



Proxy Voting Report

Fiscal Year 2022 Review

2022

About the Report

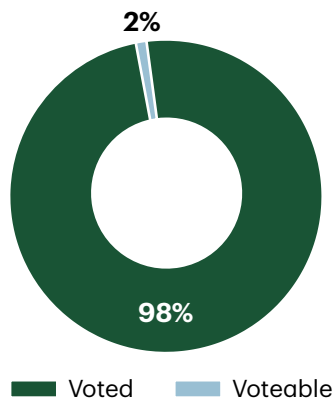
This report provides a summary view of the Fiscal Year 2022 proxy voting activity across all portfolios managed by TD Asset Management Inc. (TDAM) in the U.S., Canada and international markets. Proxy voting is an important part of our stewardship and active ownership efforts; it is a means to influence company practices, particularly in the area of corporate governance and on environmental and social issues.

For information on our proxy voting guidelines, please visit our [website](#) >.

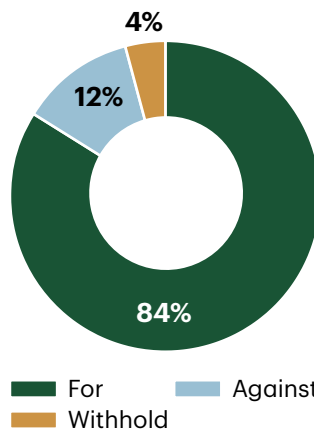
Please note that this report is based on the TDAM fiscal year which begins on November 1, 2021 and ends on October 31, 2022.

Figure 1: Basic Voting Activity

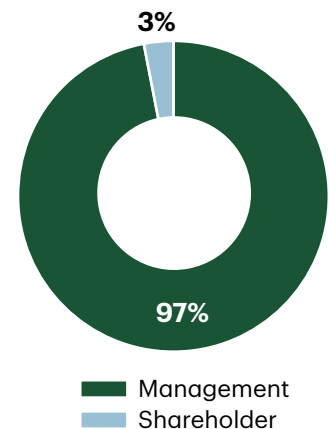
1.1 Voteable¹ vs. Voted²



1.2 Vote Instructions



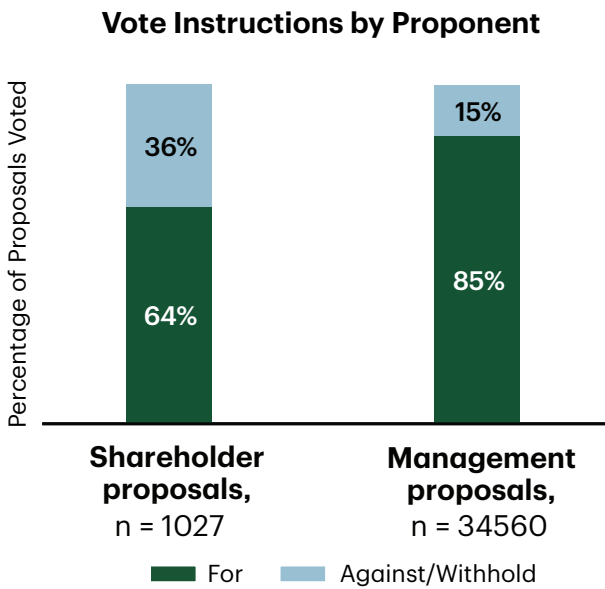
1.3 Proposals Voted by Proponent



¹Number of meetings (2,909), number of ballots (17,498), and number of proposals (36,348)

²Voted proposals as a percentage of total voteable proposals

Figure 2: Voting Activity

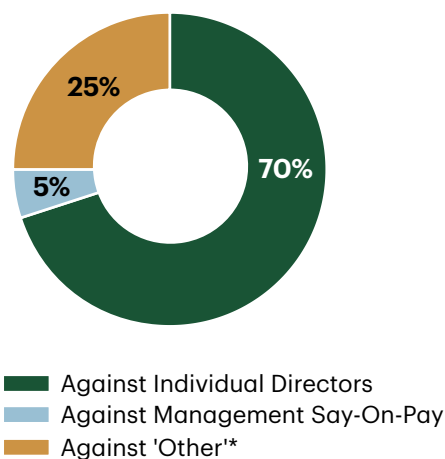


Source: TDAM, ISS. As of October 31, 2022.

