating long-term value for our participants, retirees and beneficiaries.

We engage in dialogue with issuers to influence their activity or behaviour both directly and through EOS at Federated Hermes, a stewardship services provider.

Engagement allows us to have a positive real-world impact by encouraging better corporate practices surrounding the system-wide risks and opportunities related to environmental, social and governance topics.

This report summarizes the UNJSPF’s engagement activities during the 2024 calendar year.

Our 2024 engagement at a glance

Engaged with 655 companies across ESG issues through external provider

Expanded capacity to engage directly with companies, focused on climate transition strategy and board effectiveness

Collaborative initiatives included Climate Action 100+, Nature Action 100, Climate Engagement Canada and FAIRR

In 2024, the stewardship pillar of our Responsible Investment strategy evolved to reflect three core modes of engagement :

Engagement Type	Description
Internal direct engagement	Dialogues led by UNJSPF investment teams, focused on sector-specific ESG and financial issues, and by the Responsible Investment team, focused on high-emitting companies
Collaborative engagement	Conducted alongside peer investors via coalitions such as Climate Action 100+, Nature Action 100, FAIRR and Climate Engagement Canada
EOS-led engagement	Structured dialogues led by Federated Hermes EOS, with tracking and reporting on activity and key milestones

Each channel helps to ensure the Fund has a consistent and constructive voice on issues that are material to our long-term interests and values.

Through Federated Hermes EOS services, the UNJSPF’s engagement scope covers 12 themes and 32 sub-themes. These engagements typically take place with companies among our public equity and corporate fixed-income holdings. EOS-led engagement also includes public policy interactions, including open letters, meetings with government officials and industry discussions. The breadth of engagement activity reflects the variety of issues affecting companies in our global, highly diversified portfolio, including the energy transition, employee working conditions and business ethics.

In addition to the engagements conducted on the Fund’s behalf by Federated Hermes EOS, the UNJSPF enhanced its capacity to engage directly in 2024 by formalizing an internal engagement process across the investment teams. The Fund aims to further strengthen its engagement capacity in the coming year.

The Responsible Investment team engaged with several of the Fund's top emitters about their climate targets and decarbonization strategies, in support of our climate commitments, including reducing financed emissions from our portfolio. The UNJSPF also updated its escalation process in 2024; this process is activated if by the end of an engagement period, a company does not achieve the targets that have been set by the Fund. Escalation is tailored to each situation, with specific timeframes, and can lead to voting against board members, changes in capital allocation, or, as a last resort, divestment.

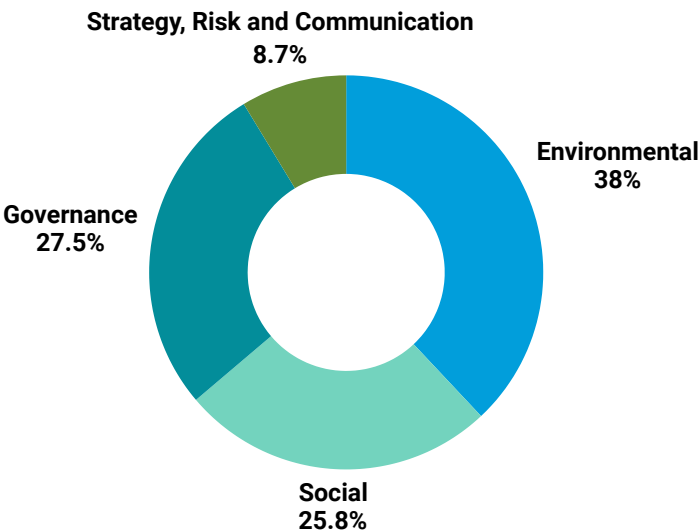
This report outlines our approach, priorities and progress, and identifies areas requiring greater corporate responsiveness to meet the challenges that affect a universal asset owner such as the UNJSPF.

Engagement insights and highlights

In total, EOS led engagement on behalf of UNJSPF with 655 companies on 3,124 environmental, social, governance, strategy, risk and communication issues and objectives.

