

# TD Asset Management

## Responsible Investment Questionnaire

Presented to:

Queen's University

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## General

### 1. Please provide your ESG-related policies

Our approach to sustainable investing follows a framework based on three main components 1) identifying, evaluating and monitoring material ESG risks & opportunities in portfolio construction; 2) ESG engagement and proxy voting; and 3) advancing ESG research and thought leadership.

As a multi-asset manager, TDAM views the integration of ESG factors in the investment process to be unique to each asset class, i.e. the tools and strategy leveraged to integrate ESG in equities would be different than in the alternative investments space (e.g. real estate and infrastructure).

For a more comprehensive overview of our Sustainable Investing approach, including information on how each asset class integrate ESG in the investment process, please refer to the Sustainable Investing Approach, which can be found [here](#).

### 2. Are sustainable investing and ESG factors integrated into your investment process and portfolio management decisions? If yes, please provide details.

Yes.

#### ESG Integration at the asset class level

##### Fundamental Equity

1. The Fundamental Equity team integrates ESG factors directly into their investment analysis. The process for incorporating these factors into the decision-making includes:
2. Incorporating ESG assessments and concerns into each research report to ensure issuers' ESG related risks are reviewed, updated and assessed by our sector analysts. This also helps in prioritizing our engagement efforts on improving companies' ESG related practices. Although we augment our work with information from third parties, including sell-side brokerage firms as well as ESG data providers (e.g. Sustainalytics, MSCI), we consider conducting our own review and assessment a key part of the process. This is in line with our belief that ESG issues should be given significant consideration as they provide us with a more robust view of potential risks and opportunities.
3. Collaborative ESG thematic research on actionable ESG themes with potential for high impact to the companies in which TDAM invests. We have found this is the best way to highlight the structural changes to their various sectors and impacts to the companies' themselves.
4. Highly focused and systematic approach to engagement. We are committed to being actively engaged investors - our sector analysts regularly meet with company management teams and discuss applicable ESG issues, goals and emerging trends. The findings are included in internal write-ups and research reports. Integrating ESG into our process also allows us to have a more informed discussions with management teams and form a better assessment of quality.

## Low-Volatility Funds

Specific to our low volatility mandate, ESG criteria are used in two ways in our investment process: (1) as a factor in the newly introduced quality filter, and (2) to better understand and anticipate foreseeable risks.

- **New Quality Filter:** At the end of June 2020, in collaboration with our Quant Research team, our Portfolio Management team introduced a new quality filter which is the outcome of more than a year of research and development work. It aims at helping identify stocks that may have lower historical volatilities but show other signs of vulnerability. This filter expands on our efforts to avoid overly expensive stocks but broadens the range of stock-specific vulnerabilities considered. The worst ranked stocks according to this process are excluded from further purchase and may be sold off at the portfolio management team's discretion. Our quality filter considers seven themes among which an ESG Rating score which quantifies the stocks' ESG risks.
- **Headline Risk:** Our portfolio managers continue to monitor all stocks in our universe for headline risk. By doing so they aim to reduce these risks, as they make stock prices harder to forecast using historical pricing data. Any potential liability that could increase risk of specific securities is taken into consideration. We acknowledge that ESG risks can impact the viability of a stock. ESG considerations play a role in our discretionary assessments for specific stocks as it relates to reducing risk in the portfolio. They may use judgment to decide whether a major event impacting a particular stock or group of stocks is significant enough to discard the historical information for the stocks involved.

TDAM continues to invest more resources into expanding its ESG capabilities and is excited about potential future developments in the next two years. We recently subscribed to Sustainalytics – a dedicated third-party ESG research platform – and the quantitative equity team receives intellectual support from the Risk team to monitor the ESG footprint of individual security positions as well as our portfolios. Sustainalytics also allows us to continue to research and quantify how ESG issues can impact the Low Volatility portfolios.

Lastly, our low volatility funds adhere to the firm-wide ESG policies, which includes following the firm's guidance on proxy votes related to ESG matters. The objective of these funds is to seek to provide a better risk-adjusted total returns than the applicable capitalization weighted market index.

