



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the most up-to-date and comprehensive information on the company's ESG performance, we enable them to make informed investment decisions. We also provide investors with the information they need to understand the company's ESG risks and opportunities, and to assess the company's overall ESG performance.</p> <p>Our ESG reporting is based on the most relevant and material ESG issues for the company and its stakeholders. We use a variety of metrics to measure our ESG performance, and we provide detailed information on our ESG risks and opportunities. We also provide information on our ESG governance and our ESG strategy.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles</p> <p>PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p>To support investment decision-making in &amp; company's interests</p> <p>To enhance corporate transparency and identify the need for additional information</p> <p>To engage investor/ ESG advisors</p> <p>To enhance company ESG disclosure</p> <p>To support investment decision-making in &amp; company's interests</p> <p>To enhance corporate transparency and identify the need for additional information</p> <p>To engage investor/ ESG advisors</p> <p>To enhance company ESG disclosure</p> <p>To support investment decision-making in &amp; company's interests</p> <p>To enhance corporate transparency and identify the need for additional information</p> <p>To engage investor/ ESG advisors</p> <p>To enhance company ESG disclosure</p>	<p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>

# RI TRANSPARENCY REPORT

## 2017

TD Asset Management (TD Asset Management Inc.)

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Public							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04		✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Public	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 16	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 17	Innovative features of approach to RI	✓	Public							✓
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
LEI 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 11	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 12	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 13	ESG issues in index construction	✓	Private	✓						
LEI 14	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 15	Measurement of financial and ESG outcomes of ESG incorporation	✓	Private	✓						
LEI 16	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 17	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagement methods	✓	Public		✓					
LEA 13	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 14	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 15	Examples of ESG engagements	✓	Public		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 19	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 20	Confirmation of votes	✓	Public		✓					
LEA 21	Securities lending programme	✓	Public		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 23	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 25	Shareholder resolutions	✓	Public		✓					
LEA 26	Examples of (proxy) voting activities	✓	Public		✓					
LEA 27	Disclosing voting activities	✓	Public		✓				✓	
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive,active strategies	✓	Private							✓
FI 02	Option to report on <10% assets	🔒	n/a							✓
FI 03	Breakdown by market and credit quality	✓	Private							✓
FI 04	Incorporation strategies applied	✓	Public	✓						
FI 05	ESG issues and issuer research	✓	Public	✓						
FI 06	Processes to ensure analysis is robust	✓	Public	✓						
FI 07	Types of screening applied	🔒	n/a	✓						
FI 08	Negative screening - overview and rationale	🔒	n/a	✓						
FI 09	Examples of ESG factors in screening process	🔒	n/a	✓						
FI 10	Screening - ensuring criteria are met	🔒	n/a	✓						
FI 11	Thematic investing - overview	🔒	n/a	✓						
FI 12	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 13	Thematic investing - assessing impact	🔒	n/a	✓						
FI 14	Integration overview	✓	Public	✓						
FI 15	Integration - ESG information in investment processes	✓	Public	✓						
FI 16	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 17	ESG incorporation in passive funds	✓	Private	✓						
FI 18	Engagement overview and coverage	✓	Private		✓					
FI 19	Engagement method	✓	Public	✓	✓					
FI 20	Engagement policy disclosure	✓	Public	✓	✓					
FI 21	Financial/ESG performance	✓	Private							✓
FI 22	Examples - ESG incorporation or engagement	✓	Public	✓	✓					
FI 23	Communications	✓	Public		✓				✓	
FI End	Module confirmation page	✓	-							

# TD Asset Management (TD Asset Management Inc.)

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Segregated

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Execution and advisory services

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Canada

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

537

**OO 03** Mandatory Public Descriptive General

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** Mandatory Public Gateway/Peering General

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2016

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

	trillions	billions	millions	thousands	hundreds
Total AUM		273	270	611	740
Currency	CAD				
Assets in USD		205	900	719	905

**OO 04.4** Additional information. [Optional]

TD Asset Management operates in Canada as TD Asset Management Inc. ("TDAM" or we) and in the United States as TDAM USA Inc. and both firms are wholly-owned subsidiaries of The Toronto-Dominion Bank ("TD"). A separate PRI report has been prepared by TDAM USA Inc.

**OO 06** Mandatory Public Descriptive General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**OO 06.1** How would you like to disclose your asset class mix.

- as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	35	5
Fixed income	45	0

Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	5	0
Other (1), specify	10	0
Other (2), specify	0	0

'Other (1)' specified

Overlay

as broad ranges

OO 06.2 Publish our asset class mix as per attached image [Optional].

OO 08	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

OO 08.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

Asset class breakdown	Segregated mandate(s)	Pooled fund(s)
[a] Listed equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Total externally managed assets	<i>Please ensure the entire table (both columns combined) totals to 100%</i>	

### Gateway asset class implementation indicators

OO 10	Mandatory	Public	Gateway	General
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**OO 10.1** Select the direct or indirect ESG incorporation activities your organisation implemented for listed equities in the reporting year.

- We incorporate ESG in our investment decisions on our internally managed assets
- We address ESG incorporation in our external manager selection, appointment and/or monitoring processes
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

**OO 10.2** Select the direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

- We engage with companies on ESG factors via our staff, collaborations or service providers
- We require our external managers to engage with companies on ESG issues on our behalf
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

**OO 10.3** Select the direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 11	Mandatory	Public	Gateway	General
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**OO 11.1**

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Fixed income – SSA
- Fixed income – corporate (financial)
- Fixed income – corporate (non-financial)
- Fixed income – securitised
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Overlay

# TD Asset Management (TD Asset Management Inc.)

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.4** Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

No

**SG 01.6** Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

We believe that integrating relevant ESG factors into investment decision-making provides enhanced analysis of investment risk. TDAM has been a signatory to the PRI since 2008, and was the first of the Canadian "big five" bank-owned asset managers to do so. Our policy document covers all six of the principles.

