

# RESPONSIBLE INVESTMENT QUESTIONNAIRE

FOR INVESTMENT MANAGERS



University  
of Manitoba

UMANITOBA.CA

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Institutional Mandate:

- TD Greystone Balanced Fund
- TD Greystone Balanced Plus Fund
- TD Greystone Mortgage Fund
- TD Greystone Real Estate Fund
- TD *Emerald* Canadian Equity Index Fund
- TD *Emerald* Pooled U.S. Fund (CAD)

Date: March 8, 2024

## PREAMBLE

The University of Manitoba has made commitments to consider social and environmental issues to advance sustainability and climate action, and to advance reconciliation by respecting and promoting the rights of Indigenous peoples. As such, the University approved a Responsible Investment Policy in March 2023. In accordance with the policy, we require all our external Investment Managers to have an ESG policy and to have rigorous ESG processes in place when evaluating investments. We also require Managers use their (proxy) votes to promote best practices in responsible investing. Managers will be asked to report on their ESG activities on an annual basis. Please note that responses may be posted in full on the University of Manitoba website.

*If a question does not apply to you or your mandate, please indicate not applicable.*

# RESPONSIBLE INVESTMENT QUESTIONS

## 1. POLICY AND GOVERNANCE

### 1.1 Does your organization have a responsible investment policy?

*If it does, provide a copy. State whether the policy is publicly available, specify the proportion of organizational assets it applies to and describe the process for reviewing and updating it. If your organization does not have a policy, explain why not.*

TDAM's Sustainable Investing Approach, while not a formal policy, sets out our approach to sustainable investing by asset class.

For more information, please refer to TDAM's Sustainable Investing Approach document which is available on our ESG Resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>.

### 1.2 What international standards, industry (association) guidelines, reporting frameworks, or initiatives that promote responsible investment practices has your organization committed to?

*Examples include publicly supporting the Paris Agreement, being a PRI signatory, endorsing the TCFD recommendations and participating in the United Nations Global Compact.*

TDAM is a member or supporter of, or signatory to, the following organizations:

- 2005: Canadian Coalition for Good Governance (CCGG)
- 2007: Carbon Disclosure Project (CDP)
- 2008: UN Principles for Responsible Investment (UN PRI)
- 2016: Global Real Estate Sustainability Benchmark (GRESB)
- 2017: Investor Stewardship Group (ISG)
- 2019: Responsible Investment Association (RIA) – associate member in 2019; signatory to the RIA Canadian Investor Statement on Diversity and Inclusion in 2020
- 2019: Climate Action 100+ (CA100+)
- 2019: Signatory to the 2021 Global Investor Statement to Governments on the Climate Crisis
- 2021: 30% Club Canada Investor Group
- 2021: Climate Engagement Canada (CEC)
- 2021: International Corporate Governance Network (ICGN)
- 2021: Task Force on Climate Related Financial Disclosures (TCFD)
- 2022: Advance – PRI's human rights engagement initiative
- 2022: Coalition for Environmentally Responsible Economics (CERES)

### 1.3 How is responsible investment overseen and implemented within your organization?

*List the roles and/or committees involved in responsible investment activities, including stewardship.*

*Describe how these roles and/or committees are positioned and describe any external resources used to support these activities.*

Governance of sustainable investing starts with TDAM's Chief Executive Officer (CEO), who is responsible for establishing and maintaining progress on overall strategic priorities for TDAM. TDAM's CIO and the Head of ESG Research and Engagement (ESG R&E) have executive accountability for ESG

within the firm's investment function as part of their broader ESG integration responsibilities. The components of TDAM's ESG governance are further described below.

### **TDAM's ESG Research and Engagement Team**

The mandate of TDAM's ESG R&E team includes supporting the investment teams and providing subject-matter expertise; leading the firm's proxy voting activities, including developing the firm's proxy voting guidelines; leading the firm's ESG-specific engagement efforts, including dedicated engagements with our annual Focus List companies; providing research and thought leadership, often in collaboration with colleagues from the investment team; advising on the development of new sustainable fund solutions; acting as ESG subject matter experts within the firm and conducting knowledge sharing sessions with other teams across the firm; and leading the firm's climate strategy activities.