- For the Fiscal Year 2022, TDAM voted on a total of 35,649 proposals, up 6% from 2021. The peak busy period of the proxy season was seen in Q2 and Q3, which made up roughly 90% of our voting activity.
- The majority of votes against management (70%) were votes against individual directors, largely due to a lack of board diversity. Of the adverse director votes, 26% related to a lack of board independence. Misalignment of executive compensation also fueled a significant part of votes against directors and often accompanied a vote against Management's Say-on-Pay (MSOP) proposals. In addition, TDAM voted against directors at 41 companies due to a failure to manage Environmental, Social and Governance (ESG) risks.
- TDAM voted on 34% more shareholder proposals compared to 2021, with a total of 1,027 shareholder proposals. TDAM supported 64% of those proposals (656 shareholder proposals), including 188 proposals focused on social issues and 114 focused on environmental issues.
- We continue to stay attentive to industry developments and look to ensure our proxy voting guidelines remain in line with our evolving perspectives and best practices.

Figure 3: Votes Against Management Proposals

3.1 Vote Against Management Proposals – Overview³



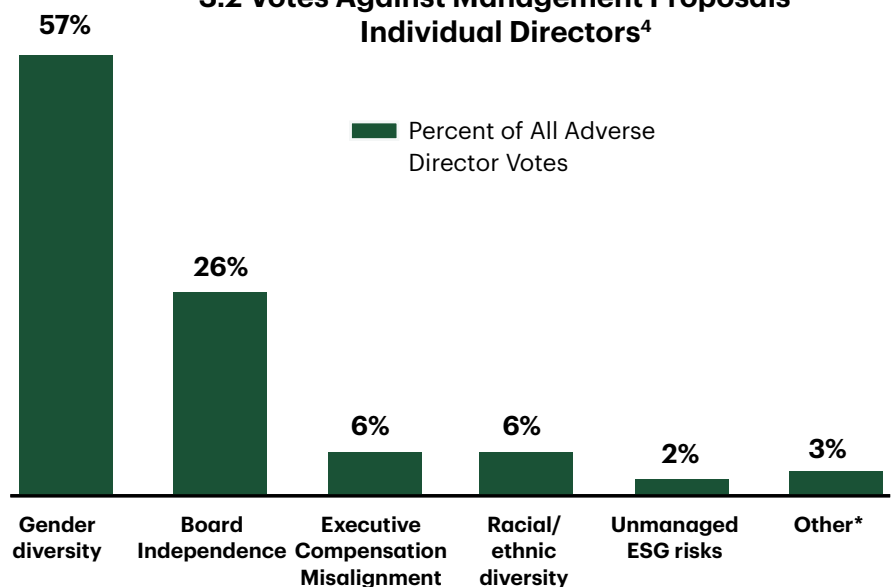
*Other corporate governance matters

³Against Directors = votes against individual directors

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

Source: TDAM, ISS. As of October 31, 2022.