SG 02	Mandatory	Public	Core Assessed	PRI 6
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1** Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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<http://www.tdaminstitutional.com/tmi/pdfs/Sustainable%20Investing%20Approach%20-%20April%202015.pdf>

- Attachment (will be made public)

- Engagement policy

	URL/Attachment
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- URL



URL

<http://www.tdaminstitutional.com/tmi/pdfs/Sustainable%20Investing%20Approach%20-%20April%202015.pdf>

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

<http://www.tdaminstitutional.com/tmi/pdfs/Sustainable%20Investing%20Approach%20-%20April%202015.pdf>

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 03	Mandatory	Public	Core Assessed	General
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**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

TDAM has a variety of potential conflicts of interest, including those which arise from being a member of the TD Bank Group. TDAM has implemented policies and procedures to assist it in identifying and addressing the conflicts of interest that arise during the course of its business. TDAM has structured its business so that where possible, conflicts of interest are avoided or mitigated. Where that is not possible, we endeavour to inform our clients of the potential conflicts of interest. In all respects, we aim to operate our business to ensure that, in all cases, we adhere to our fiduciary duty to act in the best interest of each client account. TDAM's potential conflicts are extensively disclosed in the relevant client disclosure document; the Statement of Policies and Client Relationship Disclosure.

No

SG 04	Voluntary	Public	Descriptive	General
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**SG 04.1** Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.

Yes

No

**SG 04.2** Describe your process on managing incidents

Our investment teams (Portfolio Managers and sector analysts) will start the process as follow:

- Through meetings / conference calls with the portfolio company / sell-side analysts / industry experts, our sector

analyst would lead the discovery process to understand the cause of the incidents, what actions have or will be taken and any potential implications from both a financial and non-financial perspective.

- Portfolio Managers are involved through the process and are updated on the analyst's findings, in order to make appropriate investment decisions.

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**SG 05.1** Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

<b>SG 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 06.1** List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

Key performance indicator

Quarterly meeting with TD's Chief Environment Officer - discuss ESG activities  
 Publishing two whitepapers on ESG-related topics this year  
 Internal presentation on ESG

Progress achieved

Continue to improve internal communication on our ESG activities. This year we broadened our communication to our relationship managers

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

To better track the number of companies that we engage with, individually or collaboratively  
 To monitor engagement outcomes through changes in ESG ratings

Progress achieved

Goals of engagements are better defined prior to the engagements

By separating new engagements and on-going engagements, we aim to enhance our effectiveness and breadth of our activities

- Improved ESG incorporation into investment decision making processes

Key performance indicator

To ensure ESG rating is incorporated in all company/sector reports  
To conduct portfolio ESG rating analysis on an annual basis

Progress achieved

Achieved both

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Participated in PRI Fracking collaborative engagement

Progress achieved

Achieved

- Encouraging others to join a RI initiative

Key performance indicator

Spoke publicly at events and conferences to promote responsible investment, publicly encouraged adoption of PRI.

Progress achieved

Achieved

- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

We illustrate our engagement activities upon clients' request

Progress achieved

Achieved

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**Governance and human resources**

<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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<b>SG 07.1</b>	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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**Roles present in your organisation**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
- Investor relations
- Other role, specify (1)

Legal

**Other description (1)**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

**SG 07.2** For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

An ESG Committee oversees our ESG strategy, communication and engagement activities. Members of the committee are from the investment and risk teams of TDAM and from TD Legal

**SG 07.3** Indicate the number of dedicated responsible investment staff your organisation has.

**Number**

0

## Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

### Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Signed up to the Fracking Engagement; attended the engagement calls as participant; contributed to the origination and content organized by the initiative

- AFIC – La Commission ESG  
 Asian Corporate Governance Association  
 Australian Council of Superannuation Investors  
 BVCA – Responsible Investment Advisory Board  
 CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Signed up to the initiative

- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Signed up to the initiative

- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

**Signed up to the initiative**

- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
Canadian Coalition for Good Governance (CCGG)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

On behalf of TDAM and the other CCGG members, CCGG staff engaged with 47 companies on a range of governance issues during the reporting period. In addition, TDAM's CEO/CIO sits on CCGG's Public Policy Committee.

- Other collaborative organisation/initiative, specify  
CDP Carbon Action

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Signed up to the initiative

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

<b>SG 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2** Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

- No

<b>SG 11</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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<b>SG 11.1</b>	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
----------------	---

- Yes
  - Yes, individually
  - Yes, in collaboration with others

<b>SG 11.2</b>	Select the methods you have used.
----------------	-----------------------------------

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

<b>SG 11.3</b>	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
----------------	--

- Yes, publicly available

	provide URL
--	-------------

<http://www.ccg.ca>

- No
- No

<b>SG 11.4</b>	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
----------------	--

TDAM's CEO/CIO sits on the CCGG's Public Policy Committee, which works to ensure that Canadian securities regulators maintain strong governance rules for Canadian public companies

**Implementation not in other modules**

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1**

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

**SG 12.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

- We do the following
  - Allocation between asset classes
  - Determining fixed income duration
  - Allocation of assets between geographic markets
  - Sector weightings
  - Other, specify
- We do not consider ESG issues in strategic asset allocation

**SG 13**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Additional Assessed**

**PRI 1**

**SG 13.1**

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change

**SG 13.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 13.3** | Indicate which of the following tools you use to manage emissions risks and opportunities

- Carbon footprinting
  - Scenario testing
  - Disclosure on emissions risk to clients/trustees/management/beneficiaries
  - Target setting for emissions risk reduction
  - Encourage internal and/or external portfolio managers to monitor emissions risk
  - Emissions risk monitoring and reporting are formalised into contracts when appointing managers
  - Other, specify
  - None of the above
- Resource scarcity
  - Technology developments
  - Other, specify(1)
  - Other, specify(2)
  - None of the above

SG 14	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 14.1** | Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

**SG 14.2** | Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area
------

- Clean technology (including renewable energy)

Asset class invested
----------------------

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM
----------

0.01

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Invested in companies focused on resource efficiency, and organic/natural foods

Asset class invested
----------------------

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

% of AUM
----------

0.01

No

<b>SG 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 16.1</b>	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
----------------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Listed equities - ESG incorporation	On a biennial basis, we review our external manager's approach to ESG
Listed equities - (proxy) voting	External managers follow their proxy voting policy when they vote on our behalf

## Innovation

<b>SG 17</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
--------------	------------------	---------------	--------------------	----------------

**SG 17.1**

Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

**SG 17.2**

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

TDAM has collaborated extensively with Canadian securities regulators on environmental and social disclosure for many years.