In 2023, the team added two new positions: a Vice President, specializing in corporate governance, and an Analyst supporting the team on research and analytics.

### **TDAM's ESG Committee**

TDAM has a dedicated ESG Committee that oversees the firm's overall sustainable investing strategy and integration efforts. The committee facilitates discussion around ESG issues, engagements, and policy direction. The ESG Committee includes members of the investment management, external distribution, and investment risk teams. The ESG Committee meets on a quarterly basis, in addition to ad hoc meetings, where necessary. Items that require additional discussion are escalated to TDAM's Operating Committee and TDAM's Risk Committee. The ESG Committee strives to ensure that the sustainable investment approach is implemented in accordance with the applicable mandate(s) and clearly communicated across the business. The work of the ESG Committee is communicated to senior management, including the CEO, CIO, and portfolio managers, all of whom serve critical roles in advancing sustainability across the firm and within applicable portfolios that TDAM manages.

The purpose of TDAM's ESG Committee is to:

- Establish TDAM's firm-wide ESG approach, policies, objectives and commitments to applicable strategies.
- Provide advice and oversight of TDAM's ESG approach and policies.
- Define ESG objectives, track progress and monitor effectiveness of stated approaches and commitments.
- Act as a liaison with TD to align as appropriate with TD's ESG policies given TDAM's fiduciary responsibility to its clients, and ESG obligations and objectives.

The ESG Committee has sub-committees that oversee the workings of underlying functions where relevant, such as the Proxy Voting Sub-Committee, and the Alternatives ESG Committee. The ESG Committee supports the creation of working groups on different areas of implementation on an as needed basis. The ESG Committee is chaired by the Head of ESG R&E, with the CIO as an ex-officio member.

#### **1.4 What responsible investment training does your organization provide to staff?**

*Describe what the training covers, which staff receive it, and how frequently it takes place.*

Three types of ESG related training are provided to applicable investment professionals at TDAM:

1. ESG research and engagement team-led trainings: aimed at ensuring adoption of best practice

within investment class and strategy. These include:

- i. Background training on Glasgow Financial Alliance for Net Zero (GFANZ) report on responsible decarbonization and the phase out of carbon-intensive assets;
  - ii. Proxy voting overview; and
  - iii. Thematic ESG risks and opportunities for specific themes as they relate to the investment and macro-economic environment (e.g., recent training was provided on carbon offsets).
2. Employee career development ESG training/certifications: these are team specific, manager/employee driven ESG courses and certifications (e.g., CFA ESG certification, PRI certification, Institute for Sustainable Finance certification, Sustainable Investment Professional Certification from Concordia University).
  3. Firm-level training on ESG topics.

## 2. INVESTMENT PROCESS

### 2.1 How is ESG materiality analyzed for this strategy?

*Mention the ESG factors that are analyzed (e.g. climate change, diversity, human rights) and how their financial materiality is determined, including any tools, standards or data that are used.*

TDAM's ESG engagement approach is focused on materiality (i.e., those issues which are financially relevant to the specific issuer). As such, our research and engagement topics will likely depend on the asset or company's particular ESG risk or opportunity profile, which may naturally vary based on the issuer's sector, geography, ownership structure, or various other factors. For example, the issues we discuss with an energy company will likely be different than a pharmaceutical company, or with borrowers in the private market.

That said, there are some topics that transcend industry boundaries that we consider systemic ESG issues, and which form part of nearly all our engagement discussions with public issuers. This also applies to our private market investments, where we actively engage borrowers, asset managers, and/or platform companies on systemic ESG issues. For example, in 2021, we established two focus lists on climate and D&I, targeting issuers that appeared to be lagging in these areas. During that year, we met with 100% of our climate list companies via virtual teleconference to share our expectations. We will continue to monitor their progress on interim and longer-term targets, as we build on our initial engagement conversations.