## Passive Investing:

### Passive Fixed Income

TDAM follows an active stewardship and engagement approach to integrate ESG in passive portfolios, including passive fixed income. Given the objectives of replicating the characteristics of the fixed income benchmark in passive portfolios and reduced ability for issuer selection, we believe we can improve the overall ESG quality of these portfolios through regular engagement on ESG issues with issuers included in the index and index providers. At TDAM, we regularly engage with corporate issuers specifically on ESG and have begun to evaluate and include ESG topics with non-corporate issuers through ESG Research, our engagement team and Credit Research team. In addition to active stewardship and engagement efforts, we do have the capability to add an ESG-tilt to passive fixed income portfolios for interested institutional clients with segregated mandates. This could take the form of:

- Adding an ESG overlay, for example filtering out issuers with lower ESG scores.

- Replicating an ESG-focused index.
- Applying a 'negative screen' to ensure select industries or names are not permitted.

### Passive Equity

Similar to passive fixed income, TDAM follows an active ownership and engagement approach to integrate ESG in passive equity portfolio. Our active ownership efforts are increasingly aligned with active equity and guided by the ESG engagement framework, strategy and proxy voting policy led by our ESG Research and Engagement Team as well as the Fundamental Equity team. Portfolio managers, both on active and passive side, are involved in corporate engagements and proxy voting.

### Fixed Income:

Our approach incorporates ESG risk in both Integration and Stewardship/Engagement for Fixed Income Issuers across both, Public and Private Debt markets. Unless specified by mandate, TDAM Credit Research does not undertake positive or negative investment screening, or impact investing.

#### ESG integration:

We integrate all material and relevant ESG risks into our overall credit rating process. ESG risks are identified and quantified in our TDAM ESG Scores. The impact on credit ratings is then assessed and documented.

#### ESG stewardship/engagement:

- We actively engage with issuers on ESG topics on an ongoing basis.
- Our engagement efforts are coordinated with the ESG Research & Engagement Team and Equity Teams' efforts.
- Engagement helps to better understand a company's approach to ESG issues, management engagement and overall approach to corporate governance.
- We track the details of our ESG engagements in our ESG Engagement Tracking Tool.

### TDAM Fixed Income ESG Process



## The TDAM ESG Score

TDAM ESG Risk Score	Definition
10	Highest ESG Risks
9	
8	
7	Moderate ESG Risks
6	
5	
4	Lowest ESG Risks
3	
2	
1	

- The overall output of our ESG process is the 'TDAM ESG Risk Score' which identifies the potential credit risks faced by issuers, mainly in terms of relevance and materiality to financial and/or ratings impacts.
- We follow a 1-10 scoring system, with 10 indicating the highest ESG risk.
- The scores reflect our opinion of the relative ranking of ESG risks. Analysts consider the overall appropriateness of the final score and its comparability vs. other companies in the same industry, and across industries.
- All ESG scores are initiated by the credit analysts specialized in the industry. These initial ratings are brought to the senior analysts of TDAM Credit Research for further discussion on the depth of research and consistency of approach. Finally, these ratings are brought to the TDAM Credit Committee for final debate and approval.

## ESG Rating Subcategories

Environmental Pillar			Social Pillar		Governance Pillar	
Climate Change	Natural Capital	Pollution & Waste	Human Capital	Product Liability	Corporate Governance	Corporate Behaviour
Carbon Emissions	Water Stress	Toxic Emissions & Waste	Labor Management	Product Safety & Quality	Board	Business Ethics
Product Carbon Footprint	Biodiversity & Land Use	Packaging Material & Waste	Health & Safety	Chemical Safety	Pay	Anti-Competitive Practices
Environmental Financing	Raw Material Sourcing	Electronic Waste	Human Capital Development	Financial Product Safety	Ownership	Corruption & Instability
Climate Change Vulnerability			Supply Chain Standards	Privacy & Data Security	Accounting	Financial System Instability
			Employment	Responsible Investment		Tax Transparency
				Health & Demographic Risk		

- We currently consider 26 risk criteria when we assess ESG risk. The risk criteria come from various sources and are periodically reviewed for their appropriateness by an ESG focused sub-committee of our Credit Committee.
- Analysts consider these criteria when arriving at their **sub-scores** for our separate E, S and G ratings. We follow a 1-10 for assigning sub-scores. Analysts then assign a final **'TDAM ESG Risk Score'** based on the workup of the underlying E, S, G, scores, but also taking into consideration how the company should rank on a relative basis. For example, we would likely assign a high-risk score for "Carbon Emissions" to companies involved in the oilsands extraction business. This would translate into a higher 'E' score and 'ESG' scores depending on our assessment of the risk.
- Analysts decide which risk criteria should have the most weight in assessing the overall score and use their best efforts to assimilate data on each area. Consistency of the scores are enhanced by the reviews and final Credit Committee approval.

