



Proxy Voting Report

Q1 2023 Summary



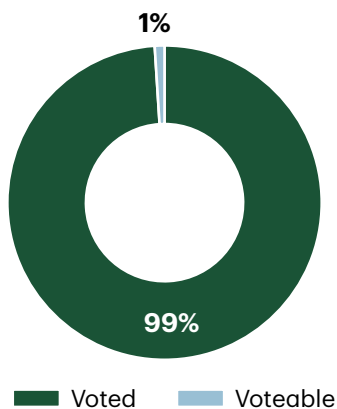
About the Report

This report provides a summary view of proxy voting activity seen in fiscal Q1 2023 across all portfolios managed by TD Asset Management Inc. (TDAM) in the U.S., Canada and international markets. Proxy voting is an important part of our stewardship and active ownership efforts, particularly in the area of corporate governance and increasingly on financially material environmental and social issues.

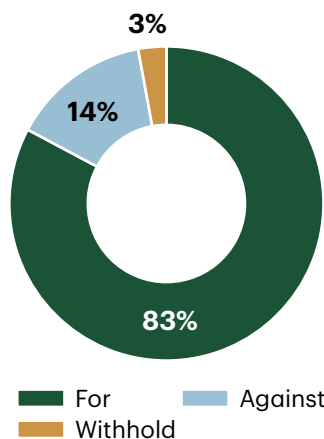
For information on our proxy voting guidelines, please visit our [website](#) >. Please note that this report covers TDAM's first fiscal quarter of 2023, which began on November 1, 2022 and ended on January 31, 2023.

Figure 1: Basic Voting Activity

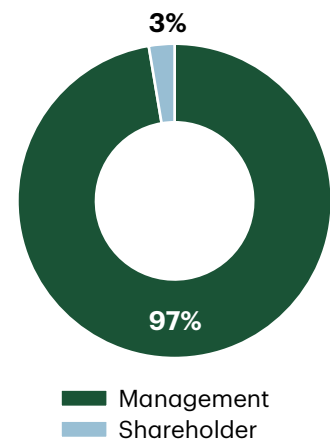
1.1 Voteable¹ vs. Voted²



1.2 Vote Instructions



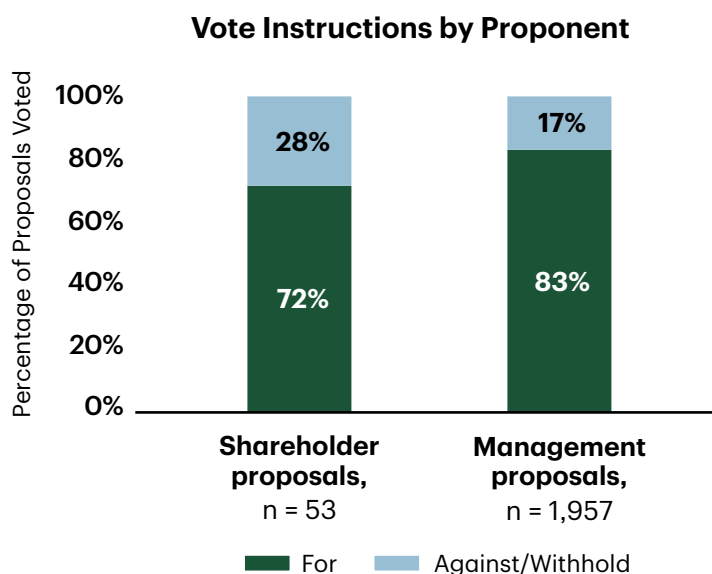
1.3 Proposals Voted by Proponent



¹Number of meetings (265), number of ballots (1,586), and number of proposals (2,043)

²Voted proposals as a percentage of total voteable proposals

Figure 2: Voting Activity



Source: TDAM, ISS. As of January 31, 2023.