In the summer of 2010, TDAM and the Canada Pension Plan Investment Board were the only two institutional investors who were on the expert panel that helped the Ontario Securities Commission write Canada's national regulatory notice on environmental disclosure.

In the fall of 2010, we trained more than 150 staff of Canada's various securities commissions on environmental and social disclosure issues.

In 2011, TDAM helped the Toronto Stock Exchange design and run E&S disclosure workshops for 75 representatives of listed companies across a wide range of industries.

Our policy explicitly supports efforts by Canadian securities regulators to be more active in enforcing ESG disclosure standards.

With respect to proxy voting, when a disconnect exists between CEO pay and shareholder performance, we believe it is insufficient to only cast an opposing vote on a non-binding decision regarding CEO pay. Our default is to also cast a binding vote against all members of the board's compensation committee for having allowed the disconnect to occur.

No

# TD Asset Management (TD Asset Management Inc.)

## Reported Information

Public version

Direct - Listed Equity Incorporation

## PRI disclaimer

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## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03

Mandatory

Public

Gateway

PRI 1


**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEI 03.1


Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied	 99.99
---	---

- Screening and Integration strategies
- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

Percentage of active listed equity to which the strategy is applied	 0.01
---	--

- We do not apply incorporation strategies

Total actively managed listed equities

100%



**LEI 03.2**

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

We believe that incorporating ESG factors in our analysis provides an additional lens to a more robust risk analysis. Integration allows us to add ESG consideration alongside other measures when considering a company's attractiveness as an investment. It also leads to more informed discussions with management teams.

**LEI 03.3**

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

We incorporate all three strategies for the TD Private North American SRI Model Portfolio. The portfolio consists of best-in-class sustainability leaders (80-100% of portfolio) and emerging environmental specialists (up to 20% of portfolio).

- The best-in-class segment seeks to invest in companies that are leaders relative to their peers in the areas of environmental impact, corporate governance, and social responsibility.
- The environmental specialist segment identifies global leaders in the areas of structural environmental growth: water, resource efficiency and alternative energy.

**LEI 04**

Voluntary

Public

Additional Assessed

PRI 1

**LEI 04.1**

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

**Type of ESG information**

- Raw ESG company data

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager

- Company-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager

- Sector-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

<b>LEI 04.2</b>	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
-----------------	---

We use information received from companies, as well as from sell-side ESG research providers, to determine exposure to various ESG-related risks.

We also monitor sectors with higher exposure. For example, environmental risk is a focus for the energy, materials and utility sectors, and social risk is a focus for the consumer discretionary, consumer staples, energy, materials and industrials sectors.

We evaluate country risk for companies with operations in relatively high-risk jurisdictions on a variety of factors, including the conduct of the country's government, corruption levels, environmental and employee safety standards.

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
-----------------	--

- Yes

<b>LEI 04.4</b>	Describe how you incentivise brokers.
-----------------	---------------------------------------

TDAM's Regulatory and Policy Governance group coordinates our semi-annual broker voting process whereby portfolio managers and analysts would vote for those broker/dealers whom they believe provide valuable research products and services which includes, but is not limited to a firm's ESG research. The outcome of the process is used to better incentivize brokers through commission allocation.

No

<b>LEI 05</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
---------------	------------------	---------------	----------------------------	--------------

<b>LEI 05.1</b>	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
-----------------	---

- Engagement
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.
- (Proxy) voting
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.

## (A) Implementation: Screening

<b>LEI 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
---------------	------------------	---------------	--------------------	--------------

<b>LEI 06.1</b>	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

### Type of screening

- Negative/exclusionary screening
- Positive/best-in-class screening

### Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
--	-------------

For the sustainability leaders portion of the TD Private North American SRI Model Portfolio, we favor blue chip companies. For the environmental specialist component, the focus is on companies in the areas of alternative energy power development, resource efficiency and companies focused on natural/organics foods.

Norms-based screening

<b>LEI 06.2</b>	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
-----------------	---

Best-in-class screening is used for the TD Private North America SRI Model Portfolio.

Best-in-class ESG rating within the sector, based on our ESG matrix

Screen criteria is reviewed by the Portfolio Manager annually

<b>LEI 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 07.1</b>	Indicate which processes your organisation uses to ensure screening is based on robust analysis.
-----------------	--

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

<b>LEI 08</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
---------------	------------------	---------------	----------------------------	--------------

<b>LEI 08.1</b>	Indicate which processes your organisation uses to ensure fund criteria are not breached
-----------------	--

- Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Other, specify
- None of the above

LEI 08.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
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The risk will be remediated by portfolio management.

## (B) Implementation: Thematic

LEI 09	Mandatory	Public	Descriptive	PRI 1
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LEI 09.1	Indicate the type of sustainability thematic funds or mandates your organisation manages.
----------	---

- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 09.2	Describe your organisation's processes for sustainability themed funds. [Optional]
----------	--

TD Private North American SRI Model Portfolio

The Model is primarily comprised of large-cap, best-in-class sustainability holdings across all industry groups; a smaller component of the model is invested in environmental leaders in water, resource efficiency and alternative energy.