In assigning the scores, analysts reflect the current situation of a credit, but can give some acknowledgement to ongoing mitigation efforts, such as the recent history, and current promises, of lowering their pollution output for example. The rating will reflect management's track record of improvement before giving credit to future promises.

#### **Documenting and Reporting our ESG findings**

- ESG findings and scores are documented and reported in a standardized format, using the 'TDAM ESG Template'. This ensures consistency, and a robust and repeatable process.
- 'TDAM ESG Risk Scores' are stored in the 'ESG database', which is a central repository for all scores and is used for comparability, reporting, and analytical exercises, whilst also ensuring (i) the data is stored correctly and securely, and (ii) can easily be retrieved for reporting and auditing purposes.
- The 'ESG Integration' section in TDAM Credit Research's credit reviews is where the impact of ESG risks on TDAM's credit ratings is documented. The other sections are for the ESG score rationale. For example, oilsands companies with high ESG scores will see a lowering of 'company & management' and 'industry' sub-factors in our credit ratings process.
- A 'TDAM ESG Template' is included in our credit reports for every Approved Issuer, which is completed at least annually. ESG scores figure prominently on the front page of all credit reports.
- Changes to the 'ESG database' are tracked on a weekly basis and monitored by the credit committee.

TD Asset Management ESG Template	
Select Company:	Analyst: Select Name: Date: 11/10/2020
TDAM ESG Risk Score:	
ESG Integration	
Environmental Risk Score:	
Analyst Commentary	
Social Risk Score:	
Analyst Commentary	
Governance Risk Score:	
Analyst Commentary	

### TDAM ESG Credit Sub-Committee

Within the Credit team, this is a dedicated group of 6 core individuals and guests, that meets **at least quarterly** to provide oversight over our ESG ratings and process. A key focus is the dynamically changing ESG field, and the need for ongoing relevance.

#### Key Responsibilities:

- Calibration of ESG ratings between fixed income asset classes.
- Review of the ESG sub-categories for ongoing relevance.
- Engagement with other TDAM Groups or external parties.
- Review of Key ESG Industry Articles & Conferences.
- In-depth sector & ESG topic reviews, e.g., coastal real estate, EV adoption.

### Alternative Assets:

#### Real Estate

Our real estate sustainability strategy is fully aligned with our culture that focuses on risk management, disciplined processes, sustainable returns and key stakeholders including our clients, the tenants in our properties and the communities we are invested in. We aspire to integrate best-in-class ESG practices in all our real estate investment and portfolio management processes including acquisitions, developments, capital planning, and ongoing operations with the goal of delivering stable, growing income streams, creating value and mitigating risks over the long term.



From an environmental standpoint, a growing list of factors are evaluated throughout our sourcing, underwriting, and asset management process. We are also committed to protecting asset value and mitigating climate change-related risk within our portfolios, as most countries transition to a low-carbon economy. For example, the TDAM Canadian Real Estate strategy measures sustainability performance, including energy and water consumption, greenhouse gas emissions and waste reduction annually. Using less energy at our properties saves costs for tenants and clients, improves our sustainability performance, and lowers the carbon footprint of our assets.

Our commitment to addressing social issues includes the health and wellness of tenants, housing affordability, community engagement and promoting and encouraging diversity, equity & inclusion at our underlying assets and among our operating partners.

There are also robust and transparent governance practices in place to ensure the integration and advancement of sustainability initiatives across our investments. Formal ESG policies and procedures outline our ESG commitments including a Sustainable Development Policy that evaluates opportunities to introduce best-practices and green features throughout the development lifecycle. ESG scorecards measure our portfolio-level progress across different indicators (e.g. GRESB score, building certification rate, carbon emissions, tenant engagement etc.), and from the bottom-up perspective, every transaction we consider is measured by an ESG checklist that is included in our investment approval process.