Proxy Voting

Updates to Proxy Voting Guidelines

As proxy voting activity is typically low in the first and last quarter of the fiscal year, we take time to evaluate and update our proxy voting guidelines to reflect best practices. We advanced the following two key updates ahead of the 2023 proxy season:

Heightened expectations on board independence

- Traditionally, board independence has been regarded as a cornerstone of good corporate governance. Reflecting industry best practice, TDAM expects companies to have advanced their board independence. Where before TDAM expected a majority of a board to be independent, the expectation going forward is for companies to have boards with at least two-thirds independent members. We see this as being in the interest of governance best practices. Directors are considered independent if they do not have any linkage to management that could interfere with their ability to act in the best interest of the corporation and its shareholders. **TDAM will generally vote against or withhold votes on non-independent director nominees, except for the current CEO, if the proposed board is less than two-thirds independent.**

Delineated preferred board tenure limit

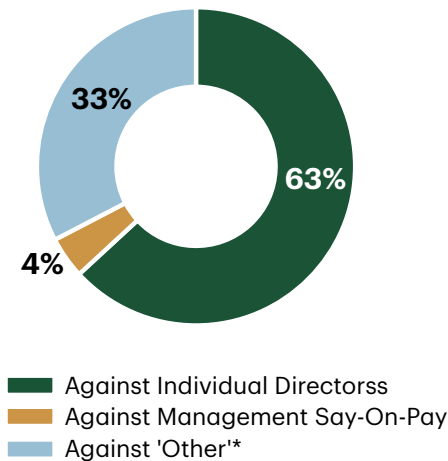
- We generally define lengthy director tenure as greater than 15 years. Board renewal and refreshment is important to ensure boards remain effective and high-performing, and this process should be considered as part of the annual review of director nominations. While we recognize the value in having a director serve on the same board over multiple and consecutive years – from an experience, continuity and strategic planning perspective – having a significant number of board members with long tenures (greater than 15 years) may raise independence concerns and other governance risks associated with potential board entrenchment. It may also impede progress to improve board diversity. **We will generally vote against or withhold votes on the chair of the nomination committee if more than one-third of the board has tenure of more than 15 years.**

Q1 Proxy Voting Activity

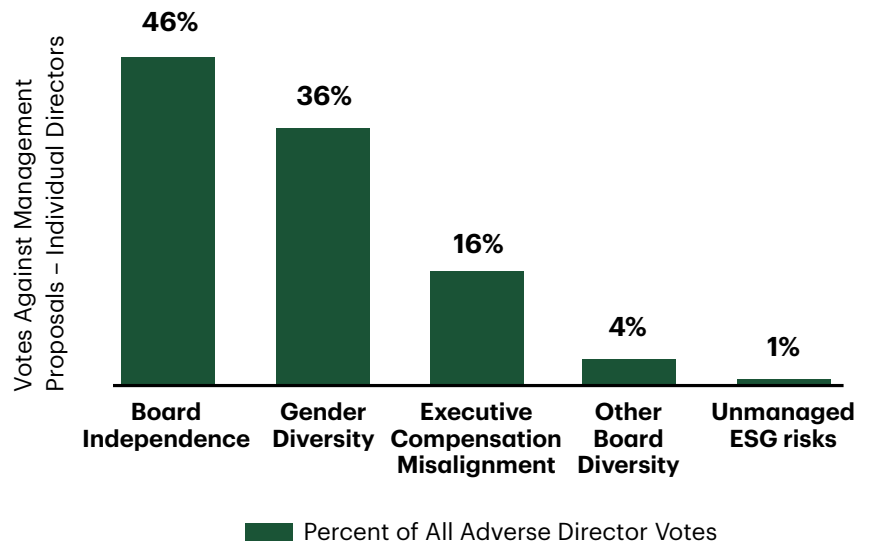
- For Q1 2023, TDAM voted on a total of 2,026 proposals. Much of the quarter was spent gearing up for the 2023 proxy season, updating guidelines to reflect best practices and keeping up to speed on industry developments and potential topics that could make it onto company ballots.
- The majority of votes against management seen in Q1 (63%) were votes against individual directors, with a lack of board independence being the top rationale for adverse director votes (46%). Unfortunately, a lack of board diversity continues to be a significant driver of adverse director votes as well (40%). Misalignment of executive compensation drove 16% of votes against directors and often accompanied a vote against Management Say-on-Pay (MSOP) proposals.
- TDAM voted on a total of 53 shareholder proposals and supported 72% of them (38 shareholder proposals), including 13 proposals focused on social issues and 7 focused on environmental issues.

Figure 3: Votes Against Management Proposals

3.1 Vote Against Management Proposals – Overview³



3.2 Votes Against Management Proposals – Individual Directors⁴



*Other corporate governance matters

³ Against Directors = votes against individual directors

⁴ Some Directors may have received an "against/withhold" vote due to more than one rationale (i.e., lack of gender diversity and lack of board independence).

Source: TDAM, ISS. As of January 31, 2023.