## (C) Implementation: Integration of ESG issues

LEI 10	Mandatory	Public	Core Assessed	PRI 1
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LEI 10.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
----------	---

ESG issues	Coverage/extent of review on these issues
Environmental	<div style="background-color: #0070C0; color: white; padding: 2px;">Environmental</div> <p><input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We do not review environmental issues</p>
Social	<div style="background-color: #0070C0; color: white; padding: 2px;">Social</div> <p><input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We do not review social issues</p>
Corporate Governance	<div style="background-color: #0070C0; color: white; padding: 2px;">Corporate Governance</div> <p><input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We do not review corporate governance issues</p>

LEI 11	Voluntary	Public	Additional Assessed	PRI 1
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LEI 11.1	Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.
----------	--

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Other, specify
- None of the above

**LEI 11.2**

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**LEI 12****Mandatory to Report Voluntary to Disclose****Public****Core Assessed****PRI 1**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEI 12.1**

Indicate which aspects of investment analysis you integrate ESG information into.

- Economic analysis
  - Systematically
  - Occasionally
- Industry analysis
  - Systematically
  - Occasionally
- Quality of management
  - Systematically
  - Occasionally
- Analysis of company strategy
  - Systematically
  - Occasionally
- Portfolio construction
- Fair value/fundamental analysis
  - Systematically
  - Occasionally

**LEI 12.2b**

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation tools (discount rates, terminal value)
- Other adjustments to fair value projections, specify

**LEI 12.4b**

Describe the methods you have used to adjust the income forecast / valuation tool

To assess sustainability of a company's revenue growth, we analyse the drivers: organic vs M&A, product pipeline driven by R&D, pricing power vs. volume growth;

We also use various discount rates in our discounted cash flow calculation based on perceived risk.

Other, specify

## Outputs and outcomes

LEI 16	Voluntary	Public	Descriptive	PRI 1
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LEI 16.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
----------	---

ESG issue 1

	ESG issue and explanation
	Assessing how increasing stringent environment regulation and community relationship could impact permitting timeline for mid-stream companies
	ESG incorporation strategy applied
	<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
	Impact on investment decision or performance
	Embedding longer time for permitting. Neutral

ESG issue 2



ESG issue and explanation
Assessing ESG impact, such as consumer trend on food/drinks, emission reduction, on companies revenue and costs
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
Downside risk on valuation through stress testing our assumptions. Negative

ESG issue 3

ESG issue and explanation
Assessing materiality and sustainability of tax rates
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
Stress testing our assumptions, scenario analysis. Neutral to negative

ESG issue 4

ESG issue 5

**Communication**

LEI 17	Mandatory	Public	Core Assessed	PRI 2,6
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**LEI 17.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

Provide URL

[http://www.tdaminstitutional.com/tmi/content/AU\\_CorpVision?language=en\\_CA](http://www.tdaminstitutional.com/tmi/content/AU_CorpVision?language=en_CA)

**LEI 17.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEI 17.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 17.4**

Indicate how frequently you typically report this information.

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad-hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
  - We do not proactively disclose it to the public and/or clients/beneficiaries

# TD Asset Management (TD Asset Management Inc.)

## Reported Information

### Public version

### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 01.1	Indicate whether your organisation has a formal engagement policy.
----------	--

Yes

LEA 01.2	Indicate what your engagement policy covers:
----------	--

- Conflicts of interest
- Prioritisation of engagements
- Transparency
- Environmental factors
- Social factors
- Governance factors
- Engagements following on from decisions
- Other, describe
- None of the above

LEA 01.3	Attach or provide a URL to your engagement policy. [Optional]
----------	---

URL
-----

<http://www.tdaminstitutional.com/tmi/pdfs/Sustainable%20Investing%20Approach%20-%20April%202015.pdf>

LEA 01.4	Provide a brief overview of your organization's approach to engagement
----------	--

Individual / internal engagement: based on our ESG rating on the company, analysts, portfolio managers, and the head of proxy voting would discuss with senior management teams, or through the investor relations team;

Collaborative engagement: we participate in collaborative initiatives, such as the PRI Fracking Collaborative Engagement and the Canadian Coalition for Good Governance.

No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
--------	-----------	--------	---------	-----------

**LEA 02.1**

Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify to incorporate into our investment decision-making process <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

**Process**

**Process for engagements run internally**

<b>LEA 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	---------------	----------------------	--------------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 03.1**

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

**LEA 03.2**

Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography/market of the companies targeted
  - Materiality of ESG factors
  - Systemic risks to global portfolios
  - Exposure (holdings)
  - In reaction to ESG impacts which has already taken place
  - As a response to divestment pressure
  - As a follow-up from a voting decision
  - Client request
  - Other, describe
- No

**LEA 03.3**

Additional information. [Optional]

We evaluate all ESG engagement opportunities based on the relevancy to the companies in which we invest, the likely benefit to the investment accounts we manage, and the amount of internal resources needed for the engagement

**LEA 04****Mandatory****Public****Core Assessed****PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

**LEA 04.2**

Indicate if you monitor the actions that companies take following your engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

**LEA 04.3**

Indicate whether your organisation defines milestones and goals for engagement activities carried out by internal staff.

- Yes
- No

**LEA 04.5**

Additional information. [Optional]

We record internally the objective of the engagement and the company's response, which is incorporated into sector / company-specific fundamental analysis carried out by our sector analysts. If we need additional information later, we follow up by e-mail or at a subsequent meeting with management

### Process for engagements conducted via collaborations

**LEA 05**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

- Yes

**LEA 05.2**

Describe the criteria used to identify and prioritise collaborative engagements

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts which has already taken place
- In response to divestment pressure
- Client requests
- Other, describe

- No

**LEA 05.3**

Additional information [Optional]

We evaluate all ESG engagement opportunities based on the relevancy to the companies in which we invest, the likely benefit to the investment accounts we manage, and the amount of internal resources needed for the engagement

**LEA 06**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 06.1**

Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

**LEA 06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

**LEA 06.3**

Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.