### **Our commitment to Reducing Energy Consumption**

We measure our sustainability performance, including energy and water consumption and greenhouse gas emissions annually. In 2017, we set a target to reduce our 2016 core portfolio energy use by 12.7% over the next five years. Using less energy at our properties is a cost mitigation and risk management strategy that makes our properties more competitive saves cost for our tenants and clients, improves our sustainability performance, and lowers the carbon footprint of our assets.

### **Our Commitment to Benchmarking Ourselves Versus Industry Standards**

TDAM became a signatory to the UN Principles for Responsible Investment (PRI) effective December 20, 2016. Through our PRI membership, we recognize the importance of ESG integration in contributing to investment excellence and stable, long-term returns. The Real Estate Strategy also participated in the Global Real Estate Sustainability Benchmark ("GRESB") over the past two years. GRESB is a global initiative seeking in-depth disclosures of the sustainability management approach and performance of real estate funds and listed companies.

### **Our Commitment to Building Certification**

Third-party green building certifications, such as LEED®, BOMA BEST® and the Certified Rental Building Program guide and validate sustainability at the property level. They provide a proxy for overall sustainability excellence in how a building is built or managed and its current and future sustainability performance. We pursue building certification based on market fundamentals and investment considerations.

## **Our Commitment to Tenant and Community Engagement**

We encourage our third-party property managers to identify and share sustainability best practices with new and existing tenants and measure which properties in the portfolio are engaging its tenants. Sustainability engagement includes organizing sustainability-focused meetings and events for tenants and providing them with information on the buildings' energy and water use and waste diversion.

## **Our Commitment to Addressing Social Issues and Diversity & Inclusion**

In 2020, we made a substantial equity investment in the KingSett Affordable Housing LP. The partnership's objective is to build and operate up to \$1 billion high-quality apartment assets that deliver well-designed housing in Toronto, creating sustained long-term value growth while improving the communities we work and live in. We will seek out urban sites that are near transit but with an added focus on managing land costs so that development returns remain accretive. We are also actively building affordable units at other multi-family assets within the portfolio.

Moreover, in 2021 and beyond, TDAM is committed to certifying more properties through the Rick Hansen Foundation Accessibility Certification ("RHFAC"). The goal of an RHFAC is to encourage barrier-free access inside and outside of properties and to promote safe, accessible work environments for everyone.

## **ESG Scorecard Update**

The Real Estate Strategy uses our Sustainability Integration Scorecard and our benchmark report from the Global Real Estate Sustainability Benchmark ("GRESB") assessment to monitor sustainability performance trends and benchmark ourselves against year over year performance. Highlighted below are some of the most material ESG improvements in our 2020 Sustainability Scorecard.

After falling in 2020 primarily due to a changed methodology by GRESB, our 2021 GRESB score improved to 73. To continue to improve against our peer group, we are currently working on increasing availability of energy and water data and pursuing green building certifications at more properties, with a focus on our residential portfolio. We are pleased to report that the Fund's certification rate is now 53%.

Presently, we are working with our management partners to collect more utility data, which will support our GRESB score and greenhouse gas ("GHG") reporting. One major improvement is that we now have energy data for 42% of our industrial portfolio, up from 25% in 2019. This additional data coverage gives us a more accurate picture of actual GHG emissions, and it reduces the reliance on estimates.

Our portfolio GHG emissions decreased by 12% due to lower energy use and a cleaner electricity generation mix in Canada. It is hard to decouple energy savings from continued investment in energy efficiency and less energy use due to the COVID-19 pandemic. However, we do believe our focus on energy reduction is paying off, as our residential portfolio energy use reduced by 4% on a like-for-like portfolio basis, despite having more people working from home.

Sustainability Integration Scorecard				
Indicator	Description	2018	2019	2020
<b>Accountability</b>				
GRESB score	Annual GRESB score	65	74	70
<b>Certification</b>				
Core portfolio certifications	Properties that achieved green building certification	40%	52%	53%
<b>Performance</b>				
Energy use	Change in total energy consumption from prior year	+4.9%	-0.2%	-8.8%
Greenhouse gas emissions	GHG emissions	206,000 tCO <sub>2</sub> e	209,000 tCO <sub>2</sub> e	182,000 tCO <sub>2</sub> e
Waste diversion	Ratio of waste diverted from landfill	56%	42%	40%
<b>Customer</b>				
Occupant engagement	Properties with sustainability-focused occupant engagement programs	88%	87%	85%
Commercial green lease penetration	Portfolio area covered by a green lease	20%	21%	25%

Note: Greenhouse gas emissions includes estimated data where we do not have access to consumption records. GHG emissions are based on a financial control approach.