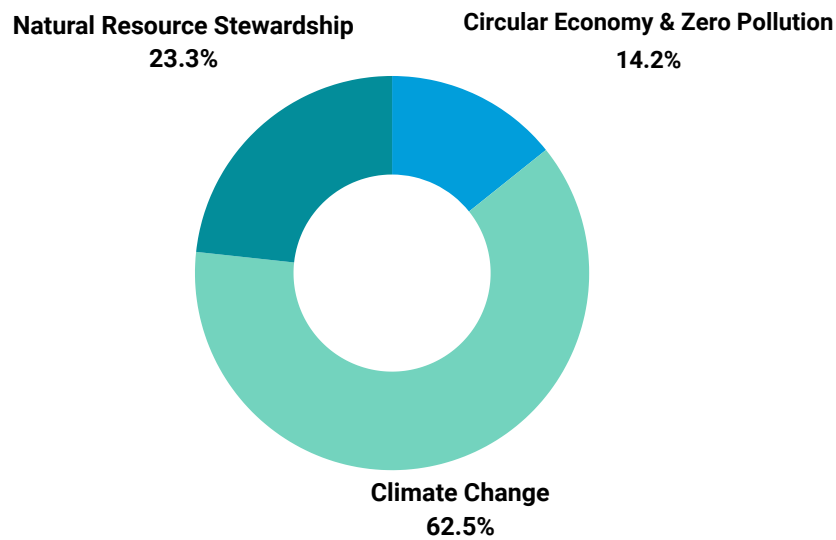
The most common engagement objectives (38 per cent) targeted environmental issues, underscoring the Fund’s commitment to addressing climate change, biodiversity loss, and resource efficiency. Nearly two-thirds (62.5 per cent) of environmental engagements focused on Climate Change, reflecting continued prioritization of corporate alignment with a 1.5°C pathway. According to the [UNEP Emissions Gap Report 2023](#), global greenhouse gas (GHG) emissions must fall by 42 per cent by 2030 to stay within this Paris-aligned trajectory. This requires urgent and ambitious action.

Issues and objectives engaged - Total



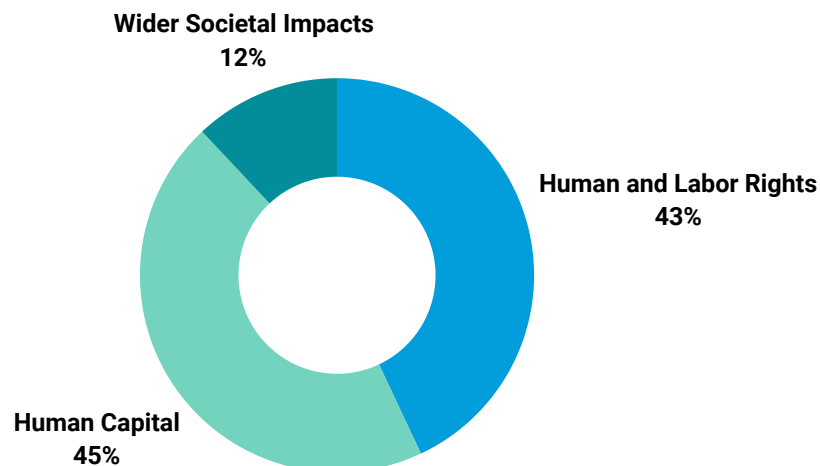
Other prominent environmentally themed engagements included Natural Resource Stewardship (23.3 per cent of environmental engagements) and Circular Economy & Pollution (14.2 per cent of environmental engagements). These engagements align with the Fund’s recognition of biodiversity loss and ecosystem degradation as systemic financial risks. Relatedly, we welcome the recommendations of the [Taskforce on Nature-related Financial Disclosures](#) (TNFD), calling for improved nature-related risk disclosures from corporations.

