



Taskforce on Climate Related Financial Disclosures (TCFD)

Key Highlights:

- As part of our ongoing commitment to embed Environmental, Social, and Governance (ESG) factors into our investment process, TD Asset Management Inc. (TDAM) has signed on as a supporter of the [Taskforce on Climate Related Financial Disclosures \(TCFD\)](#)
- As supporters of the TCFD recommendations and end-users of TCFD reporting, TDAM will be better equipped to evaluate and manage climate related risks and opportunities in our portfolios and potentially add more value for investors.

Q: What is the TCFD?

The Taskforce on Climate-Related Financial Disclosures was established by the G20 Financial Stability Board in 2015. The recommendations set out by TCFD are a set of voluntary guidelines to help organizations disclose material climate-related risks. The recommendations are designed to provide clear, comparable, and consistent information across sectors and regions.

The TCFD reporting recommendations are structured around four key themes:

- 1) **Governance:** Sharing the organization's governance around climate-related risks and opportunities
- 2) **Strategy:** Disclosing actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning
- 3) **Risk Management:** Reporting on how the organization identifies, assesses, and manages climate-related risks
- 4) **Metrics and Targets:** Communicating the metrics and targets the organization uses to assess and manage relevant climate-related risks and opportunities

The TCFD recommendations for more effective climate-related disclosures were established specifically to promote more informed investment, credit, and insurance underwriting decisions.

To date, over 500 asset managers have signed on as supporters of the TCFD and have committed to engaging investee companies to report in line with the TCFD recommendations. These include BlackRock, Norges Bank, and State Street, among others.

Q: What does supporting the TCFD mean for TDAM?

As a supporter of TCFD, TDAM has committed to leveraging TCFD reporting made by our portfolio companies and companies we consider investing in when making investment decisions. TDAM will also encourage TCFD reporting to our portfolio companies through our stewardship and engagement activities.

We believe that TCFD reporting is a best practice for organizations regardless of sector or region, and that it will allow for consistent and comprehensive access to data for our portfolio managers.

Finally, TDAM will also be producing our own TCFD disclosures, separate from the TCFD report already produced annually by TD Bank Group. This report will allow our clients to benchmark our awareness and progress on climate-related risks to our business.

Q: How will supporting the TCFD help us better manage assets on behalf of our clients?

TDAM believes that incorporating climate-related factors in our investment processes provides us with a stronger understanding of the risks and opportunities facing our investee companies. Leveraging TCFD reporting will allow for a more robust assessment of climate-related risks across organizations, and over time will enable us to benchmark progress against these risks from our portfolio companies.

TDAM will also incorporate TCFD reporting into our engagement process, creating opportunity for more pointed discussions with investee companies on areas where we believe stronger action related to climate risks is needed. Ultimately, this will enable TDAM to potentially add more value for investors.

Consistency and availability of reporting on climate-related risks has been a challenge since climate change become an important consideration in our investing process. TCFD reporting is aligned with our belief that climate-related risks are material and that companies need to acknowledge, understand, and disclose the climate risks associated with their business. TDAM supports all efforts to improve the quantity and quality of reporting available.

The information contained herein has been provided by TD Asset Management Inc. and is for information purposes only. The information has been drawn from sources believed to be reliable. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and prospectus, which contain detailed investment information, before investing. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated.

Certain statements in this document may contain forward-looking statements ("FLS") that are predictive in nature and may include words such as "expects", "anticipates", "intends", "believes", "estimates" and similar forward-looking expressions or negative versions thereof. FLS are based on current expectations and projections about future general economic, political and relevant market factors, such as interest and foreign exchange rates, equity and capital markets, the general business environment, assuming no changes to tax or other laws or government regulation or catastrophic events. Expectations and projections about future events are inherently subject to risks and uncertainties, which may be unforeseeable. Such expectations and projections may be incorrect in the future. FLS are not guarantees of future performance. Actual events could differ materially from those expressed or implied in any FLS. A number of important factors including those factors set out above can contribute to these digressions. You should avoid placing any reliance on FLS.

TD Mutual Funds and the TD Managed Assets Program portfolios are managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank and are available through authorized dealers.

® The TD logo and other trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.