### 3. a) Are you a signatory to the UNPRI?

Yes.

In 2008, TDAM became one of the first asset managers of a major Canadian financial institution to be a signatory to the UN Principles for Responsible Investment (PRI), and has been a signatory each subsequent year.

The six principles of the PRI are directly integrated into our Sustainable Investing Approach, and based on the PRI annual assessment reports, TDAM has consistently scored better, or in line, when compared to peers globally.

### b) If you are signatory to other coalitions, please list them.

We work together with other organizations who strive to advance sustainability efforts in investment management across all asset classes. TDAM is a signatory to the UN-supported Principles for Responsible Investment (PRI), the Carbon Disclosure Project (CDP), Climate Action 100+; the Canadian Coalition for Good Governance (CCGG) and the Investor Stewardship Group (ISG). We are also a participant member of the Global Real Estate Sustainability Benchmark (GRESB).

Below is a list of organizations where TDAM is a current member and/or currently partners or collaborates with on engagement and other consultations or working groups:

- [UN Principles for Responsible Investment](#) (PRI) - 2008
- [Canadian Coalition for Good Governance](#) (CCGG) - 2005
- [CDP](#) - 2007
- [Responsible Investment Association](#) (RIA) - associate member in 2019; signatory to the RIA Canadian investor Statement on D&I in 2020

- [Climate Action 100+](#) - 2019
- [Global Real Estate Sustainability Benchmark](#) (GRESB) – 2016
- [International Corporate Governance Network](#) (ICGN) – 2021
- [Task Force on Climate Related Financial Disclosures](#) (TCFD) – 2021
- [Climate Engagement Canada](#) (CEC) – 2021
- [United Nations Environment Programme Finance Initiative](#) (UNEP FI) Climate Change Pilot 1&2
  - Pilot I: 2018-2019
  - Pilot II: 2021-2022
- [Investor Stewardship Group](#) (ISG) - 2017
- [Global Investor Statement to Governments on the Climate Crisis](#) – 2019
- [30% Club Canada Investor Group](#) – 2021

**c) Indicate any other international standards, industry guidelines, reporting frameworks, or initiatives that guide your responsible investing practices.**

TDAM reports on its sustainable investing activities in various ways – both voluntary and in accordance to regulatory requirements, and we continue to evolve and improve on these efforts over time.

In addition to our reporting obligations under standard regulations, as well as satisfying any ad hoc client reporting requests at the fund/portfolio level, relevant public-facing documents can be found on our Sustainable Investing website ([here](#)).

Key documents include:

[TD Asset Management Sustainable Investing Approach](#)

[TD Asset Management Proxy Voting Guidelines \(Newly updated for 2022\)](#)

[TD Asset Management – Proxy Voting Policy & Procedures](#)

[Quarterly Proxy Voting Reports](#)

**4. Please describe how ESG oversight and integration responsibilities are structured at your firm, including the process for escalation of key ESG issues. How do you obtain ESG information/data (e.g. public information, third party research, reports and statements from the company, direct engagement with the company)?**