Issues and objectives engaged - Environmental



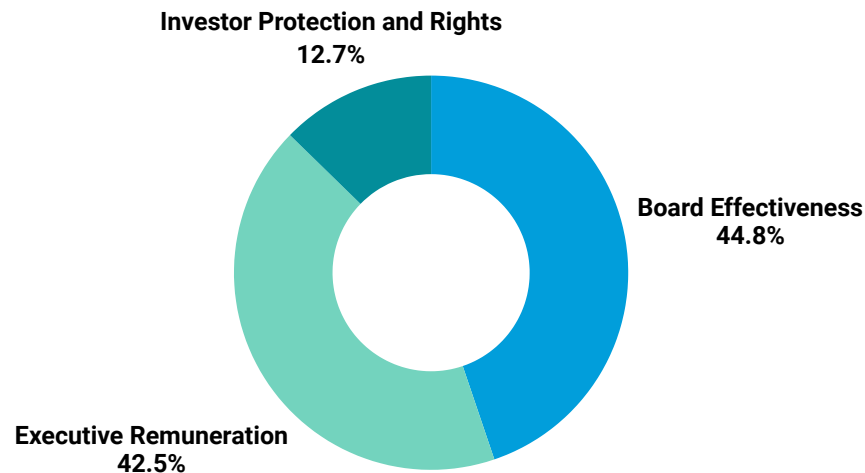
Social themes accounted for 25.8 per cent of engagements in 2024, with the bulk focused on Human Capital (45 per cent of social engagements) and Human & Labour Rights topics (42.9 per cent of social engagements). Relevant issues these engagements address include the effects of artificial intelligence on the global workforce, potential biases in hiring, and how the transition to a low carbon economy affects workers. Mitigating systemic issues require companies to better understand their impacts on human and labor rights in supply chains, community impacts in areas of conflict and evolving regulations including the EU's Corporate Sustainability Due Diligence Directive (CSDDD) and AI act.

Issues and objectives engaged - Social



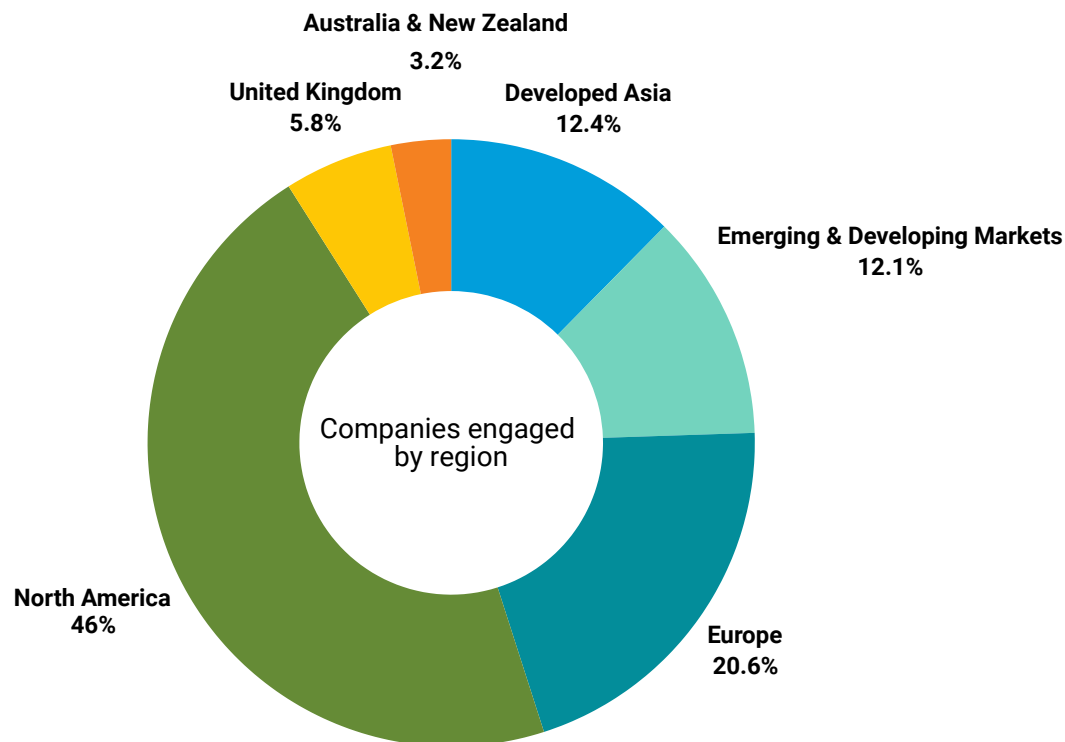
Governance issues comprised 27.5 per cent of total engagements. Board Effectiveness (44.8 per cent of governance engagements) remained a central theme, reflecting our expectations for strategic oversight of ESG risks. Executive Remuneration engagements (42.5 per cent of governance engagements) stressed the importance of aligning incentive structures and long-term, sustainability-linked performance.