On D&I, we ran a letter campaign with 24 companies - again stating our expectations on D&I, specifically onboard diversity (gender and racial and ethnic diversity), disclosure and measurable targets. We have received a 46% response rate from our initial outreach in 2021, and based on responses, we have pursued further discussions with a few of these issuers, where we continued to see opportunity for improvements in this area. In the private market, we actively engage our asset managers and platform companies on D&I issues. By way of example, we issue a D&I survey to all our Global Real Estate Fund Managers and include D&I-focused questions within our annual ESG-focused engagements with each Fund Manager.

## 2.2 How are financially material ESG factors incorporated into this strategy?

*Mention how material ESG factors influence portfolio construction and security selection. For quantitative strategies, mention the use of any back-testing or simulations that are applied to the strategy, and how ESG factors are positioned alongside traditional factors or incorporated into them. Disclose the roles/committees that are responsible for incorporating ESG factors into this strategy. Provide any examples from the past 12 months of how ESG factors have influenced security selection and/or portfolio construction for this strategy.*

TDAM aims to integrate ESG factors where financially material or relevant into the investment decision-making process, and in a manner that aligns with the fundamental investment objectives of each of the funds. As a result, ESG considerations may be incorporated in varying limited degrees and weight across the funds and ESG factors may differ from security to security within these funds. ESG factors may also vary across country, sectors, regions and asset classes. They may also change over time.

For illustrative purposes, the following is a non-exhaustive list of ESG factors that may be considered by individual portfolio managers in their investment decision-making processes:

| <b>Environmental</b>   | <b>Social</b>  | <b>Governance</b>  |
|--|--|--|
| <ul style="list-style-type: none"><li>• Climate impact</li><li>• Greenhouse gas emissions</li><li>• Energy efficiency</li><li>• Air and water pollution</li><li>• Water scarcity</li><li>• Biodiversity</li><li>• Site restoration</li></ul> | <ul style="list-style-type: none"><li>• Human rights</li><li>• Local community impact and employment</li><li>• Child labour</li><li>• Working conditions</li><li>• Health and safety</li><li>• Anti-corruption</li></ul> | <ul style="list-style-type: none"><li>• Alignment of interest</li><li>• Executive compensation</li><li>• Board independence and composition</li><li>• Other shareholder rights</li></ul> |

## 2.3 How are ESG screens applied to this strategy?

*Mention any positive, norms-based or exclusionary screens that are applied, including why and how they are used in combination with other responsible investment activities (such as stewardship). Specify whether your organization can apply client-directed screens to the strategy.*

ESG screens are not applied to the applicable strategies.

## 2.4 How are ESG incidents involving investee companies managed?

*Mention how ESG incidents/controversies are monitored for investee involvement, any actions taken in response to their involvement (e.g. reducing exposure to the company) and how their involvement is communicated to clients.*

TDAM has access to controversies research via third-party data providers, and we leverage this information as part of our engagements. Controversies data is also incorporated into the standard risk signals and assessments used in our ESG integration efforts.

We also may use proxy voting to address adverse ESG impacts linked to company behaviour or operations; our current proxy voting guidelines note that we may vote against or withhold support from directors if there is evidence of a failure to adequately manage material ESG risks.

Furthermore, we are looking to develop a company watchlist to flag to the investment team those issuers that have been implicated in, or linked to, major controversies in certain topic areas (e.g., human rights abuse allegations).

### 3. STEWARDSHIP

#### 3.1 Does your organization have a stewardship/engagement policy?

*If so, provide a copy. State whether the policy is publicly available and specify the proportion of assets it applies to. Specify whether your organization is willing to vote in line with a client's voting policy, as opposed to its own, upon request.*

TDAM does not have a formal firm-wide stewardship/engagement policy.

