



# TD Greystone Global Real Estate Fund: **Environmental, Social, and Governance Procedures** Effective Date October 1, 2020

## **1. Introduction**

The TD Asset Management Inc. ("TDAM") Global Real Estate team (the "Team") believes that the sustainability strategy of the TD Greystone Global Real Estate LP (the "Fund") is fully aligned with the culture of TDAM, which focuses on risk management, disciplined processes and being relevant to its key stakeholders – our clients, the tenants in our properties and the communities we are invested in.

The Fund's strategy (the "Strategy") aspires to integrate best-in-class sustainability practices in all our real estate investment and portfolio management processes, including: acquisitions, developments, asset management, capital planning and ongoing operations.

Sustainability includes how the Team considers environmental and social impacts and performance in decision-making, and how the Team governs and manages itself to fulfill its commitments.

## **2. Purpose/Scope**

The purpose of the Fund's Environmental, Social, and Governance Procedures (the "Procedures") is to outline how the Strategy integrates Environment, Social, and Governance ("ESG") into the Fund's investment processes and long-term objectives.

## **3. Details/Requirements**

The Procedures are to be maintained and owned by the TDAM Alternative Investments team, and are to be reviewed annually, at minimum.

The Head of Global Real Estate Investments has ultimate oversight of the Procedures and may delegate certain responsibilities as required.

The Procedures apply to all members of the Team and our management partners and related external service providers.

The Head of Global Real Estate Investments is responsible for the implementation of and adherence to the Procedures. The Team's sustainability representative reports quarterly on the Fund's progress to TDAM's ESG Committee.

## **4. Our Commitment to the Environment**

The Fund strives to minimize the environmental impact of our investments by integrating environmental factors into our sourcing, underwriting, due diligence and monitoring process. This may include, but is not limited to:

- Incorporating environmental screening factors into the deal sourcing process. For example, evaluating flood plains, environmental contamination and other natural disaster risk factors.
- Ensuring selected managers have an environmental sustainability policy in place with proper implementation and integration across their investment, asset and property management process.
- Considering energy ratings and building certifications when assigning values to properties.
- Continuously monitoring investments for material ESG risk at the macro, country, sector and asset levels.



In support of the above initiatives, the Fund seeks to encourage our managers to:

- Improve the operational efficiency of properties by:
  - Reducing energy use
  - Reducing greenhouse gas emissions
  - Reducing water use
  - Minimizing waste output and maximizing waste diversion
  - Adopting green leases with existing and prospective tenants
  - Use materials and equipment that are selected based on environmental and social considerations
  - Consider the generation and procurement of renewable energy
  - Designing buildings for alternative transportation including walking, cycling, public transit and electric and autonomous vehicle use
  - Engage tenants and residents in resource conservation and supporting their sustainability goals
- Attain third party certification standards relating to sustainable practices wherever possible

To support continuous improvement of sustainability practices and our values of integrity and accountability, the Fund seeks to:

- Embed sustainability considerations into our investment policies, procedures, and processes so that they are understood by the entire team
- Manage and model climate-related risks, including physical climate, regulatory changes and market demands
- Deploy the insights of this analysis in the Fund's investment and asset management decisions
- Encourage employees and selected managers to develop sustainability competencies and share lessons learned
- Participate in sustainability related industry groups and activities

## **5. Our Commitment to Social Issues**

### ***Diversity, Equity & Inclusion***

The Fund seeks to promote and encourage diversity, equity & inclusion by:

- Integrating Employee Relations and Diversity into our manager and asset selection processes, including fund and asset due diligence. This may include, but is not limited to:
  - Annual diversity data tracking of existing managers
  - Ensuring selected fund managers and partners have diversity and inclusion policies in place with active implementation across their investment, asset and property management teams

To support continuous improvement of diversity and inclusion practices and to promote accountability, the Fund strives to incorporate the above metrics into our disciplined investment processes, due diligence of prospective managers, partners and ongoing monitoring of selected managers.

### ***Responsible Working Conditions***

We seek to ensure that our underlying fund managers have codes of conduct in place that are aligned with the standards that TDAM expects of itself, on behalf of its clients. Our commitment to promoting responsible working conditions may include, but is not limited to:

- Ensuring that the welfare of the workforce is prioritized and that high labour standards and business ethics are implemented within our managers' organizations through policies and active monitoring
- Ensuring that managers meet or exceed all health and safety, workplace violence and harassment regulation
- Requiring responsible contracting policy from all managers in order to promote the engagement of vendors who align with our ascribed values on business ethics, human rights, child labor, fair wages,



- occupational safety, labor standards and working conditions. Managers are encouraged to monitor contractor compliance on an ongoing basis
- Encouraging all managers to promote professional development programs within their organizations

Geographically, our investments are generally focused in jurisdictions that rank high on independent assessments of real estate transparency and cultures of business ethics.

### ***Empowering Tenants and Local Communities***

We encourage our third-party asset and property managers to:

- Identify and share sustainability best practices with new and existing tenants and measure which properties in the portfolio are engaging its tenants. Sustainability engagement includes organizing sustainability-focused meetings and education sessions for tenants and providing them with information on sustainability best practices
- Foster economic opportunities for tenants and their communities by collaborating with strategic partners specializing in education and financial literacy
- Promote community health and well-being through effective engagement with local communities, supporting charities, enhancement of public spaces, incorporating local artists and providing ESG education programs
- Prioritize tenant engagement by conducting frequent tenant satisfaction surveys, monitoring survey results and committing to improving tenant satisfaction

### ***Improving Health & Wellness***

The Fund seeks to improve the health and welfare of tenants, residents, suppliers and the communities in which we invest by encouraging managers to:

- Ensure that properties meet or exceed all health and safety, workplace violence and harassment regulation
- Improve indoor air quality
- Incorporate occupant health & well-being in development projects
- Foster community involvement and support
- Encourage health and well-being focused certifications

## **6. OUR COMMITMENT TO GOVERNANCE**

We strive to adhere to corporate governance best practices in our Fund operations and advocate for commensurate levels of governance from our stakeholders to establish:

- A code of ethics that sets the standard for how employees of the company and/or property are to conduct business ethically and act in the best interest of all stakeholders.
- Robust policies and procedures (e.g. redemption policy, AML policy, related party transaction policy).
- A commitment to participate in sustainability performance evaluation organizations (e.g. GRESB) and/or commit to be a signatory to international organizations that work to promote the incorporation of ESG into investment decision-making (e.g. UN PRI).
- Independent property valuation process, audit and compliance monitoring.
- Strong investor protection rights.
- Board independence and composition to include a diverse mix of expertise, backgrounds and competencies as well as age, gender and racial diversity.
- Annual reporting on ESG performance and procedures to our clients



All products contain risk. Important information about the pooled fund is contained in their offering circular, which we encourage you to read before investing. Please obtain a copy. The indicated rates of return are the historical annual compounded total returns of the funds including changes in unit value and reinvestment of all distributions. Yields, investment returns and unit values will fluctuate for all funds. All performance data represent past returns and are not necessarily indicative of future performance. Pooled Fund units are not deposits as defined by the Canada Deposit Insurance Corporation or any other government deposit insurer and are not guaranteed by The Toronto-Dominion Bank. Investment strategies and current holdings are subject to change. TD Pooled Funds are managed by TD Asset Management Inc.

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