Issues and objectives engaged - Governance



Regional variability in engagement

Engagements were globally distributed, with the largest concentration in North America (46 per cent of the total number of engagements) and Europe (20.6 per cent of the total number of engagements), followed by Developed Asia and Emerging Markets. This distribution reflects the geographical composition of the Fund’s portfolio.



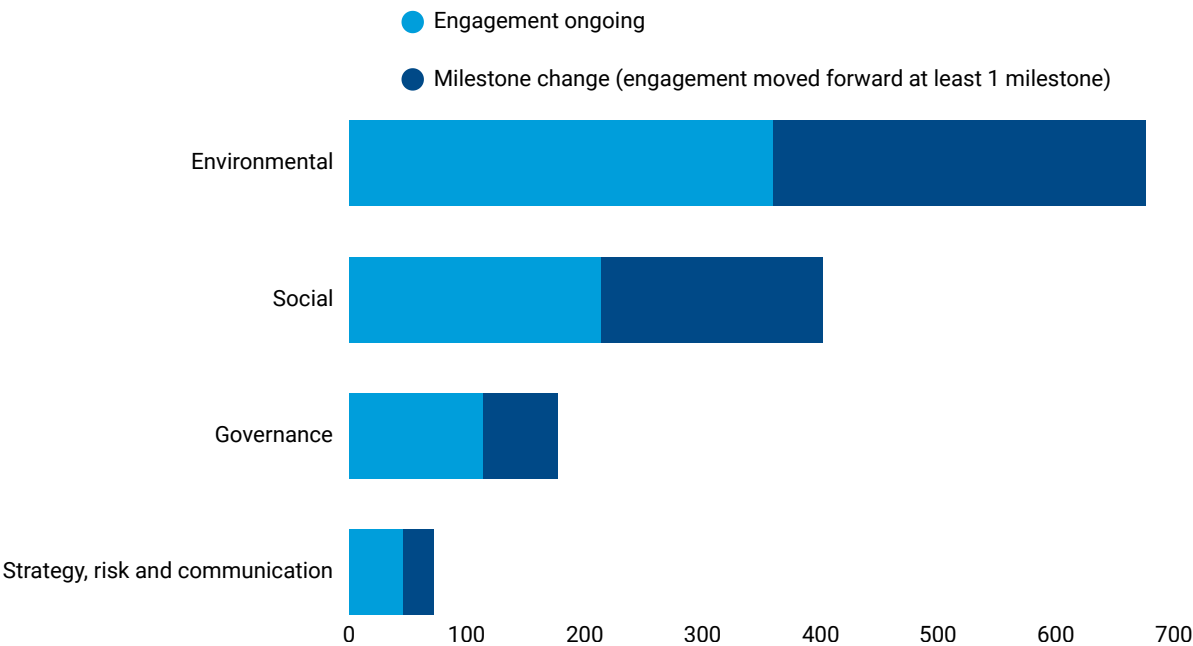
Aligning with the UN Sustainable Development Goals (SDGs)

The UNJSPF maps its engagement activities to the SDGs, as shown below. Notably, SDG 7, “Affordable and clean energy”, and SDG 2, “Zero Hunger”, each more than doubled relative to 2023 in terms of their prominence. This reflects the importance to the UNJSPF of the transition of energy and food systems to a low carbon economy, given their importance to the Fund achieving its climate targets and commitments. Environmental issues represented the greatest proportion of engagement activities in 2024 with SDG 12, “Responsible consumption and production”, and SDG 13, “Climate action”, each featuring in 29 per cent of engagements. The link between these SDGs and our environmental engagement includes a focus on climate change impacts, emissions reduction, transition planning, sustainable supply chains, circularity, resource efficiency, biodiversity impacts, and waste management.



Engagement progress in 2024

Engagements resulted in the achievement of at least one milestone across about 45 per cent of EOS’ objectives in 2024. Governance and Strategy/Risk themes showed the highest rates of milestone progress, while Environmental objectives, despite their volume, exhibited more gradual progress. One explanation is the substantial resources and time companies need to assess their climate risks and impacts before implementing formal and science-based climate transition plans.



Engagement case studies

Climate Change

The UNJSPF continues to strengthen the climate pillar of its Responsible Investment strategy, and engaging in structured dialogue with investee companies is a crucial component of our approach. We have committed to engaging with the top 20 emitters in the portfolio on the urgency of setting science-based GHG emissions reduction targets in line with the Paris Agreement, as well as other climate sub-themes such as managing climate physical risk, pursuing climate opportunities, promoting a circular economy and reducing waste.