- Yes
- No

**LEA 06.5**

Additional information. [Optional]

Normally the lead investor on the collaborative engagement sets the objectives and monitors the goals

### General processes for all three groups of engagers

LEA 09	Voluntary	Public	Additional Assessed	PRI 1,2
<b>LEA 09.1</b>	Indicate if insights gained from your engagements are shared with your internal or external investment managers.			



Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 09.2** Additional information. [Optional]

We do not have service provider engagements

**LEA 10** **Mandatory** **Public** **Gateway** **PRI 2**

**LEA 10.1** Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

**LEA 10.2** Additional information. [OPTIONAL]

We do not have service provider engagements

**Outputs and outcomes**

**LEA 11** **Mandatory to Report Voluntary to Disclose** **Public** **Core Assessed** **PRI 2**

**LEA 11.1** Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.

	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)	<b>Proportion (to the nearest 5%)</b>	<b>Specify the basis on which this percentage is calculated</b>
Individual / Internal staff engagements	Number of companies engaged 27	Proportion (to the nearest 5%) 5	Specify the basis on which this percentage is calculated  <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings
Collaborative engagements	55	Proportion (to the nearest 5%) 10	Specify the basis on which this percentage is calculated  <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings

**LEA 11.2** Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

**LEA 11.3** Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

<b>LEA 12</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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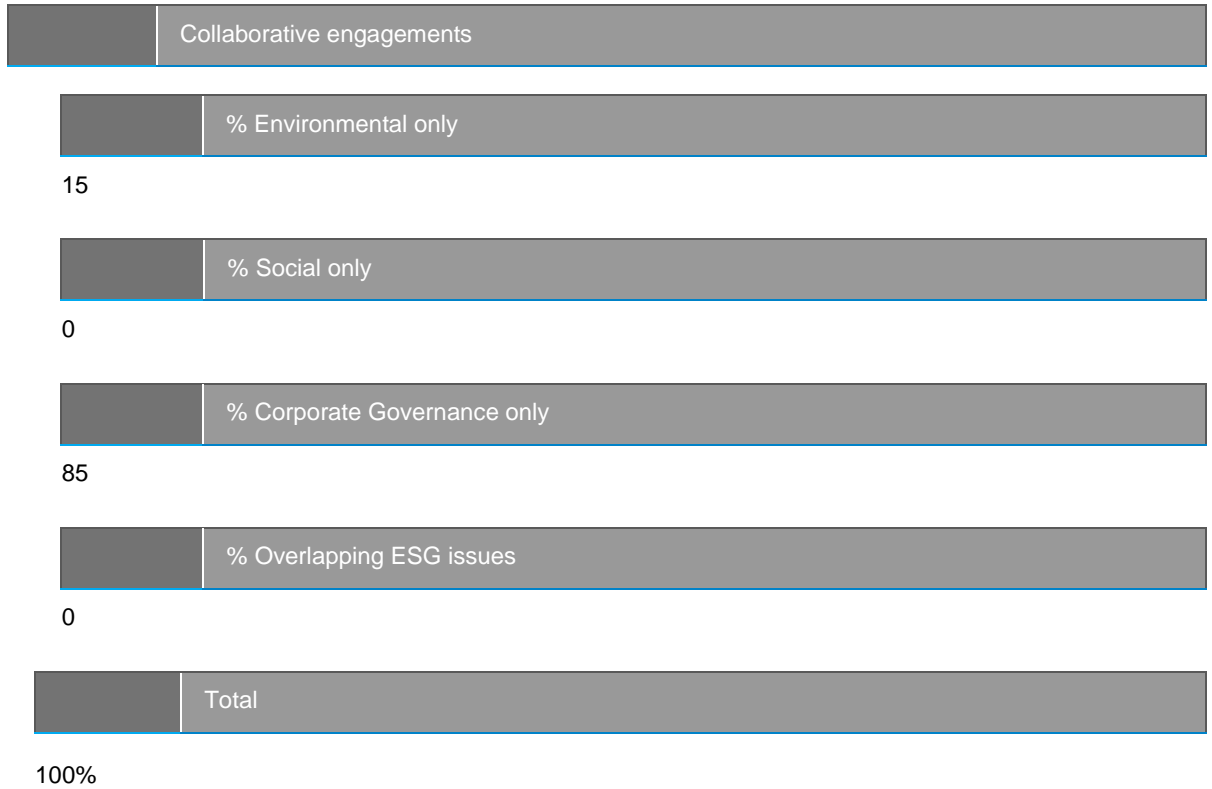
**LEA 12.1** Indicate which of the following your engagement involved.

- Letters to outline the engagement and the objectives
- Meetings and/or calls with the appropriate team
  - In some cases
  - In majority cases
  - In all cases
- Visits to operations
  - In some cases
  - In majority cases
  - In all cases
- Roadshows
- ESG research
  - In some cases
  - In majority cases
  - In all cases
- Other, specify

<b>LEA 13</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
---------------	------------------	---------------	----------------------------	--------------

**LEA 13.1** Indicate if your engagements in the reporting year covered E, S and/or G issues, providing an estimation of the breakdown.

	Individual / Internal staff engagements
	% Environmental only
19	
	% Social only
11	
	% Corporate Governance only
51	
	% Overlapping ESG issues
19	
	Total
100%	



LEA 14	Voluntary	Public	Descriptive	PRI 2
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**LEA 14.1** Indicate whether you track the number of cases during the reporting year where a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.

- Yes
- No

**LEA 14.3** Additional information [Optional].

We don't formally track as the number of cases has not been significant, and our influence is not yet proven to be an exclusive driver to the change of practices.