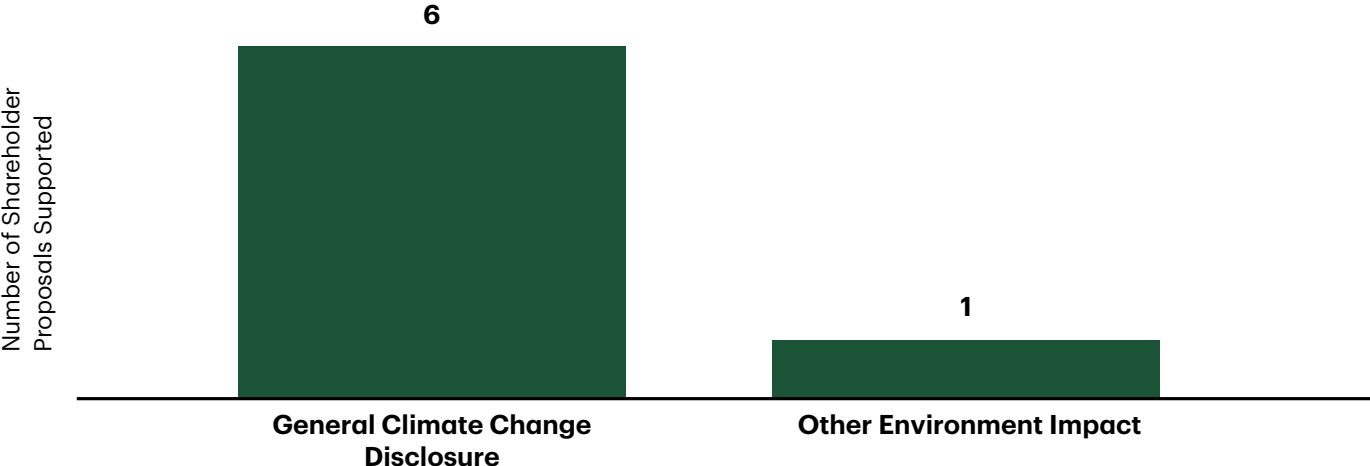
Development

Shareholder Proposals Supported – Environmental and Social

Key Takeaways from Shareholder Proposals

- TDAM supported seven of the environmental shareholder proposals put forward (58% of all environmental shareholder proposals) at six companies. We continued our support for proposals looking to enhance company disclosures around climate risks. We also supported several proposals that call for companies to assess and mitigate adverse environmental effects on the surrounding community. These proposals also aimed to assess and mitigate company activities that may threaten natural resources and impact the companies' ability to function without operational disruptions or result in penalties and fines.
- Under the social pillar, we supported 13 shareholder proposals (87% of all social proposals) at nine companies. Proposals were scattered across various social issues, with a couple on enhancing disclosure around political and lobbying activities as well as human rights risks.

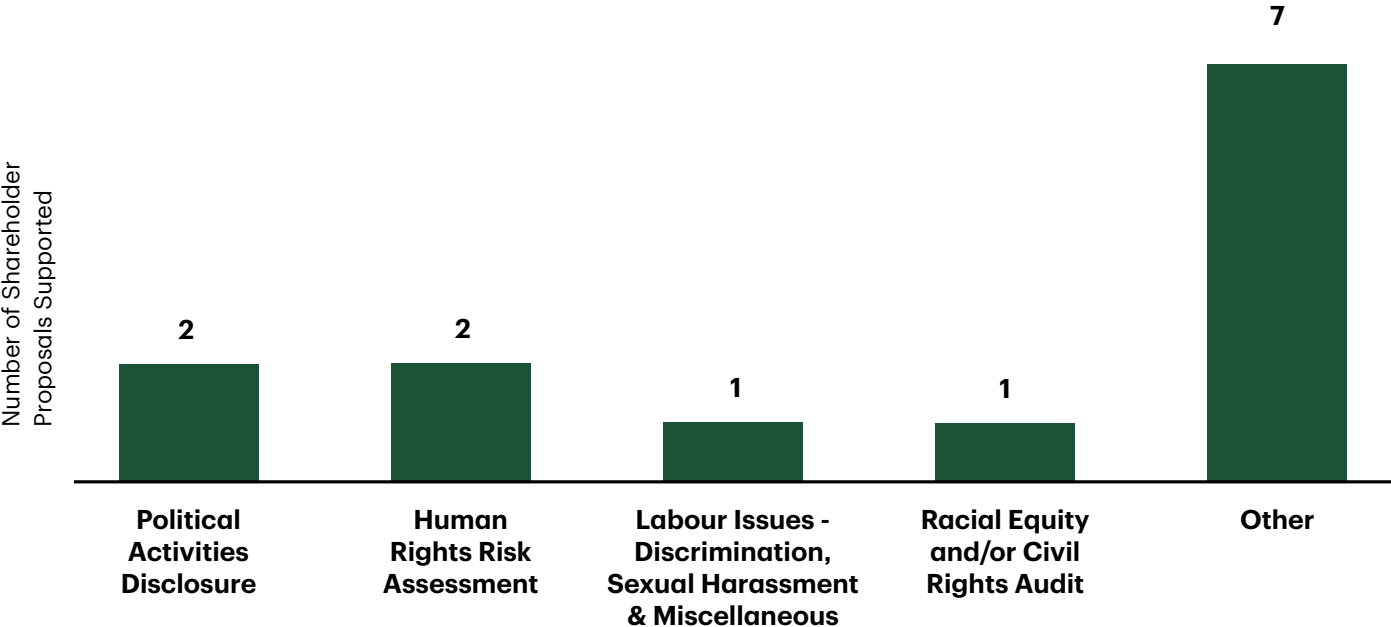
Figure 4: Shareholder Proposals Supported - Environmental