Climate engagement case studies

Internally, UNJSPF investment officers engaged with a major Japanese consumer goods company on its decarbonization strategy and long-term transition planning. The discussion focused on how the company plans to align with net zero goals and whether its emissions disclosures meet new regulatory expectations. While the Fund noted progress in carbon data quality, the scope of the company's carbon footprint computation remains limited. As such, the investment team is monitoring for improvements in climate disclosure and transition planning, and plans to follow up on these topics in future engagements.

The UNJSPF investment team also engaged with multiple global banks on their strategy and plans to issue ESG-labelled debt, as well as how they manage climate risks within their particular regulatory landscape.

In 2024, an industrial company responded to requests from the Climate Action 100+ coalition (in which the Fund participates through EOS) that its financial statements demonstrate consideration of material climate-related risks and opportunities. The company provided investors with segment-by-segment details about its material climate risks improving the Fund's understanding of its financial exposure to transition risks. EOS also sought clarity from the company as to its advocacy efforts regarding potential public policy hurdles to decarbonization and obtained reassurance following a detailed report of the company's policy positions.

Natural Capital Stewardship

Biodiversity loss and ecosystem degradation can pose material financial risks to the Fund, particularly in sectors reliant on natural capital, which represents the economic value of nature, providing benefits called “ecosystem services” (such as pollination, CO2 sequestration, protection from flood risk). Climate change, water, waste, air quality and biodiversity are part of Natural Capital. Sectors such as agriculture, mining, energy and consumer goods are particularly exposed to biodiversity risks. We encourage companies to use natural resources sustainably and to commit to a net-positive impact on nature throughout their operations, including supply chains, by 2030. Our natural capital engagement also demonstrates our preference for strong governance, a demonstrated understanding of biodiversity impacts and dependencies, effective measurement of nature-related risks and opportunities and regular disclosure.

Natural capital engagement case studies

UNSJPF investment officers engaged with a multinational food retailer on issues related to water stress and circular packaging. The company discussed its research and development efforts to overcome stricter packaging-related regulations. Since then, it has been developing key performance indicators to monitor its impact and integrate nature into its risk framework. The company has also improved around deforestation and human rights issues, including through a renewed policy codifying its commitment to local communities and protecting nature.

On the Fund’s behalf, EOS engaged with a leading supermarket operator regarding a biodiversity-related engagement that began in 2022. EOS previously requested that the company identify, assess, and measure its most material impacts and dependencies on biodiversity and to develop a strategy. In 2024, EOS and UNSJPF continued their engagement with the company through the FAIRR protein diversification working group and were pleased to hear that it had committed to reporting against the Taskforce on Nature-related Financial Disclosures (TNFD) framework.

Human Rights

The protection of human rights, particularly in high-risk areas, is a crucial priority for the Fund. In support of this, EOS follows the UN Guiding Principles on Business and Human Rights in its engagement on these issues. Within UNJSPF, the teams monitor and engage with companies who violate one of the ten principles of the UN Global Compact (UNGC), which outline responsible business practices, including two principles directly related to human rights.

Human rights engagement case studies

In 2024, UNJSPF investment officers engaged with a mining company that has faced controversies regarding human rights and local communities' rights. The Fund engaged on topics related to the company's human rights monitoring process and grievance mechanisms. Future discussions will pursue more transparency and disclosure around these matters, alongside monitoring of the company's status as a violator of the UNGC principles.

EOS prioritizes high-risk regions for regular engagement meetings with companies on human rights matters. In 2024, EOS pursued 15 objectives related to human rights in high-risk regions. Companies and investors particularly felt divestment pressure regarding exposure to the Israel-Gaza conflict. Therefore, EOS engaged with 22 companies on this matter, some identified by the United Nations Human Rights Council (UNHRC), to clarify their conflict exposures and discuss human rights issues.

AI Governance and Ethics

While the opportunities presented by the meteoric rise of AI are notable, these technologies can also pose concerns, including potential ethical dilemmas such as embedded biases in AI programs that could result in discrimination or human rights concerns.

Moreover, as the use of AI systems grows, so do risks related to cybersecurity and data privacy. Companies that integrate AI into their business models therefore should maintain proper governance systems around its management to ensure transparent ethical policies. This includes robust oversight of AI systems in terms of their auditability, traceability and impacts, backstopped by ultimate human responsibility and accountability.