LEA 15	Voluntary	Public	Descriptive	PRI 2
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**LEA 15.1** Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

- Add Example 1

Topic or ESG issue	Critical mass of independent women on the board
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To encourage the company to have more independent women on its board
Scope and Process	
Outcomes	Reminded nine Canadian-based companies across four sectors about the ample supply of board-ready women in a leading Canadian database

Add Example 2

Topic or ESG issue	Pay for performance
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To discuss the components of the alignment of CEO pay and shareholder performance
Scope and Process	
Outcomes	Encouraged compensation committee chairs and other directors to align CEO pay and shareholder performance, at 12 Canadian-based companies across six sectors

Add Example 3

Topic or ESG issue	Management compensation
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To provide feedback on how to align shareholders experience/stock performance with management compensation
Scope and Process	Meeting with one of its board member, who is also the Chair of the Compensation Committee
Outcomes	TDAM expressed our view that the experience of shareholders needs to be considered as a factor, rather than just scorecard objectives. The Company is also encouraged to increase its number of new board members and its representation of women

Add Example 4

Topic or ESG issue	Water usage and community relationship
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Water usage at its operations Community relationship
Scope and Process	Meeting with management
Outcomes	Greater efforts have been made to improve water recycling on site, as drought occurred a couple of years ago To improve the community relationship, the company started a residence policy

Add Example 5

Topic or ESG issue	Technology development at oil sand
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To evaluate how technology development could improve economics as well as environment
Scope and Process	Meeting management
Outcomes	It appears that technology development has the potential to lower costs, improve cash flows, as well as reduce greenhouse gas emissions by ~25%.

- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

## Communication

LEA 16	Mandatory	Public	Core Assessed	PRI 2,6
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**LEA 16.1** Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

[http://www.tdaminstitutional.com/tmi/content/AU\\_CorpVision?language=en\\_CA](http://www.tdaminstitutional.com/tmi/content/AU_CorpVision?language=en_CA)

**LEA 16.2** Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEA 16.3** Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

## Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

### LEA 16.4

Indicate how frequently you report engagements information.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Ad hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

## (Proxy) voting and shareholder resolutions

### Overview

LEA 17

Mandatory

Public

Gateway

PRI 1,2,3

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

### LEA 17.1

Indicate whether your organisation has a formal voting policy.

- Yes



**LEA 17.2** Indicate what your voting policy covers:

- Conflicts of interest
- Prioritisation of voting activities
- Transparency
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Share blocking
- Regional voting practices
- Record keeping
- Company dialogue pre/post vote
- Securities lending process
- Other, describe
- None of the above

**LEA 17.4** Provide a brief overview of your organization's approach to (proxy) voting.

We believe the right to vote a proxy is an inherent element of investment decisions and can form a component of the value of an investment, depending on the issue at hand and the number of shares we are voting.

**LEA 17.5** Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

Our policy focuses on the best interest of each voting account, so no exceptions are required. The voting process is reviewed regularly by both internal and external reviewers

No

**Process**

<b>LEA 18</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**LEA 18.1** Indicate how you typically make your (proxy) voting decisions.

### Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

### Based on

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain
- We hire service provider(s) that make voting decisions on our behalf.

LEA 19

Mandatory

Public

Descriptive

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 19.1

Of the voting recommendations that your service provider made in the reporting year, indicate the percentage reviewed by your organisation, giving reasons.

### Percentage of voting recommendations your organisation reviewed

- >20%,
- 5-20%,
- 1-5%,
- <1%

### Reasons for review

- Specific ESG issues
- Votes for significant holdings
- Votes against management and/or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Votes for companies with which we have an active engagement
- Client requests
- Ad-hoc oversight of Service Provider
- Shareholder resolutions
- Share blocked securities
- Other, explain

other description
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Ordinary oversight of the service provider

LEA 19.2	Additional information [Optional]
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We cast approximately 30,000 votes in 2016 and reviewed a sample of the votes completed by our service provider

LEA 20	Voluntary	Public	Descriptive	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 20.1	Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation .
----------	--

As we vote approximately 30,000 proxies (for approximately 2,300 companies) worldwide each year, we do not confirm with each company that the vote was received. Instead, we rely on the online voting platforms of the intermediaries we use, which confirms that the vote will be cast as instructed

LEA 21	Voluntary	Public	Additional Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 21.1	Indicate if your organisation has a securities lending programme.
----------	---

Yes

LEA 21.2	Indicate how voting is addressed in your securities lending programme.
----------	--

- We recall all securities for voting on all ballot items
- We systematically recall some securities to vote on their ballot items
- We recall some securities to vote on their ballot items on an ad hoc basis
- Our securities lending agent is free to decide when and which securities to recall for voting purposes.
- We communicate our voting instructions to the borrowing entity.
- We do not recall our shares for voting purposes.
- Others

No

LEA 22	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 22.1** Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
  - Votes for selected markets
  - Votes relating to certain ESG issues
  - Votes for significant shareholdings
  - Votes for companies we are engaging with
  - On request by clients
  - Other
    - If the company has reached out to us to discuss a particular issue
- Neither we nor our service provider raise concerns with companies ahead of voting

**LEA 22.2** Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

**LEA 22.3** Additional information. [Optional]

We believe that our vote normally speaks for itself. Communicating with each company is also unrealistic given the large number of companies we vote at

**Outputs and outcomes**

<b>LEA 23</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 23.1** For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

99

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

**LEA 23.2** Explain your reason(s) for not voting certain holdings

- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- We do not vote on environmental resolutions
- We do not vote on social resolutions
- On request by clients
- Other
- We do not track or collect this information

**LEA 23.3** Additional information. [Optional]

In respect of conflicts of interest, we do not vote at meetings of The Toronto-Dominion Bank

**LEA 24**

**Mandatory**

**Public**

**Additional Assessed**

**PRI 2**

**LEA 24.1**

Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information
- No, we do not track this information

**LEA 24.4**

Additional information. [Optional]