TDAM, ISS. As of January 31, 2023.

Support

Figure 5: Shareholder Proposals Supported – Social



Source: TDAM, ISS. As of January 31, 2023.



Engagement and Proxy Voting in Action

Although Q1 was light on proxy proposals, we highlight some of our proxy votes below as they relate to two of our focus areas – climate and board diversity. We share a couple of case studies showcasing our proxy voting and engagement efforts and discuss some of the progress that we have seen.

Need for More Ambitious GHG Reduction Targets – Canadian Grocer

Summary	Outcome
<p>A Canadian grocer faced a shareholder proposal requesting it to adopt near and long-term science-based greenhouse gas (GHG) emissions reduction targets, including Scope 3 emissions. The request included that the targets be aligned with the Paris Agreement’s 1.5°C goal requiring net-zero emissions by 2050 and implementation of appropriate emissions reductions prior to 2030.</p> <p>The company had recently established a target to reduce its Scope 1 and 2 emissions by 37.5% by 2035, using 2020 as a baseline year. The company had no other GHG reduction targets. Notably, a longer-term target was not included and there were no targets concerning the company's Scope 3 emissions.</p> <p>TDAM engaged with the company in advance of the vote to better understand its perspective on the proposal and the feasibility of setting science-based reduction targets.</p> <p>Peer analysis played a critical role in TDAM's decision making process. The company's two closest peers, and biggest rivals in the Canadian market, had established considerably more robust targets. In addition, both peers had committed to have their targets verified by the Science Based Targets Initiative within the next two years.</p>	<p>TDAM supported the shareholder proposal. While we recognized the company had only recently established its Scope 1 and 2 emissions targets, we still viewed the outcome of that target setting exercise to be significantly lagging its two closest peers. By not working toward a long-term net-zero goal or placing any targets on Scope 3 emissions, the company could face increased financial and competitive risks. The proposal ultimately received 29% support.</p>

Engagement

Noted Improvements in Board Diversity – Various Companies

Summary	Outcome
<p>In fiscal year 2022, TDAM voted against directors at 651 companies due to a lack of board gender diversity. We believe that a board should reflect its customer base and the societies in which it operates, and it should seek inclusion of all forms of diversity when it recruits new members. TDAM will generally vote against or withhold support for members of the nominating committee if we have concerns around a lack of progress on board diversity.</p>	<p>We continue to monitor progress on various dimensions of board diversity. For this report, we focus on how our votes may have contributed to improvements year-over-year on gender diversity. In Q1 2023, 25 of the companies that faced adverse director votes in 2022 due to a lack of board gender diversity held their annual meetings. Of those, nine companies (or 36%) improved their board composition to be more gender diverse. That progress comes from a global set of companies – largely in the U.S., but also in Europe, Australia and Japan. With the heat of the proxy season just around the corner, we will continue our discussions with companies on this topic.</p>

Diversity

Connect with TD Asset Management



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. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. 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. 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 Asset Management Inc. is a wholly-owned subsidiary of The Toronto-Dominion Bank. © The TD logo and other TD trademarks are the property of The Toronto-Dominion Bank or its subsidiaries.