TDAM takes an active stewardship approach across its equity, fixed income and alternative asset portfolios, including engagement with companies and proxy voting. These elements of stewardship are a component of TDAM's general approach and serve as avenues to both develop a better understanding of a company and allow us to convey our views to the board and management. TDAM views engagement and proxy voting as part of its fiduciary duty to its securityholders. Stewardship practices are implemented as part of our overall firm-level aggregated process; however, stewardship activities do not form an investment strategy of any TDAM fund.

TDAM's firm-wide approach to stewardship and engagement is detailed below in our response to question 3.2.

#### 3.2 How does your organization determine its stewardship priorities?

*Mention how your organization approaches selecting ESG issues and entities to engage with.*

The depth of ESG discussion varies by engagement. Below are four of the main avenues by which engagements are initiated:

1. Initiated by the research analyst or portfolio manager.
2. Stemming from ESG R&E team's engagement focus list.
3. Requested by a company following the release of their sustainability report or in advance of a proxy vote at their annual meeting of shareholders.
4. By way of a collaborative investor engagement.

Each avenue provides valuable insight into a company's business dynamics and the impacts of material ESG issues. The more intensive ESG discussions are conducted by the ESG R&E team, both directly with the company or by way of a collaborative engagement, with the intention to influence improvements and progress in ESG performance.

The ESG Focus List approach for 2023 had five primary categories: (1) General ESG (Poor) Performance, (2) Climate Change, (3) Human Capital, (4) Human Rights, and (5) biodiversity. Consideration for Focus List selection included identifying low performers in each respective area and TDAM's exposure to these companies. Focus List meetings are conducted by the ESG R&E team and

are well-attended by TDAM's sector analysts and portfolio managers. The 2023 ESG Focus List included roughly 50 companies, with some changes throughout the year factoring in exposure changes and certain company mergers.

Beyond our focus list engagements, TDAM is an active participant in collaborative engagement efforts within the industry, such as the Canadian Coalition for Good Governance, Climate Action 100+, Climate Engagement Canada, and CDP; letter-writing and proxy voting are other primary tools employed in our engagement and stewardship process arsenal. For example, we will seek dialogue and engagement with companies as part of our proxy voting process, where our voting decision(s) would benefit from a direct conversation prior to casting our vote(s).

TDAM's engagement efforts are not outsourced to third parties. We believe conducting our engagements directly is our responsibility.

### **3.3 What stewardship methods does your organization use?**

*Mention if/how your organization escalates stewardship activities when initial efforts are deemed unsuccessful (e.g. publicly engaging with the entity via open letters), the approach taken to collaborative stewardship initiatives (such as collaborative engagements) and how often/to what extent specific escalation methods have been used over the past twelve months.*

Our response above to question 3.2 describes our stewardship methods. In addition, TDAM's ESG Committee has a formal escalation process where, on an as-needed basis, the ESG R&E team and other investment team members may escalate items. This can be done in cases where company progress is assessed as being insufficient to mitigate ESG risks, or in cases of poor responsiveness from a company about how it is managing its ESG risks. The escalation process has multiple steps, including further engagement (individually or via industry groups), adverse proxy votes where appropriate, potential filing of shareholder resolutions, and (for active mandates) potential for reduced exposure should other escalation strategies fail to achieve results and the relevant portfolio manager deems the issue to negatively change the risk and return profile of the asset.

### **3.4 What is your organization's approach to (proxy) voting?**

*Mention i) how responsibility for (proxy) voting decision making is structured (e.g. are voting principles decided at an organization level? Is decision making delegated to portfolio managers?) ii) whether and in what circumstances voting is delegated to service providers iii) how your organization assesses whether to support ESG resolutions iv) whether your organization publishes voting decisions and vote justifications pre and/or post AGMs/EGMs.*

TDAM uses its best efforts to vote all applicable proxies it receives.<sup>1</sup> To ensure proxies are voted in the best interests of our investors and their investment accounts<sup>2</sup>, we have implemented a robust process to inform our decisions. This process is grounded on a principles-based approach, as outlined in our proxy voting guidelines. It also reflects our commitment to quality research, data, and due diligence – by way of in-house expertise and third-party research.