AI governance and ethics engagement case study

EOS has engaged with a global technology company on AI governance and ethics issues, including discussing algorithmic bias, lack of board oversight and inadequate governance around these emerging technologies. The company acknowledged these concerns, and in 2024 published its own AI Ethics measures. These included core principles, oversight by a technology ethics committee, ongoing staff AI training and participation by the company in the development of ethical industry standards.

Collaborative engagement

Climate Action 100+

Since 2017, Climate Action 100+ (CA100+) has grown to more than 600 signatories and has become the largest global investor engagement initiative on climate change. CA100+ seeks to work with investee companies towards the goals of the Paris Agreement to reduce GHG emissions by 2030 and deliver net zero GHG emissions by 2050. CA100+ has a focus list of companies for whom it has three main requests: 1) implement a strong governance framework that clearly articulates board accountability and oversight of climate change risk; 2) take action to reduce GHG emissions across the value chain in line with the Paris Agreement; and 3) provide enhanced corporate disclosure and implement transition plans to deliver on robust targets.

The UNJSPF joined CA100+ in 2019. In 2024, the initiative's milestone achievements included:

- Secured commitment by 80 per cent of focus companies to net-zero by 2050 across at least scope 1 and 2 emissions, up 3 percentage points compared to 2023.
- Found evidence of board-level oversight of climate change risks among 90 per cent of all assessed companies.
- Noted commitments by 88 per cent of focus companies to implement climate disclosures in line with the International Sustainability Standards Board (ISSB) recommendations or the Taskforce on Climate-Related Financial Disclosures (TCFD) standards.

Nature Action 100

Nature Action 100 (NA100), launched in 2023, is a global, collaborative, investor-led engagement initiative that aims to support greater corporate ambition and action on reversing nature and biodiversity loss. It comprises more than 230 institutional investors, representing or advising \$30 trillion AUM in total, who will collectively engage 100 companies in key sectors to drive necessary protection and restoration of nature and ecosystems.

The UNJSPF is currently engaging through NA100 with two companies: one diversified chemicals company and one multinational convenience store operator. In 2024, regarding the former, the engagement team focused on four core expectations: nature targets, the scale of ambition, governance and assessment of nature-related dependencies, impacts, risks and opportunities. The engagement team acknowledged the company's public commitments on biodiversity and water stewardship, such as its goal to conserve 50,000 acres of habitat by 2050 and implement water stewardship plans at all sites by 2035. The company demonstrated strong alignment between climate and nature strategies and disclosed progress against selected targets. Gaps remain, however, in the assessment and disclosure of nature-related risks and dependencies across its value chain. The UNJSPF encouraged the company to enhance transparency particularly on the impact of plastics consumption, TNFD implementation and supply chain deforestation. NA100 benchmark rated the company's performance as "partial" across all indicators, which highlights the need for further progress on materiality assessments, third-party target validation and lobbying alignment with global biodiversity goals. These will be discussed during the 2025 engagement.

FAIRR Initiative

The FAIRR Initiative is a collaborative investor network that raises awareness of material ESG risks and opportunities in the global food sector, particularly regarding intensive animal agriculture. Established in 2015, FAIRR counts \$80 trillion in member AUM and over 400 members. Its mission is to build a global network of investors who are aware of the issues linked to intensive animal production and seek to minimize risks within the broader food system.

Through FAIRR, the UNJSPF engages with 20 companies as part of two engagement groups:

- Protein Diversification - Expanding the variety of sources from which people obtain their protein is essential for mitigating climate, nature and public health risks. Particularly amidst rising animal-protein production and consumption worldwide, diversification is crucial for promoting healthy and sustainable diets—and ecosystems. To support this transition, alongside FAIRR and other investors, we co-sign letters to encourage companies in developed markets to:
 - Integrate protein diversification into their climate transition plans.
 - Follow Just Transition principles in diversifying their protein portfolio.
 - Allocate resources toward expanding alternative protein offerings.
 - Implement marketing strategies to increase plant-based protein consumption.