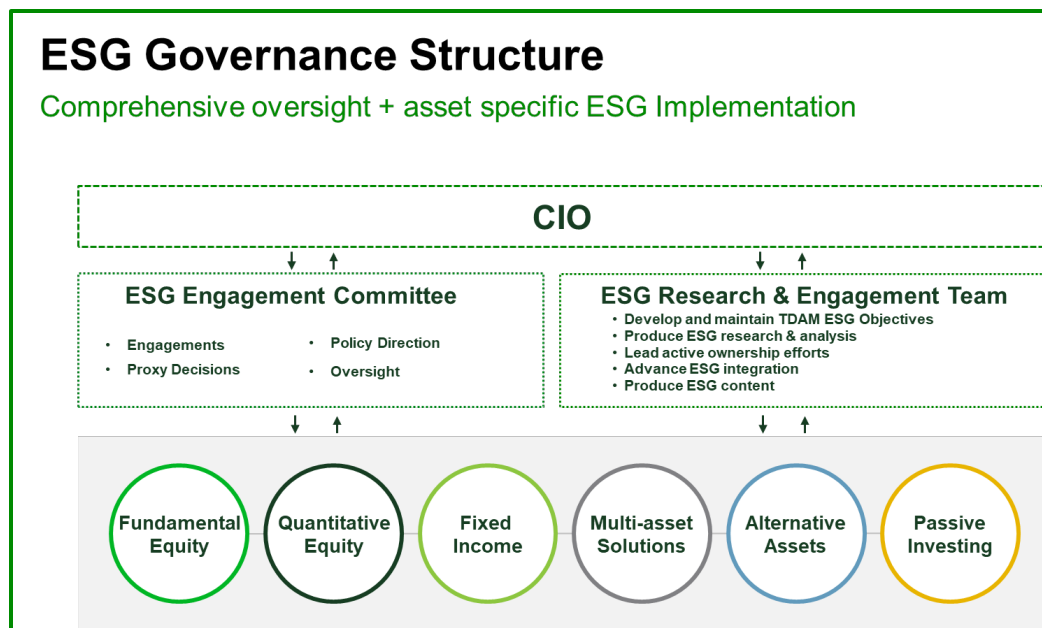
Our ESG integration, engagement, and proxy voting is led by a dedicated ESG Research & Engagement (ESG R&E) team of five, currently. The ESG R&E team sits within the investment group at TDAM and works alongside the various investment teams with ESG research, ESG integration and active ownership efforts (e.g., engagement and proxy voting). This team will work to ensure that we provide thought leadership to the investment team and have consistency in our ESG approach on ESG topics and that we are fully representing the various ownership positions that we may have across strategies.

On oversight: TDAM has a dedicated ESG Committee that oversees our overall ESG strategy and integration efforts. The committee facilitates discussion around ESG issues, engagements and policy direction. The committee is made up of a diverse set of seasoned professionals including TDAM CIO, portfolio managers and representatives across all asset classes, head of ESG R&E team and other seasoned professionals from external distribution, investment risk, regulatory and policy governance, and legal. The committee meets on a quarterly basis, in addition to ad-hoc sub-committees where necessary.

The ESG Committee strives to ensure that the sustainable investment approach is well implemented across the TDAM platform, and that our ESG strategy is clearly communicated across the business. Committee members also collect feedback through engagement with clients and consultants, combining it with industry trends and research to inform our ESG strategy and engagement efforts.

TDAM also has a Proxy Voting Sub-Committee to oversee our proxy voting activities. The mandate of this sub-committee is to provide oversight and approval of our proxy voting policies and guidelines, as well as discuss non-routine and pressing proxy voting items on an as needed basis. The Proxy Voting Sub-committee is comprised of TDAM CIO, Head of Equities, and members of the Equity investment and ESG R&E teams. At minimum, it meets quarterly, although during the annual review of our proxy voting guidelines and during peak proxy season, the sub-committee may meet on a more frequent basis.

The ESG Committee as well as the ESG R&E team reports to CIO and ESG progress is communicated to CEO, and our operating committee on a regular basis.



We use a variety of external resources to support or augment our responsible investment activities (ESG integration, engagement, proxy voting and thought leadership), fit to purpose. This includes consultants on the real asset side, sell side research on equities and fixed income, ESG research and ratings (MSCI and Sustainalytics), guidance documents and other publications from the UN Principles of Responsible Investment (UNPRI), materials from proxy provider ISS (including sustainability policy research), and the

latest thinking from industry organizations and think tanks such as CCGG, CERES and other RI publications.

We will also review and leverage disclosures direct from companies (ARs, CSR reports, etc).

**5. What channels do you use to communicate ESG-related information to clients and/or the public? Do you produce thought leadership (written reports and publications)? If so, is the information available to the public? Please provide links, if applicable.**

TDAM reports on its sustainable investing activities in various ways – both voluntary and in accordance to regulatory requirements, and we continue to evolve and improve on these efforts over time.

In addition to our reporting obligations under standard regulations, as well as satisfying any ad hoc client reporting requests at the fund/portfolio level, relevant public-facing documents can be found on our Sustainable Investing website ([here](#)).