3.2 Votes Against Management Proposals – Individual Directors⁴

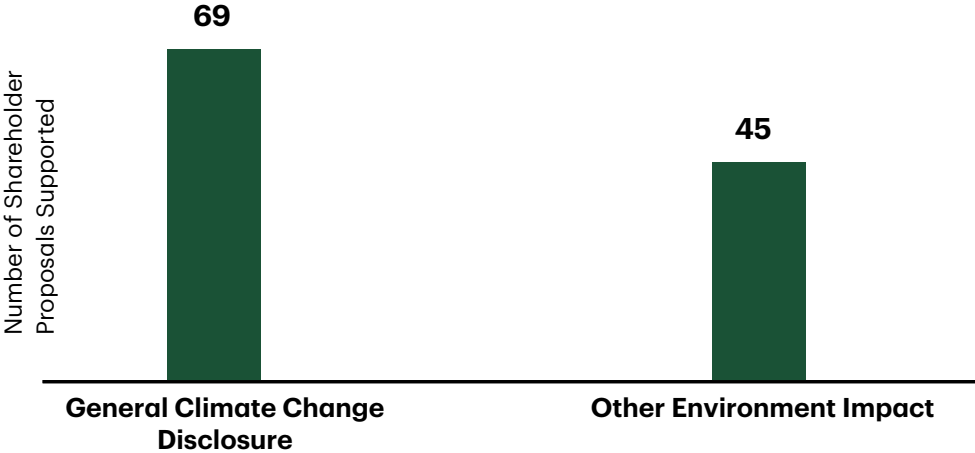


Shareholder Proposals Supported – Environmental and Social

Key Takeaways from Shareholder Proposals

- TDAM supported 75% of the environmental shareholder proposals put forward, supporting proposals at 62 companies. We continued our support for proposals looking to enhance company disclosures around climate risks. We also supported several proposals that look for companies to assess and mitigate adverse environmental impacts on the surrounding community and activities that may threaten natural resources.
- Under the social pillar, we supported 188 shareholder proposals at 106 companies. Many of our portfolio companies saw multiple shareholder proposals on the ballot in the Fiscal Year 2022, with a range of social issues represented. Notably, nine companies faced four or more social shareholder proposals, with those companies alone making up 27% of the 188 social proposals TDAM supported. A large fraction of the social proposals supported by TDAM requested improved disclosure around political and lobbying activities. We also supported several proposals requesting further assessment of company labour practices, enhanced disclosures around diversity and inclusion, and assessments of human rights risks.

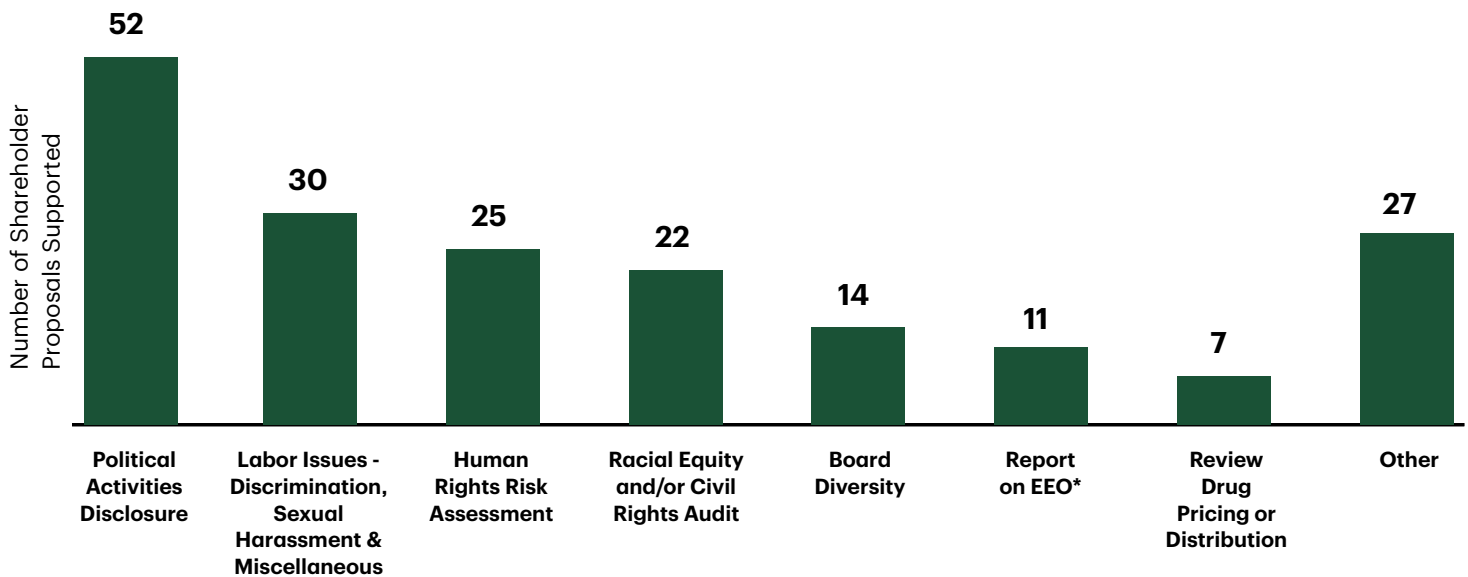
Figure 4: Shareholder Proposals Supported - Environmental



Source: TDAM, ISS. As of October 31, 2022.



Figure 5: Shareholder Proposals Supported – Social



*EEO = Equal Employment Opportunity (per the Equal Employment Opportunity Commission in the U.S.).

Source: TDAM, ISS. As of October 31, 2022.

Engagement and Proxy Voting in Action

Companies often leverage proxy season as an opportunity to conduct shareholder outreach on agenda items up for vote at the annual general meeting. **Below are some highlights of TDAM's discussions with issuers and Fiscal Year 2022 developments.**

Mining Company 2020 – 2022

Summary

We have regularly held periodic engagements with a mining company over the years, with more focused ESG meetings taking place since 2020. At that time, the company did not have fixed targets in its diversity policy about the representation of women on its board or in senior leadership.