TDAM retains the services of an external proxy consultant to assist in executing the voting of ballots and

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<sup>1</sup> Our active ownership efforts include voting proxies related to any securities lent, as part of TDAM's securities lending program, as those securities are recalled for a short period ahead of an issuer's annual meeting to ensure vote eligibility.

<sup>2</sup> Investment accounts mean any investment portfolio managed by TDAM.



other procedural responsibilities, such as maintaining vote records, and delivering reports on detailed voting activity. The external proxy consultant also provides us with research and voting recommendations on proxy resolutions. While we consider these recommendations, the ultimate vote decision rests with TDAM, and votes are cast in accordance with TDAM's proxy voting guidelines and custom instructions.

Voting records for most of our investment funds are available publicly on TDAM's website and upon request. TDAM also periodically publishes proxy voting reports, which provide insights on our voting activity at the firm level, and how we voted on key issues and resolutions

Proxy voting at TDAM is overseen and governed by our dedicated Proxy Voting Sub-Committee, which is a subcommittee of our broader ESG Committee. The Proxy Voting Sub-Committee is responsible for reviewing and approving our proxy voting guidelines, identifying key or emerging proxy issues, and deliberating and deciding on any deviations or overrides of TDAM vote recommendations. The Proxy Voting Sub-Committee is comprised of members from our investment and ESG teams, including our Chief Investment Officer.

For more details, please refer to TDAM's Proxy Voting Policy and Proxy Voting Guidelines available on our ESG Resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>.

### 3.5 What is your organization's (proxy) voting record?

*What proportion of time do you vote with or against management on shareholder resolutions, board appointments, and auditor appointments? What proportion of time do you vote with or against management on ESG issues? How does this break down for climate, diversity, and remuneration issues?*

Voting records for most funds are available publicly on our ESG Resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>. TDAM also periodically publishes proxy voting reports, which provides insights on our voting activity at the firm level and how we voted on key issues and resolutions. These reports can also be found on our ESG Resources website.

For fiscal year 2023, TDAM voted on 35,615 proposals, voting against<sup>3</sup> 14% of management proposals and supporting 42% of shareholder proposals.

- **Management proposals:** The majority of the votes against management (69%) were votes against directors. 53% of adverse director votes related to a lack of board diversity. Another 37% of adverse director votes related to a lack of board independence, with additional companies impacted in 2023 as TDAM shifted our expectation from a majority of independent directors to two-thirds independence. Misalignment of executive compensation also fueled 6% of votes against directors and often accompanied a vote against management's Say-on-Pay proposals. In addition, 3% of votes against directors was sparked by companies having more than a third of their board with lengthy board tenures (over 15 years). Overboarded directors<sup>4</sup> also impacted TDAM votes, which caused 3% of adverse director votes.
- **Shareholder proposals:** Support for shareholder proposals spanned various environmental and social issues. TDAM supported 189 social shareholder proposals, of which 24% related to political contribution and lobbying disclosures, 16% pertained to human rights assessments and another 15% addressed workforce diversity. TDAM also supported 94 environmental shareholder

<sup>3</sup> Votes "against," as used in this section, include both votes against and votes withheld.

<sup>4</sup> Overboarded Directors: Serving as a director on a public board requires significant time and energy. Directors that serve on an excessive number of boards may not be able to fulfill their directorship duties effectively. Depending on jurisdictional differences, we generally consider a non-CEO director serving on more than five boards, or CEO directors serving on more than two public company boards besides their own, to be overboarded.

proposals, of which 81% were related to climate change. In cases where we found a shareholder proposal overly prescriptive or misaligned with our proxy voting guidelines, we did not vote in support of the proposal.

### **3.6 How does your organization assess the effectiveness of its stewardship activities?**

*Mention any key performance indicators used to measure the effectiveness of engagement efforts and whether any of these relate to real-world outcomes (such as SDGs). Provide any examples of engagements your organization has conducted in the past 12 months and provide an assessment of the effectiveness of these engagements to date.*

Our engagement efforts and proxy voting decisions are regularly tracked, and we maintain a focus list of companies where we see most significant lags and gaps in ESG performance. TDAM has an internal engagement handbook that outlines engagement procedures with companies and our expectations.