In 2024, FAIRR's Protein Diversification Engagement increased to 73 investor signatories with over \$11.5 trillion in AUM, which as a group sent formal letters to the 20 engagement companies. Results included acknowledged receipt of the letter by 19 of the 20, and over 75 per cent having submitted or committed to submit a written response. Follow-up engagement calls are also agreed upon with over 75 per cent of the companies in 2025.

- Waste & Pollution - Waste and pollution are major drivers of biodiversity loss, which exacerbates climate change and water scarcity. Accordingly, our engagement through FAIRR aims to encourage pork and poultry producers to:
 - Conduct meaningful risk assessments for manure and animal waste management, and identify substantive mitigation opportunities.
 - Develop and implement action plans to reduce their repercussions on the water supply and biodiversity.
 - Leverage manure and animal waste for economic value through investments in circularity, which can reduce emissions from chemical fertilizers, mitigate pollution risks and improve soil health.

Our participation in FAIRR represents not only our commitment to nature and biodiversity, but also to continually forging partnerships for the benefit of both Fund performance and the health and wellbeing of our people and planet, as encapsulated by the SDGs.

Climate Engagement Canada

Climate Engagement Canada (CEC) is a collaborative engagement initiative that aims to drive dialogue between investors and Canadian issuers on climate risks and opportunities, and the just transition to a net-zero economy. The UNJSPF joined as an international supporter of CEC in 2024, which currently has 57 participants with over \$8.7 trillion in AUM. Its focus list of companies comprises the highest reported or estimated emitters on the Toronto Stock Exchange (TSX) and who may have a significant opportunity to contribute to the transition to a low-carbon economy.

Within CEC, we are part of two company engagement groups in the materials sector. In 2024, the engagement group met with senior leadership of a mining company, focused on their committing to disclose a Scope 3 emissions reduction target, its decarbonization strategy, and a greater understanding of the just transition's impact on its workers, communities, suppliers and customers. For the other group, the engagement with a chemicals company is in early stages.

Public policy highlights

As a universal asset owner, we aim to use our influence to support and call on policymakers, asset managers, asset owners and other economic actors to prioritize ESG-related issues. To this end, in 2024 we signed on to the following statements:

- [Asset Owners statement to global leaders on biodiversity loss](#) (led by the Church of England Pensions Board)
- [Investor Action on AMR \(IAAMR\) Public Investor Statement](#) (led by FAIRR)
- [Financial Sector Statement calling for an end to plastic pollution](#) (led by the Principles for Responsible Investment)
- [2024 Global Investor Statement to Governments on the Climate Crisis](#) (led by the Investor Agenda)

Throughout 2024, EOS engaged in various public consultations and meetings with government officials, financial regulators, stock exchanges, industry associations and other key stakeholders. The goal of such policy engagement is to protect and increase investment value by improving shareholder rights. Below are the key market trends and highlights from policy engagements across different regions.

Country/Region	Key activities and highlights
Continental Europe	• Board Governance: Requested greater access to board directors in markets where this remained low (Scandinavia, Italy, and Spain). • Climate Transition Planning: Outlined rising expectations that companies are clear about how their Paris Agreement-aligned climate transition plans are reflected in their audited accounts. • Deforestation Risks in Financial Services: Provided informal feedback to the Finance Sector Deforestation Action (FSDA) initiative on its draft deforestation investor guidelines for commercial banks.
United States	• Human Capital Engagement: Engaged as part of the Human Capital Management Coalition (HCMC), which works to elevate human capital management priorities as a critical component of company performance. HCMC engages with companies and in 2024 also sent a letter to the US Securities and Exchange Commission regarding human capital management disclosures.

Country/Region	Key activities and highlights
United Kingdom	• FCA Listing Regime: Expressed disappointment that the UK's Listing Regime did not incorporate prior feedback, and instead proposed reforms that scarcely diverged from its original proposal. We highlighted the detriment to shareholder rights and protections from removing shareholder votes on related party transactions, and from foregoing requirements that companies seeking to list provide certain historical financial information.
Developed Asia	• Capital Efficiency: Introduced a new policy in 2024 to identify corporate governance concerns in companies where public equity persistently trades at a price-to-book ratio of below one, indicating that investors are assessing the company as potentially worth more if liquidated rather than continuing to operate, and that directors are destroying shareholder value. An assessment of 29 major markets found an outsize prevalence of such companies in Japan and South Korea, implying systemic issues in these markets. As a result, we engaged with exchanges in both Japan and Korea on these issues.