Other ESG thought leadership, blogs, podcasts can also be found on our Sustainable Investing website, as well as TDAM Insight library ([here](#)).

Recent notable **thought leadership** published by the ESG R&E Team, specifically:

[\*A Commonsense Approach to ESG Contributes to Investment Excellence \(February 2021\)\*](#)

[\*Lithium: A Circular Economy Perspective for ESG Investment and Stewardship \(RIA Magazine, July 2021\)\*](#)

[\*The Investment Case for Biodiversity \(RIA Magazine, May 2021\)\*](#)

[\*Scope 3 Emissions: The Next Frontier in Climate Engagements \(RIA Magazine, Oct 2021\)\*](#)

[\*Inclusive Growth: A Multi-Asset Framework on Indigenous Rights and Reconciliation in Investing \(RIA Magazine, Feb, 2022\)\*](#)

**6. Do you have periodic reviews of your ESG process/approach to assess its effectiveness? What are the results? What would cause you to disregard ESG issues in your investment/analysis decisions?**

TDAM has a dedicated ESG Committee that oversees our overall ESG strategy and integration efforts. The committee facilitates discussion around ESG issues, engagements and policy direction. The committee is made up of a diverse set of seasoned professionals including TDAM CIO, portfolio managers and representatives across all asset classes, head of ESG R&E team and other seasoned professionals from external distribution, investment risk, regulatory and policy governance, and legal. The committee meets on a quarterly basis, in addition to ad-hoc sub-committees where necessary.

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TDAM's ESG engagement approach is focused on materiality (i.e. those issues which are financially relevant to the specific issuer). As such, our engagement issues will depend on the company's particular ESG risk or opportunity profile. For example, the issues we discuss with an energy company will be different than a pharmaceutical company, or a media company.

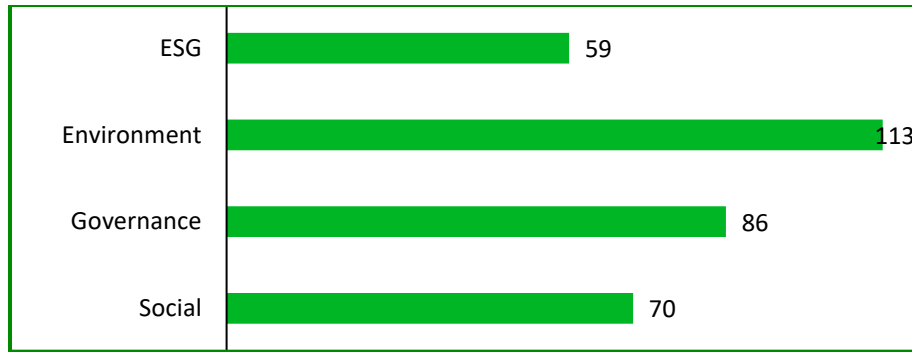
That being said, there are some topics that transcend industry boundaries that we consider systemic ESG issues, and which are part of our all of our engagement discussions with almost every issuer. This includes climate and diversity and inclusion, where we also believe influencing issuer behavior in these areas can have real positive, real-world outcomes on stakeholders beyond the business. We established two focus lists in 2021 on climate and D&I, targeting those issuers that appeared to be lagging peers on performance in these areas. During the year, we met with 100% of our climate list companies via virtual teleconference to share our expectations and establish a mutual understanding on the path forward towards net zero. We will continue to monitor their progress on interim and longer-term targets, as we build on our initial engagement conversations.

## Engagement

21. **How many companies do you engage with? What proportion of your engagements focus on environmental and social issues? What are your engagement goals? Are these goals outcome/action-based (e.g. decreases in emissions or increases in number of women on the board) or means-based (reporting on emissions or number of women on the board)?**

There were more than 170 engagements during 2021, across multiple sectors. Please refer to the graph below for more details.

### Engagement Activities by Focus\*



Source: TDAM. Fiscal Year 2021. As at December 31, 2021.\*

TDAM has a dedicated ESG Engagement Committee. The TDAM ESG Engagement Committee has a particular focus to promote better alignment of CEO pay and shareholder performance, as well as encourage board diversity to include at least 30% and/or three women. These goals are outcome/action based.

## Disclosures

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