In 2023, TDAM had 490 ESG-focused engagements<sup>5</sup> with portfolio entities (compared to 418 in 2022), primarily conducted within 299 distinct meetings (compared to 264 in 2022). These engagements were with 244 entities (up from 207 in 2022) and covered a variety of topics, including climate change, human rights, diversity and inclusion, executive compensation and human capital. We also spoke to entities about their general approach to sustainability, advancement of ESG analysis and reporting, and views of evolving regulation around sustainability disclosures. The issues discussed in each engagement meeting is dependent on the information we see as most pertinent to understanding company risks and direction.

#### *Stewardship in Action*

In 2023, we engaged a mining company in relation to their Say-on-Pay vote during proxy season to understand specifics about certain executive compensation decisions made in fiscal 2022. TDAM outlined certain go-forward expectations for the company, including, among other things, a commitment to discontinue certain compensation practices going forward and consideration to simplify their leadership structure, given that the company had employed a dual-leadership structure as a transitory measure. While TDAM had ultimately voted against the Say-on-Pay vote for the 2023 annual shareholder's meeting, a follow-up engagement with the company post-proxy season reconfirmed the commitments they made to us to discontinue certain compensation practices. Finally, the company also publicly announced that its leadership structure would be streamlined to eliminate one of the dual-leadership positions by the end of 2023 as opposed to in 2025.

## **4. CLIMATE CHANGE**

### **4.1 Does your organization have a process to identify, assess, and manage climate related risks as they relate to the investment portfolio?**

*If so, please describe the process and how it is managed.*

Yes. At TDAM, we believe that asset managers have a role to play in the global ambition to achieve net-zero greenhouse gas emissions by 2050 to help limit further global temperature increases. As such, we support the principles and outcomes of the 2015 Paris Agreement and continue to monitor ongoing developments in subsequent meetings of the Conference of Parties, the ultimate decision-making body

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<sup>5</sup> An engagement in this context is considered a direct exchange or outreach to company on a specific topic. One meeting with a company can include multiple topic engagements. Moreover, we may have multiple meetings with a company in any given year where warranted.

within the UN Framework Convention on Climate Change. We continue to review and evolve our approach by referring to climate science frameworks. Those frameworks include the Intergovernmental Panel on Climate Change Assessment reports and U.S. Global Change Research Program National Climate Assessment reports.

To help address climate-related risks and opportunities within applicable portfolios, we are focused on achieving the following principles:

1. Monitoring climate risks and opportunities in investments
2. Increasing transparency
3. Contributing to industry dialogue
4. Focusing on climate change through our engagement program
5. Engaging in climate-supportive proxy voting
6. Supporting our clients' climate objectives

#### **4.2 Does your organization prepare climate change disclosure statement or report in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)?**

*Please provide a copy or link to the most recent report.*

Yes, please refer to TDAM's Task Force on Climate-Related Financial Disclosures Report available on our ESG Resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>.

#### **4.3 Is your organization a signatory/member of any climate- or biodiversity-related initiatives?**

*Please describe.*

Yes; please refer to our response to question 1.2 above.

#### **4.4 Does your organization measure the carbon footprint of its portfolio holdings, and set targets for meaningful reduction?**

*Describe the methodology, metrics, and data sources used. Please include the current footprint of the portfolio(s) and list the targets and timelines for reductions.*

Yes, please refer to the "Metrics and Targets" section of TDAM's Task Force on Climate-Related Financial Disclosures Report 2022 available on our ESG Resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>.

## **5. DIVERSITY, HUMAN RIGHTS AND DECENT WORK**

### **5.1 Please provide the composition of your senior leadership team and board of directors, including women and visible minorities. How do you encourage diversity of perspectives and experience?**

Diversity, Equity, and Inclusion (DEI) have long been core values and a strategic priority for TD Bank Group (TD)<sup>6</sup>. At the enterprise level, DEI has been embedded in TD's business strategy and framework

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<sup>6</sup> TDAM is a wholly-owned subsidiary of The Toronto-Dominion Bank and a member of TD Bank Group.

since 2005 and TD has made progress in advancing DEI across the broader organization.