However, it had indicated that it aspired to have 30% board gender diversity. Back in 2020, TDAM encouraged the company to put its 30% aspiration into its formal diversity policy. The company did so in 2021, setting out a target to be achieved by the end of 2022.

Outcome

Given TDAM's view that companies should have at least 30% women on boards, we did cast adverse votes against relevant board members. However, late in 2022, the company fulfilled its target and now meets the 30% threshold.

We continue to encourage further gender diversity and inclusion – at the board-level, in executive positions and across ranks. TDAM will continue to promote different dimensions of diversity, equity and inclusion as we further engage our investee companies.

Oil and Gas Company 2021 - 2022

Summary

TDAM held several climate-focused engagements with this company beginning in 2021. We have been focused on two key areas with the company since the start of our engagement:

- 1) providing a full measurement of their Scope 3 emissions with limited or reasonable assurance;
- 2) establishing mid-term greenhouse gas (GHG) emissions targets that cover the entirety of their Scope 1 and 2 emissions.

At the beginning of our engagement with the company, it only provided a partial measurement of its Scope 3 emissions. Furthermore, it did not provide a limited or reasonable assurance on its Scope 3 emissions, as it had for its Scope 1 and 2 emissions measurements.

While the company did have a long-term net-zero target for part of its emissions, it did not have a short- or mid-term GHG emissions reduction target, lagging behind the actions of its peers and indicating a potential lack of adequate climate risk management to long-term investors.

Outcome

We were pleased that over the course of 2022 the company strengthened its disclosures and updated its targets in line with TDAM's engagement priorities.

In its 2022 Sustainability Report, the company reported its full Scope 3 emissions and provided limited assurance for the first time, bringing it in line with its industry peers.

Later in the year, the company announced new corporate-wide, mid-term, Scope 1 and 2 emissions targets, based on absolute emissions reductions, as opposed to an intensity reduction.

The ambition of this new target puts this company at the top of its peer group. As a large shareholder in the company, TDAM continues to engage on the company's climate action plan and progress.

Sustainability

Railway Company 2022

Summary

Two prominent railways with operations across North America put forward Management Say-on-Climate (MSOC) proposals this year (Company A and Company B). These non-binding votes ask the shareholders of the company to evaluate and approve the company's climate plan.

Company A's climate plans were the most ambitious in the peer group, with GHG reduction targets covering all three scopes of emissions over the short, medium and long term. The company had detailed pathways for how it would achieve its goals, and it provided investors with transparent disclosures in line with the recommendations of the Taskforce for Climate-Related Financial Disclosures created by the Financial Stability Board, an international entity which monitors the global financial system. Company B's plan had its strong points; however, it was not as ambitious as its primary competitor's plan.

Company B's plan covered Scope 1 and 2 emissions, and partial Scope 3 emissions, only over the medium term. It had also outlined pathways toward achieving its mid-term goals.

Outcome

TDAM supported the climate plan of Company A and voted against the climate plan of Company B. The absence of long-term targets and the partial coverage of Scope 3 emissions were the notable differences in their plans. Given this, TDAM felt it was prudent to leverage peer benchmarking and vote against the climate plan of Company B.

We have since engaged with Company B and communicated the rationale supporting our vote and our expectations for the year ahead. We will continue to engage with this group to encourage stronger action and ambition as it relates to climate.

Ambition

Financial Company 2022

Summary

TDAM generally prefers separation of board chair and CEO positions given their distinct roles and responsibilities. We engaged a North American financial company on the topic early in Fiscal Year 2022 with respect to the company's combined chair/CEO structure. Guided by our view, TDAM voted in support of what became perennial shareholder proposals that requested separation of the two roles.

While we found the company generally receptive to our thoughts during this engagement, we had no indication at that time that the company would consider adjusting that structure.

Outcome

Later in the year, the company announced that it adopted a policy where at the next CEO transition it would separate its board chair and CEO positions. TDAM is only one of many investors in the company, so we cannot state the direct influence of our engagement or proxy votes in catalyzing the company's new policy.

However, with strong shareholder support for proposals calling for an independent board chair over the last several years (33% to 47% of shareholders voted for such proposals), we see the company's new policy as a potential response to collective views on the benefit of independent board oversight.

We also supported an additional shareholder proposal which requested further policy improvements that provide additional details on the independence dynamics of any new board chair.

Support

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