None, as we vote against management on a wide range of issues and our vote usually speaks for itself

**LEA 25**

**Voluntary**

**Public**

**Descriptive**

**PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 25.1** Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes
- No

<b>LEA 26</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 26.1** Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

- Add Example 1

Topic or ESG issue	Various environmental and social issues
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Support good shareholder proposals on environmental and social issues
Scope and Process	
Outcomes	We supported 151 environmental and social proposals in 2016, on a diverse mix of topics

- Add Example 2

Topic or ESG issue	Link between CEO pay and shareholder performance
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Encourage compensation committee members to align CEO pay with share performance
Scope and Process	
Outcomes	In addition to voting against any say on pay, we also voted against the election of 323 compensation committee members who had approved a disconnect between CEO pay and shareholder performance

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

## Communication

LEA 27

Mandatory

Public

Core Assessed

PRI 2,6

LEA 27.1

Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

provide URL

[http://www.tdaminstitutional.com/tmi/content/AU\\_CorpVision?language=en\\_CA](http://www.tdaminstitutional.com/tmi/content/AU_CorpVision?language=en_CA)

provide URL

[http://www.tdaminstitutional.com/tmi/content/FI\\_P\\_ProxyVotingRecords?language=en\\_CA](http://www.tdaminstitutional.com/tmi/content/FI_P_ProxyVotingRecords?language=en_CA)

**LEA 27.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEA 27.3**

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA 27.4**

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/as requested
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

**LEA 27.8**

Additional information. [Optional]

We disclose our votes for all investment funds that are reporting issuers under applicable securities law. The holdings of the funds that are not reporting issuers are already covered in the reporting issuer funds. We published proxy voting reports for over 140 funds in 2016.



# TD Asset Management (TD Asset Management Inc.)

## Reported Information

Public version

Direct - Fixed Income

## PRI disclaimer

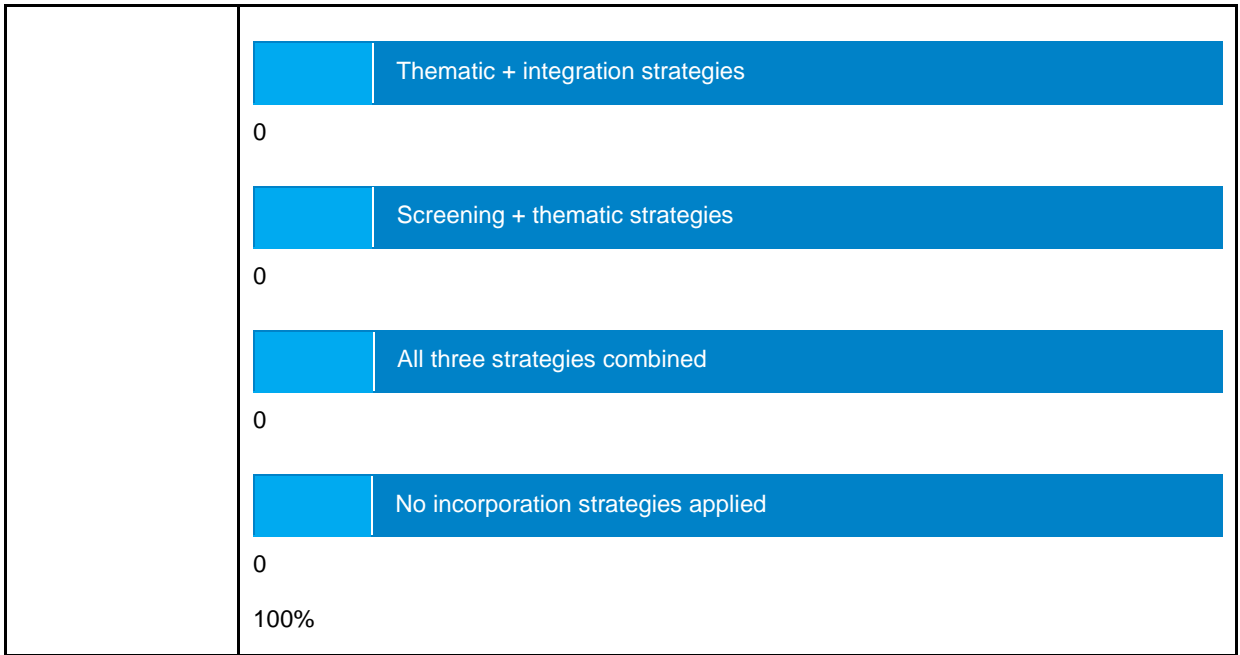
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## ESG incorporation in actively managed fixed income

### Implementation processes

FI 04	Mandatory	Public	Gateway	PRI 1
FI 04.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>100</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>100%</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	100	Screening + integration strategies	0	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	100%
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	100																		
Screening + integration strategies	0																		
Thematic + integration strategies	0																		
Screening + thematic strategies	0																		
All three strategies combined	0																		
No incorporation strategies applied	100%																		
Corporate (financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>100</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	100	Screening + integration strategies	0								
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	100																		
Screening + integration strategies	0																		



Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	100
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

**FI 04.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

We use a very systematic and repeatable process for evaluating Fixed Income issuers. To the extent that ESG issues are relevant, they are incorporated into our systematic review of an issuer. This is why we use integration. We do not have any mandates that are ESG focused (i.e. themed / screened) on the fixed income side.

<b>FI 05</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**FI 05.1** Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## FI 05.2

Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data

### Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- ESG factor specific analysis

### Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Issuer-level ESG analysis

### Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Sector-level ESG analysis

### Indicate who provides this information

- ESG research provider
  - Sell-side
  - In-house – specialised ESG analyst or team
  - In-house – FI analyst, PM or risk team
  - Other, specify
- Country-level ESG analysis

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

<b>FI 05.3</b>	Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.
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Typically, for all strategies we use company provided information / disclosures either in their regular financial reporting, or in additional reports on sustainability or other specific ESG issues. We also use sell-side research reports, or those produced by independent groups or associations. For Sovereigns, typically we use information from their annual and interim reporting.