All TD lines of business, including TDAM, have documented strategies and plans that align with and support the enterprise D&I strategy. TD's strategy includes focus on the following pillars, which it regularly monitors representation of: Women at TD, Black Colleagues, Visible Minorities/Minorities, Indigenous Peoples, People with Disabilities, 2SLGBTQ+, and Veterans.

TD's purpose is to enrich the lives of all our customers, colleagues, and communities. TD is committed to fostering D&I throughout the organization, including the corporate culture, products and service offerings, talent recruitment and development practices, sourcing and procurement practices and other efforts. Leveraging the strong foundation that TD has built, TDAM continues to establish its own D&I strategy, relevant and unique to its business.

To further strengthen these internal efforts and to contribute to broader market influence, TDAM is an active participant in industry D&I initiatives alongside investor peers, such as the 30% Club Canadian Investor Group<sup>7</sup> and the Responsible Investment Association's Canadian Investor Statement on Diversity & Inclusion<sup>8</sup>.

For more details, please refer to the following:

- "D&I at TDAM as an Organization" section of the Sustainable Investment Report 2022, available on our ESG Resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>.
- TD Bank Group's Environmental, Social and Governance Reporting website at <https://www.td.com/ca/en/about-td/for-investors/economic-social-governance-reporting/>.

**5.2 Does your organization perform any human rights due diligence processes which: a) identifies actual and potential adverse human rights impacts in pre-investment and post-investment phases; b) seeks to prevent or mitigate adverse human rights impacts through its stewardship practices; and c) track results?**

*Provide links or attach documents outlining this process.*

Our research and engagement efforts include climate, human capital (including DEI), human rights, and biodiversity.

For more information, please refer to the "2022 Progress and Priorities" section of TDAM's Sustainable Investing Report 2022 which is available on our ESG resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>.

**5.3 Does your organization have a mechanism to receive, assess, and address complaints about the human rights impacts of its operations and investments?**

*If so, please discuss.*

Please refer to the following documents available on TD's ESG Policies and References website<sup>9</sup> at <https://www.td.com/ca/en/about-td/for-investors/policies-and-references>:

<sup>7</sup> <https://30percentclub.org/wp-content/uploads/2022/03/30-Club-Canadian-Investor-Statement-of-Intent-Update-2022-FINAL.pdf>.

<sup>8</sup> <https://www.riacanada.ca/investor-statement-diversity-inclusion>.

<sup>9</sup> TDAM is a wholly-owned subsidiary of The Toronto-Dominion Bank and a member of TD Bank Group.

- TD Bank Group Slavery and Human Trafficking Statement
- TD Bank Group Statement on Human Rights

## 6. INDIGENOUS RIGHTS

### 6.1 Does your organization recognize the articles of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), and more specifically, how do you ensure the companies in your portfolios follow the principles of free, prior and informed consent?

TD is committed to using its business, people, and philanthropy to help support a vibrant, dynamic, and prosperous future for Indigenous Peoples and communities. TD is privileged to serve a number of clients from Indigenous communities in our banking, wealth and trust businesses. We actively support the Truth and Reconciliation Commission's Call to Action 92 regarding business and reconciliation, including its call to corporate Canada to ensure equitable access to education, employment, and community and economic development to benefit Indigenous Peoples and communities. More information about how TD is supporting Call to Action 92 can be found in the [TD and Indigenous Communities in Canada 2023 Report](#).

As part of TDAM's stewardship activities, our proxy voting guidelines explicitly set out our expectations of the companies we invest in with regard to the protection and consideration of the rights of Indigenous Peoples, including the rights defined by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). We believe that companies have a responsibility to respect these rights in the context of business operations and future projects. This includes ensuring that projects conform to the principle of Free, Prior, and Informed Consent (FPIC). For more information, please refer to section 8.4, "Indigenous Rights and Relations," in TDAM's Proxy Voting Guidelines, available on our ESG Resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>.

### 6.2 How would your organization react to companies in your portfolio that violate one or more of the principles of UNDRIP? Are these violations reported to investment clients?

As mentioned in our response to question 3.4 above, we view proxy voting as an effective mechanism to communicate with a company's board and management. Our stewardship efforts also include leveraging direct and collaborative engagement. We consider proxy voting and engagement to be complementary strategies and aim to employ both, as needed, in exercising our responsibilities as shareholders.

For more details, please refer to TDAM's Proxy Voting Policy and Proxy Voting Guidelines available on our ESG Resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>.

## THE FOLLOWING FOUR QUESTIONS ARE FOR CANADIAN INVESTMENT MANDATES ONLY:

### 6.3 Does your organization have any investment policies that are specifically related to Indigenous Rights and Reconciliation in Canada?

While we do not have specific investment policy related to Indigenous Rights and Reconciliation in Canada, Indigenous Rights and Reconciliation are acknowledged in section 8.4 of TDAM's Proxy Voting Guidelines.

#### **6.4 How does your organization recognize the principles of the Truth and Reconciliation Commission's Call to Action 92?**

TD has a long history in working with Indigenous Peoples and communities. In our "TD and Indigenous Communities in Canada – 2023 Report", we highlight some of the important work that has taken place over the past three years, serving as a follow up to our TD and Indigenous Communities in Canada – 2019 Report. It is critical that in the context of this work, we acknowledge the importance of key milestones in Canada's path to reconciliation with Indigenous Peoples.

For more information, please refer to our "TD and Indigenous Communities in Canada – 2023 Report" available on TD's Supporting Indigenous Communities website at <https://www.td.com/ca/en/about-td/ready-commitment/indigenous-peoples>.

#### **6.5 Does your organization recognize the Call for Justice 13 from the National Inquiry into Missing and Murdered Indigenous Women and Girls with respect to investments in the natural resource extraction and development companies, and the implications those projects have on the safety of Indigenous women and girls in neighbouring Indigenous communities? If so, how does your organization seek to mitigate this risk?**

Yes, please see our response to question 6.4 above.

#### **6.6 Do you have any proxy voting policies specific to Indigenous Rights and Reconciliation in Canada?**

Yes, please see our response to question 6.1 above.

## **7. ADDITIONAL INFORMATION**

#### **7.1 Does your organization identify and manage the ESG risks, opportunities and impacts connected to its internal operations?**

*Is so, please provide a brief overview. Examples might include initiatives to reduce its carbon footprint and to enhance the diversity of its investment team.*

Please refer to TD's 2022 ESG Report which presents information on TD's strategy and performance related to ESG issues with potential to have an impact on our organization and society and the environment and encompasses all of TD's wholly owned operations and activities.<sup>10</sup>

For more information, please refer to TD's ESG website at <https://www.td.com/ca/en/about-td/for-investors/environmental-social-governance-reporting>.

#### **7.2 Is there any information on your organization's responsible investment approach, not otherwise covered in this questionnaire, that you would like to share?**

*You could, for example, choose to expand upon your organization's approach to specific ESG issues,*

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<sup>10</sup> TDAM is a wholly-owned subsidiary of The Toronto-Dominion Bank and a member of TD Bank Group.

*such as human rights or climate change, highlight any responsible investment challenges your organization faces, or provide an overview of your organization's policy engagement activities.*

TDAM's Sustainable Investing Report provides an annual review of TDAM's sustainable investment practices, progress, and priorities for the fiscal year. This report is available on our ESG resources website at <https://www.td.com/ca/en/global-investment-solutions/responsibility/resources>.

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For clients who hold real estate: MSCI/REALpac returns are not immediately available at quarter-end; therefore, the prior quarter's index return is used in this report for benchmark calculation purposes. When the actual index is available, the benchmark return is then re-calculated.

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