<b>FI 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 06.1</b>	Indicate how you ensure that your ESG research process is robust:
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- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

<b>FI 06.2</b>	Describe how your ESG information or analysis is shared among your investment team.
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- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, ‘tear sheets’, ‘dashboards’ or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

## (C) Implementation: Integration

FI 14	Mandatory	Public	Descriptive	PRI 1
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FI 14.1	Describe your approach to integrating ESG into traditional financial analysis.
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ESG issues are incorporated into our process of assessing risk. We consider which ESG factors are relevant to a company's credit rating, then determine whether the factor is material enough to impact the rating over the time frame where we may invest or be invested in the company's Fixed Income securities

FI 14.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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	SSA
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We consider all three types of risk for SSAs, with a particular focus on the transparency and predictability of government decision-making that affects credit risk. We also consider social factors, such as human rights, and environmental factors, particularly relating to the costs of climate change, in assessing an SSA's ability to meet its debt obligations.

	Corporate (financial)
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At the operational level, we focus on governance issues. We also look at underlying lending activities to determine what policies are in place to promote sustainability.

	Corporate (non-financial)
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Varies significantly by industry. Generally, corporates is where we have the highest risks from ESG factors. The highest risks typically relate to CO2 emitting industries, such as mining, and power utilities.

FI 15	Mandatory	Public	Core Assessed	PRI 1
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FI 15.1	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply



	SSA	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into security weighting decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is a standard feature of ongoing portfolio monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 16	Mandatory	Public	Additional Assessed	PRI 1
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FI 16.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 16.2** Please provide more detail on how you review E, S and G factors in your integration process.

SSA

We review the ESG factors by assessing a government's public disclosures, by interviewing government officials, assessing analysis by third parties, such as the UN and the Bretton Woods institutions, etc.

Corporate (financial)

We review company (financial and sustainability reports), sell side, rating agency, and other ESG specific reports for relevant data and information about ESG risks and company sustainability strategies. We use Bloomberg data for company's disclosure score metrics.

Corporate (non-financial)

We review company (financial and sustainability reports), sell side, rating agency, and other ESG specific reports for relevant data and information about ESG risks and company sustainability strategies. We use Bloomberg data for company's disclosure score metrics.

**Fixed income - Engagement**

FI 19	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

**FI 19.1**

Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)

Select all that apply

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not engage with issuers as a fixed income investor or as both a fixed income and listed equity investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 19.2**

Indicate how your organisation prioritises engagements with issuers

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
Based on potential materiality of ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Based on systemic risks to global portfolios	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Based on our exposure (holdings) to ESG risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not prioritise engagements with issuers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 19.3**

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
Engagements are conducted pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Engagements are conducted post-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not conduct engagements with issuers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 19.4**

Indicate how your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
We systematically engage prior to ESG-related divestments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage in reaction to ESG issues which have already affected the issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Investment and ESG analysts systematically conduct ESG-related engagements together	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not conduct engagements with issuers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 19.5**

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
We conduct engagements with individual issuers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We conduct engagements across sectors and industries	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We conduct engagements on specific ESG themes (e.g. human rights)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We do not conduct engagements with issuers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**FI 19.6**

Indicate how your organisation shares the outcomes of the engagements internally.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
We have a systematic process to ensure the outcomes of engagements are made available	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We occasionally make the outcomes of engagements available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We do not make this information available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We do not share the outcomes of the engagements internally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**FI 20**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Additional Assessed**

**PRI 1,2**

**FI 20.1**

Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

Yes

No

**Outputs and outcomes**

FI 22	Voluntary	Public	Descriptive	PRI 1,2
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FI 22.1	Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.
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Example 1

	Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)	
	ESG issue and explanation
<p>A multinational consumer products company surveyed potential customers on products viewed as socially and environmentally sustainable. Most respondents said they would buy responsible products that cost the same and work as well as conventional products</p>	
	RI strategy applied
<input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds	
	Impact on investment decision or performance
<p>The company's sustainable products had higher sales growth in 2016 than conventional equivalents. This top line growth will help the company deliver for investors.</p>	

Example 2

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG issue and explanation
Prominent oil companies continue to have a large greenhouse gas footprint under current and emerging carbon pricing regimes
RI strategy applied
<input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
We continue to monitor the emissions of various companies to assess how carbon pricing is likely to affect their credit risk.

Example 3

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG issue and explanation
<p>Large pharmaceutical companies continue to be involved in controversies around providing financial incentives for doctors to prescribe their drugs. This has included multi-million dollar fines and settlements.</p>
RI strategy applied
<input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
<p>At least one company has recently expanded its anti-bribery and corruption program, reducing the company's credit risk and improving its overall ESG profile.</p>

Example 4



Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG issue and explanation
Large technology companies with growing data server sites to support cloud computing also have growing energy footprints.
RI strategy applied
<input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
At least one company has pursued full carbon neutrality for its facilities, including its server sites. We have included this in our credit risk analysis.

Example 5

## Communication

FI 23	Mandatory	Public	Core Assessed	PRI 2,6
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<b>FI 23.1</b>	Indicate if your organisation proactively discloses information on your approach to RI across all of your fixed income investments.
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We disclose it publicly

	Provide URL
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[http://www.tdaminstitutional.com/tmi/content/AU\\_CorpVision?language=en\\_CA](http://www.tdaminstitutional.com/tmi/content/AU_CorpVision?language=en_CA)

<b>FI 23.2</b>	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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Yes

**FI 23.3**

Indicate the information your organisation proactively discloses to the public regarding your approach to RI incorporation.

- Broad approach to RI incorporation
- Detailed explanation of RI incorporation strategy used

**FI 23.4**

Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries