

Proxy Voting Review

July 1, 2025 – June 30, 2026



Table of Contents

About the Report	3
Executive Summary	3
Summary of the 2025-2026 Proxy Year in Charts	4
2025-2026 Proxy Voting Activity	6
Trends and Takeaways: TDAM's Perspectives and Case Studies	7
Investment Proposals – Mergers and Acquisitions.....	7
Shareholder Proposal Volumes Continue to Decline	9
Corporate Governance Themes and Proposals	10
Board Quality, Composition and Effectiveness	10
Executive Compensation and Management Incentives.....	10
Shareholder Rights.....	12
Environment-Focused Proposals.....	16
Climate Change	16
Natural Capital	20
Social-Themed Proposals	21
Human Rights	22
Human Capital	23
Artificial Intelligence (AI).....	24
Concluding Thoughts	26

About the Report

This report provides a comprehensive overview of TD Asset Management Inc.'s (TDAM) proxy voting activities and the trends observed during the period from July 1, 2025 to June 30, 2026, across all public equity portfolios managed by TDAM that invested in securities of issuers in the United States (U.S.), Canada and other international markets.

Proxy voting is an important part of TDAM's fiduciary obligations, investment stewardship and active ownership efforts. TDAM generally votes in accordance with its proxy voting guidelines, which are reviewed on an annual basis. These guidelines set forth our view on matters including mergers and acquisitions, governance practices and oversight of material risks, including environmental and social risks. For information on our proxy voting guidelines, proxy voting and stewardship policies, please visit the [TDAM Sustainable Investing website >](#).

Executive Summary

TDAM's 2025–2026 proxy voting activity demonstrated a stewardship approach focused on long-term value creation, effective board oversight, alignment of executive incentives, protection of shareholder rights and oversight and disclosure of financially material risks.

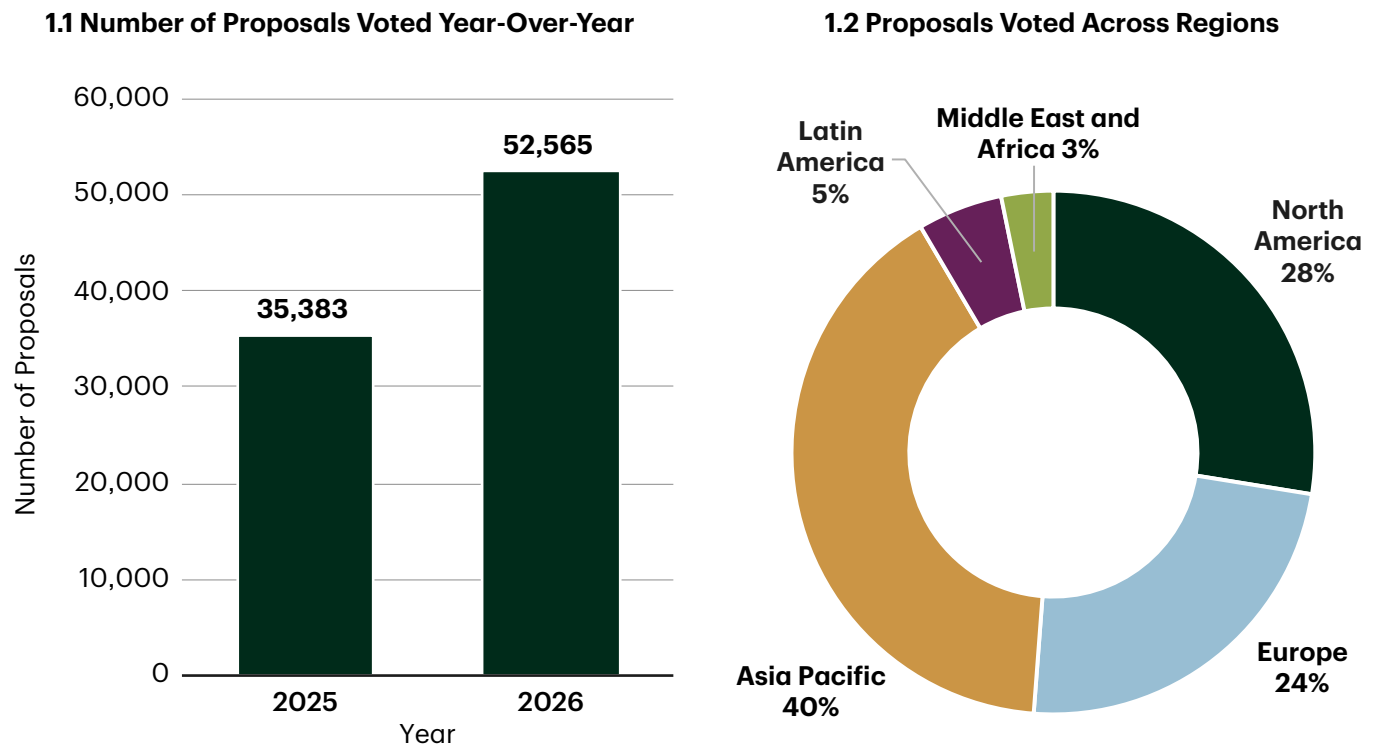
During the proxy year, TDAM voted on 52,565 management and shareholder proposals. TDAM continued to reinforce its proxy voting guidelines, and where appropriate, conducted case-by-case assessments of certain proposals where we considered factors such as company context, proposal relevance, quality of existing corporate practice and disclosure, and related risks.

Proxy Year Key Takeaways:

- Global governance reform initiatives during the proxy year were met with tension given market competitiveness and shareholder accountability. While some jurisdictions hail corporate governance reforms as a national strategy, certain long-established shareholder rights are increasingly being tested in other jurisdictions. TDAM continues to assess these developments through a disciplined lens, weighing the economic rationale for proposed changes against the potential erosion of accountability and investor protections.
- While proxy voting remains a cornerstone of TDAM's stewardship approach, evolving shareholder rights regimes globally, reinforce the importance of using a broader range of stewardship tools to advance shareholder interests and support long-term value creation.
- Shareholder proposals became more selective and more targeted. Proposal volumes on environmental and social issues declined, while continuing to receive meaningful shareholder support. TDAM supported proposals that identified clear disclosure gaps or material risk oversight needs, while voting against proposals that were duplicative, overly prescriptive, or unlikely to provide meaningful incremental value to investors.

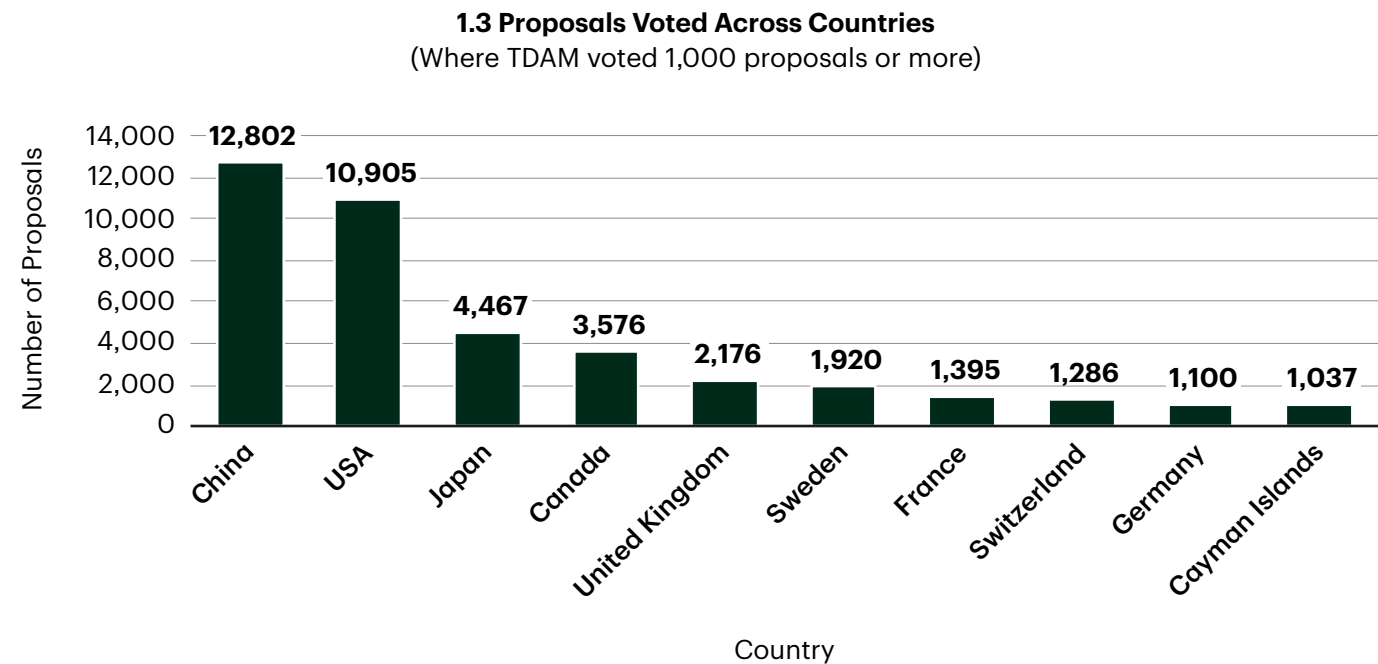
Summary of the 2025-2026 Proxy Year in Charts

Figure 1: Detailed Breakdown of Proposals Voted¹



Source: TDAM, Institutional Shareholder Services (ISS). As of June 30, 2026.

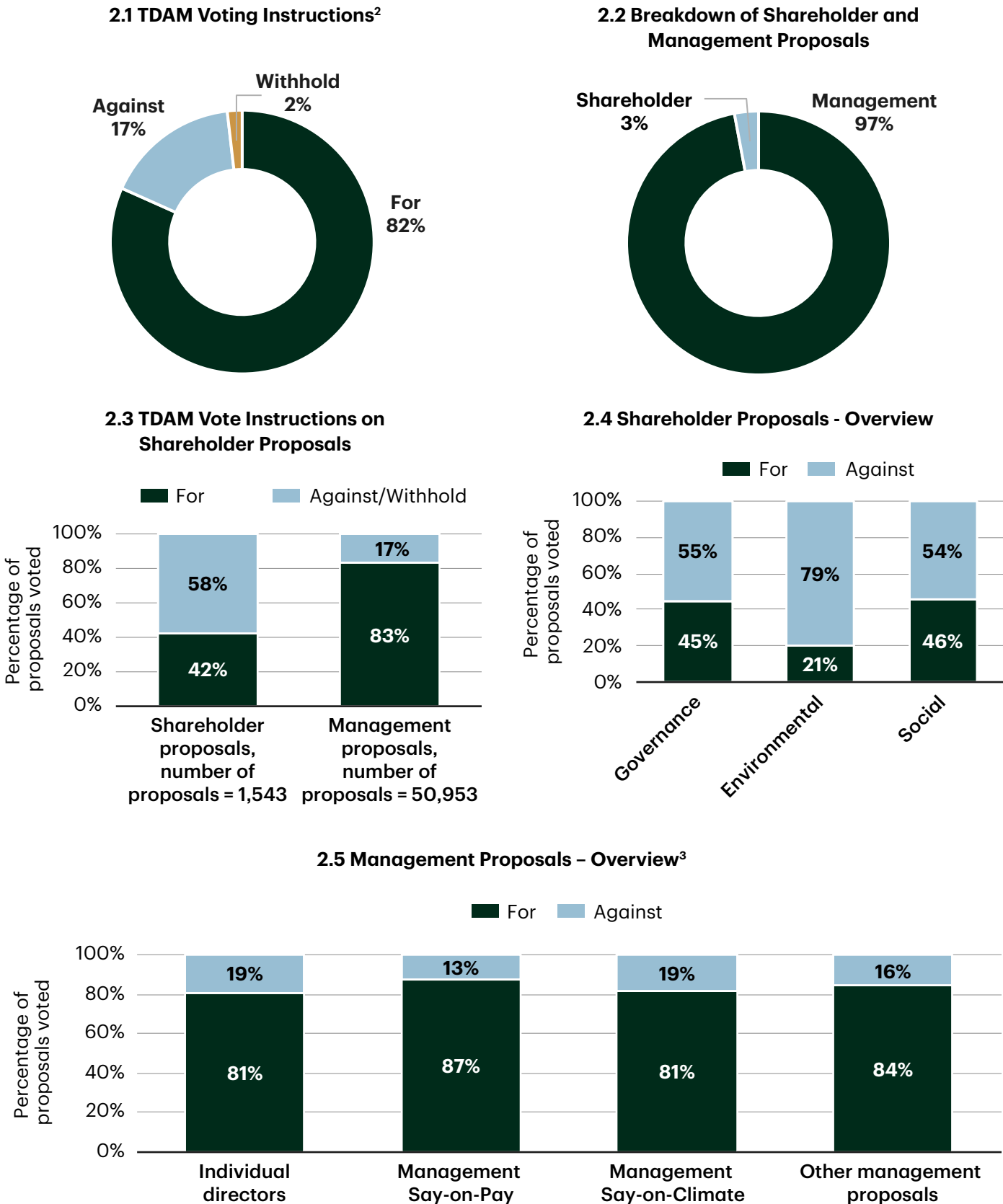
Source: TDAM, ISS. As of June 30, 2026.



Source: TDAM, ISS. As of June 30, 2026.

¹ Increase in number of proposals in 2026 is largely due to expanded emerging market exposures in TDAM's passive equity universe. While number of holdings and associated proposals grew, they represented a relatively small share of TDAM's assets under management.

Figure 2: Basic Voting Activity



Source: TDAM, ISS. As of June 30, 2026.

² Vote instructions reflect votes across management and shareholder proposals.
³ "Other management proposals" refers to other routine and non-routine management proposals.

2025-2026 Proxy Voting Activity

TDAM continues to adhere to its proxy voting guidelines, with limited changes to those guidelines during the 2025-2026 proxy voting year. These limited changes provided additional clarification regarding TDAM's expectations for transparent disclosure on the inclusion or exclusion, as applicable, of legally compliant shareholder proposals. We also updated our board composition guidelines to reflect evolving developments in Japan that have advanced more gender diversity across corporate boards.

The points below summarize TDAM's broader voting activities during the 2025–2026 proxy year:

- TDAM voted on a total of 52,565 management and shareholder proposals. Across these proposals, TDAM voted against 17% of management proposals and 58% of shareholder proposals.
- TDAM voted on a total of 1,543 shareholder proposals and supported 42% of them (653 shareholder proposals), including 56 proposals focused on social issues, 25 focused on environmental issues, and 570 proposals focused on governance issues, with a small number of proposals not explicitly falling within environmental, social or governance (ESG) categories.
- TDAM withheld support from directors on many key areas related to board composition. These areas included, but were not limited to, board-level and committee-level independence, diversity, tenure, director commitments and other areas where we believed that board composition and structure may not be aligned with the principles outlined in TDAM's Proxy Voting Guidelines.
- TDAM also voted against directors in a number of cases involving executive compensation matters, including Management Say-on-Pay proposals, and where multi-class share structures created unequal voting rights in certain markets.

Generally, the activity reflected our belief that boards should be well-structured, largely independent and high-performing with the appropriate skills and characteristics at the board level for effective oversight, to generate sustainable long-term shareholder returns. It is also aligned with our belief that executive compensation should incentivize management to prioritize consistent long-term shareholder returns.

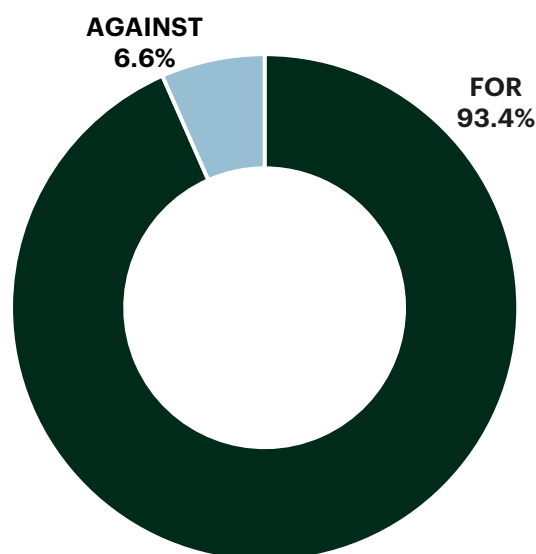
Trends and Takeaways: TDAM's Perspectives and Case Studies

Investment Proposals – Mergers and Acquisitions

TDAM voted on 121 mergers and acquisitions (M&A) proposals⁴ this proxy year. TDAM supported the vast majority of all such proposals (93.4%), only voting “against” in a handful of cases. M&A proposals are event-driven and deal-specific, so we will not draw conclusions about major trends in their prevalence or TDAM's rate of support. Geographically, a significant majority of M&A proposals TDAM voted on remained within Canadian and U.S. companies, with 21 and 49 of such votes, respectively.

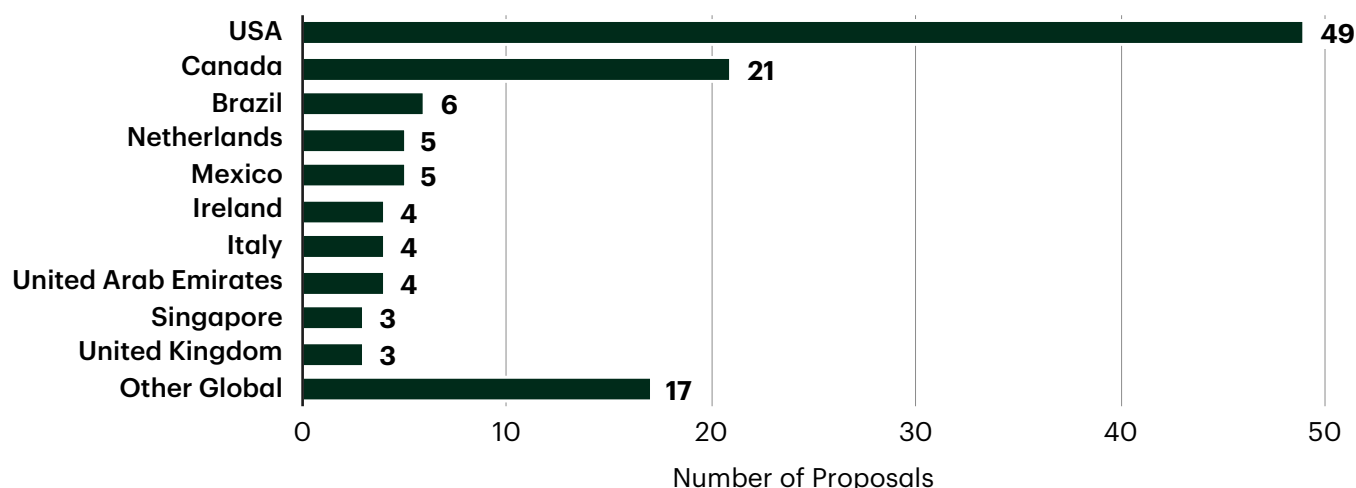
TDAM reviews all corporate transactions and investment-related proposals on a case-by-case basis, as the implications of these decisions are unique and require careful evaluation of all relevant factors and context. When it comes to M&A proposals, TDAM reviews and balances a range of factors, including, but not limited to, deal valuation and consideration, market reaction, strategic rationale, pro-forma governance, and conflicts of interests, with the aim to vote in the best interests of the portfolios.

Figure 3: M&A Proposals (Voted)



Source: TDAM, ISS. As of June 30, 2026.

Figure 4: M&A Proposals by Country (Voted)⁵

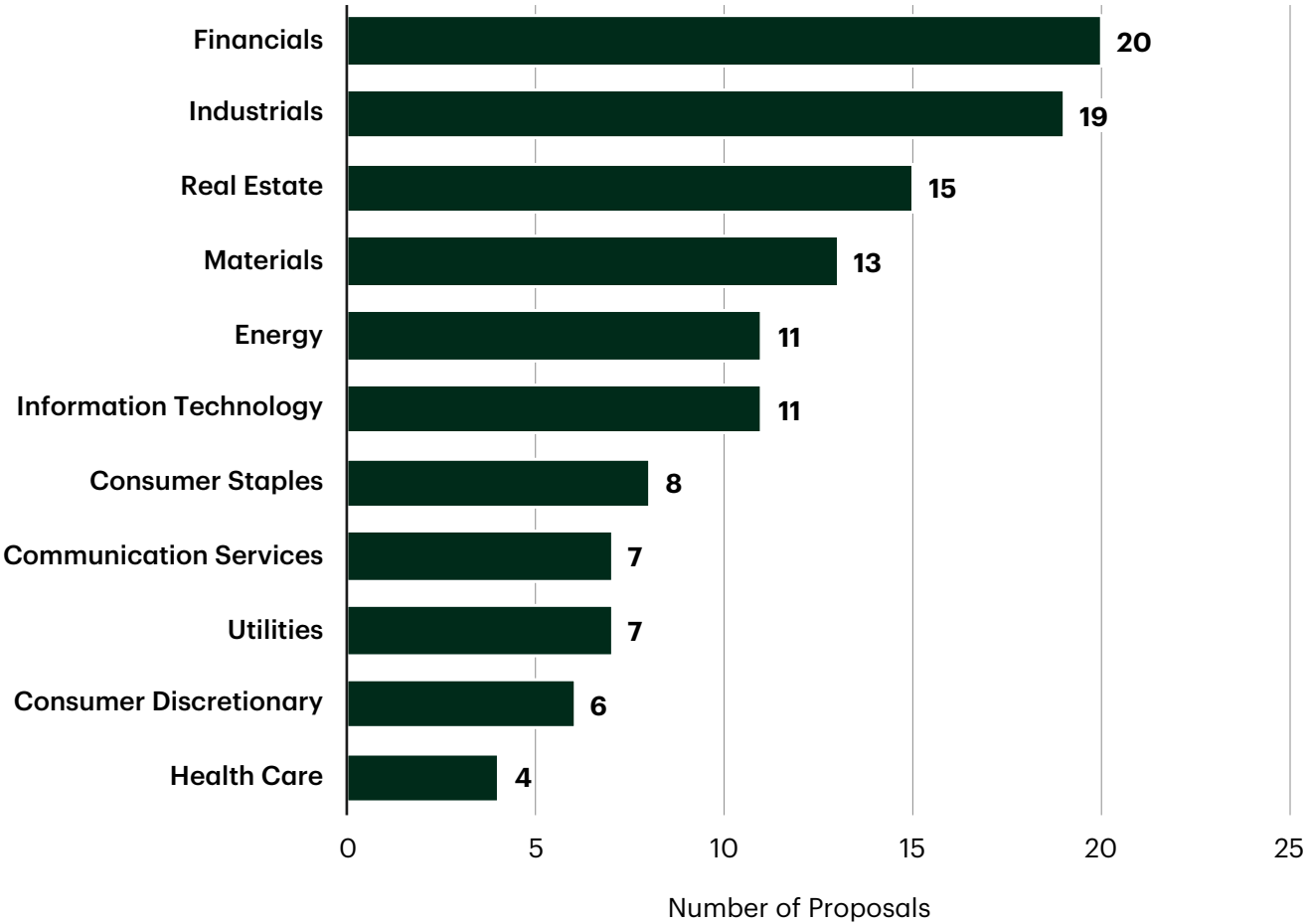


Source: TDAM, ISS. As of June 30, 2026.

⁴ M&A proposals reflected solicitation from acquiring companies to approve transactions and/or by target companies to approve share issuances needed to complete M&A transactions. The figure above excludes asset sales, Special Purpose Acquisition Company transactions, and other investment proposals.

⁵ 'Other Global' includes France, Cayman Islands, South Korea, Israel, Denmark, Spain, Malaysia, Jersey, Sweden, Australia, Finland, Belgium, Japan, and Luxembourg.

Figure 5: M&A Proposals by Sector



Source: TDAM, ISS, Bloomberg Finance LP. As of June 30, 2026.

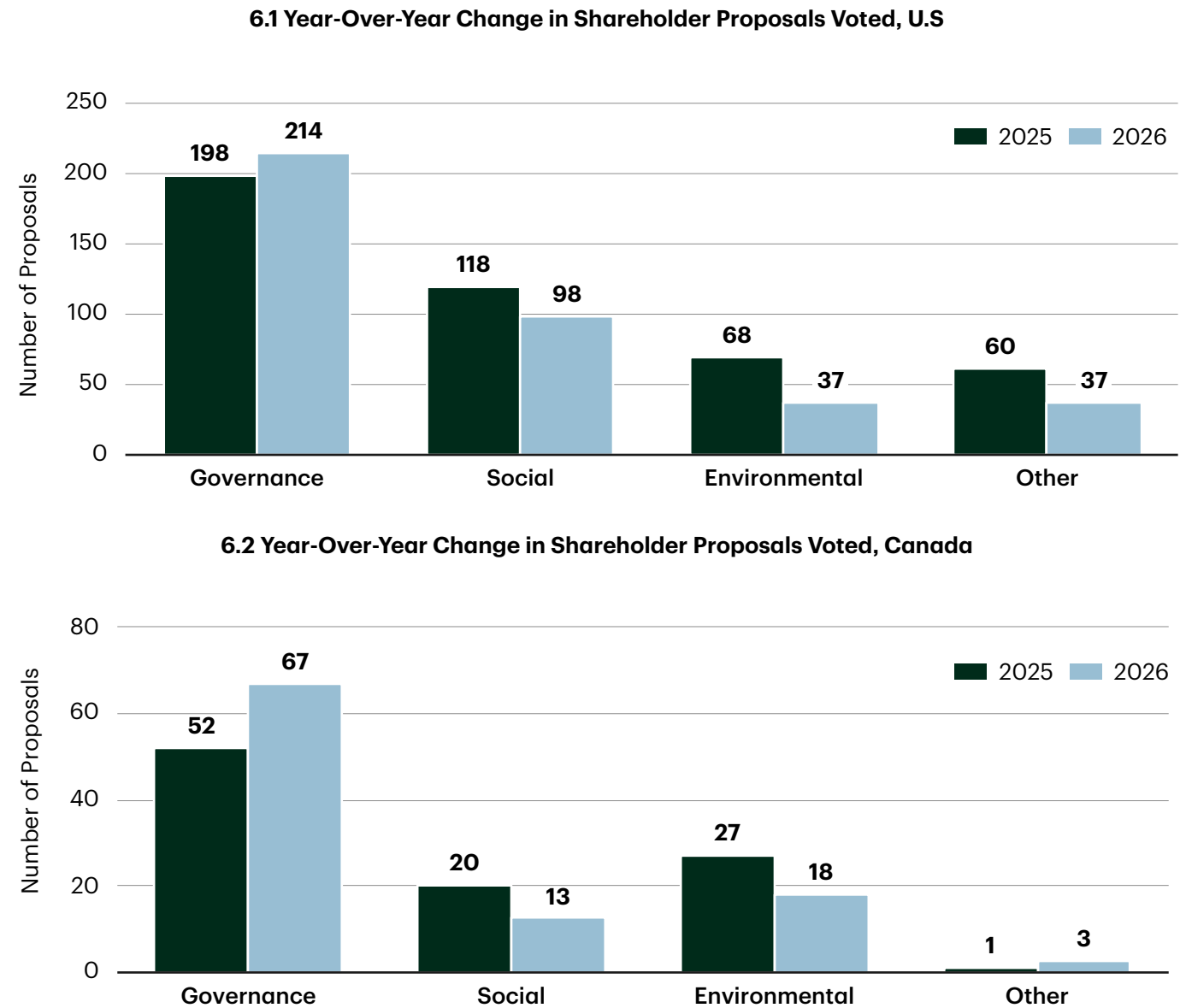
Trends

Shareholder Proposal Volumes Continue to Decline

Shareholder proposal volumes continued to decline in the 2025–2026 proxy year, particularly for environmental and social proposals, reflecting ongoing regulatory and political developments. In the U.S., shareholder proposal activity declined by approximately 13%, with environmental and social proposals declining by roughly 46% and

17%, respectively. In Canada, overall shareholder proposal volumes were broadly flat year over year, as an increase in governance proposals offset declines in environmental and social proposals. Across all markets, TDAM supported 42% of the 1,543 shareholder proposals voted.

Figure 6: Year-Over-Year Change in Shareholder Proposals Voted, U.S. and Canada⁶



Source: TDAM, ISS. As of June 30, 2026.

⁶ Graph reflects change in shareholder proposals filed at portfolio company AGMs (Annual General Meetings or other special meetings) and available for vote by TDAM.

Corporate Governance Themes and Proposals

In the context of corporate governance, TDAM continues to focus on three core pillars which underpin the way in which we engage and cast our votes – quality, composition and effectiveness of boards; executive compensation and management incentives; and shareholder rights.

At a high level, we believe that boards should be well-structured, largely independent, and high-performing with appropriate oversight to generate long-term sustained value. With regards to executive compensation, we believe that companies should have management incentives that are tied to long-term value creation and designed to discourage excessive risk-taking. Finally, we continue to focus on the protection of shareholder rights.

Board Quality, Composition and Effectiveness

TDAM voted against directors at 746 companies globally (approximately 21.5% of the companies voted on) during the proxy year due to boards not meeting the requisite two-thirds independence requirement that we have in certain jurisdictions for companies of a certain size and scale. Additionally, we voted against directors at 92 companies globally (approximately 2.6% of companies voted on) where more than one-third of the board was comprised of directors whose tenure exceeded 15 years. We also voted against directors at 753 companies (approximately 21.7% of companies voted on) due to board diversity concerns. We continue to believe that assessing board characteristics, such as director independence and tenure, will allow us to evaluate whether boards encourage renewal and refreshment, processes which are critical to ensuring that boards remain effective and high-performing.

Executive Compensation and Management Incentives

This past proxy year, TDAM voted against 248 Say-on-Pay proposals globally (approximately 21.7% Advisory Say-on-Pay resolutions voted), with 84 in the U.S. (approximately 4.4% Advisory Say-on-Pay resolutions voted), 10 in Canada (approximately 0.5% Advisory Say-on-Pay resolutions voted) and 154 in other jurisdictions (approximately 7.7% Advisory Say-on-Pay resolutions voted). When we vote against

Say-on-Pay proposals at companies of a particular size and scale in North America, we also generally vote against the chairs of the compensation committees, who hold accountability for executive compensation decisions. In circumstances where compensation concerns are persistent and/or the board has not been responsive, “against” votes may also extend to other compensation committee members. For context, this past year, we voted against directors at 98 companies due to executive compensation concerns globally (approximately 2.8% of companies voted on). TDAM generally evaluates a company’s approach to executive compensation on a case-by-case basis, depending on circumstances specific to the company.

Importantly, the main approach to TDAM’s analysis of executive compensation and management Say-on-Pay proposals is ensuring that management incentives are structured in a way that incentivizes sustained long-term value creation, while limiting any excessive risk that management may take. Accordingly, the underlying themes behind TDAM’s “against” votes remain relatively unchanged year-over-year. They typically relate to pay-for-performance misalignment, one-time transitory payments structured in ways that are inconsistent with long-term value creation, and significant problematic actions by the compensation committee.

Case Study



Case Study: Aligning Executive Compensation with Long-Term Shareholder Value Creation at a North American Financial Institution

At a recent annual meeting of a large North American financial services company this past proxy year, TDAM examined the company's Say-on-Pay proposal. While TDAM's proxy voting guidelines support executive pay structures that align management incentives with long-term shareholder outcomes, this specific situation drew heightened scrutiny due to a significant one-time performance-based equity award granted to the company's Chief Executive Officer (CEO). At face value, there appeared to be some concerns surrounding the relationship between executive compensation and recent shareholder returns. Given the importance of effective board oversight of compensation and succession planning, TDAM conducted additional analysis to assess whether the compensation structure appropriately supported long-term value creation.

As part of our stewardship process, TDAM engaged directly with board leadership to better understand the rationale for the award. Through these discussions, we learned that the board viewed the award primarily as a retention and alignment mechanism designed to address succession-related considerations, which we perceived to be real based on certain circumstances at the company, and to strengthen long-term ownership expectations for senior leadership. The board highlighted the executive's long track record of leadership and value creation, evidence of external market interest in the executive's capabilities, and the importance of maintaining leadership continuity while developing future succession options. TDAM also noted that the award remained fully performance-based, with vesting contingent on achieving relatively challenging long-term performance objectives over multiple years.

Following our review, TDAM concluded that the board had articulated a credible strategic rationale for the award and that the compensation structure remained sufficiently aligned with shareholders' long-term interests. While we acknowledged concerns regarding pay levels and recent market performance, we believed the retention, succession planning and ownership alignment considerations provided important context that was not fully reflected in standardized compensation assessments. TDAM therefore supported the advisory compensation proposal after careful consideration. This case demonstrates that direct engagement and consideration of company-specific circumstances can provide valuable insights beyond a purely formulaic assessment of compensation practices.

Shareholder Rights

Over the last several years and leading up to the 2026 proxy year, a number of developments impacting shareholder rights have occurred at varying paces and in different directions, globally.

- The Japanese market has been characterized by continued governance modernization through the Corporate Governance Code⁷, Stewardship Code⁸ and Tokyo Stock Exchange⁹ reforms and amendments. These initiatives are aimed at improving capital efficiency, valuations, and shareholder returns. We view these governance reforms as closely tied to a broader national strategy, which is increasingly being viewed as a model for other Asian markets. Korea is also pursuing corporate governance reforms through its 'Corporate Value-Up Program'¹⁰ and various Commercial Code amendments, with aims of improving corporate value, shareholder rights, director accountability, and capital efficiency.
- There are other jurisdictions whose initiatives, regulatory or otherwise, have focused on reducing reporting burdens, promoting Initial Public Offerings (IPO) competitiveness, and increasing flexibility for public companies. One such example is the United Kingdom where 2024 listing rule reforms simplified the market framework and expanded the permissibility of dual-class share structures in an effort to enhance listing competitiveness¹¹.
- More recently in 2026, the New Zealand Stock Exchange (NZX), announced a consultation with an aim to 'avoid disproportionate compliance burdens'¹². Among the proposals, the NZX is seeking comments on amendments to the NZX Listing Rules and NZX Corporate Governance Code which enable dual class share structures¹³.
- In the U.S., a number of Securities and Exchange Commission proposals have been introduced to help simplifying reporting burdens. For example, a proposal was introduced to streamline and simplify the existing filer status system¹⁴, as well as another proposal to permit optional semi-annual reporting by public companies¹⁵. In the same vein, the Canadian Securities Administrators announced a pilot project to allow eligible venture issuers to voluntarily adopt a semi-annual financial reporting framework¹⁶.

⁷ <https://www.fsa.go.jp/en/news/2026/20260410/03.pdf>. Accessed July 3, 2026.

⁸ <https://www.fsa.go.jp/en/refer/councils/stewardship/index.html>. Accessed July 3, 2026.

⁹ <https://www.jpx.co.jp/english/equities/follow-up/>. Accessed July 3, 2026.

¹⁰ <https://www.fsc.go.kr/eng/po110101/82795>. Accessed July 3, 2026.

¹¹ <https://docs.londonstockexchange.com/sites/default/files/documents/uk-capital-market-reforms-faqs.pdf>. Accessed July 3, 2026.

¹² https://assets.ctfassets.net/m5mydry9e35f/46bgvs48oPenbssOzL6mCH/dbc999c665bf42a702a793307edc6ee9/Consultation_Paper_-_Tiered_Compliance_9_July.pdf. Accessed July 3, 2026.

¹³ https://assets.ctfassets.net/m5mydry9e35f/6lmxfGoJgvAunWqo1KWsgG/961c45152d221ee2b61db0bc27bb0448/DCS_Consultation_Paper_May_26.pdf. Accessed July 3, 2026.

¹⁴ <https://www.sec.gov/newsroom/speeches-statements/uyeda-statement-proposing-registered-offering-reform-and-enhancement-of-emerging-growth-company-accommodations-and-simplification-of-filer-status-for-reporting-companies-051926>. Accessed July 3, 2026.

¹⁵ <https://www.sec.gov/newsroom/press-releases/2026-42-sec-proposes-amendments-permit-optional-semiannual-reporting-public-companies>. Accessed July 3, 2026.

¹⁶ <https://www.securities-administrators.ca/news/canadian-securities-regulators-announce-adoption-of-semi-annual-financial-reporting-pilot/>. Accessed July 3, 2026.

These developments have culminated into several broader themes we have observed in the domain of shareholder rights:

1. Recent market developments, particularly in relation to certain global IPOs, have availed companies access to public capital while paired with governance structures that provide for limited practical avenues for shareholders influence on corporate direction, either through voting or litigation rights.
2. Across several jurisdictions worldwide, proposals have emerged to streamline governance requirements or provide greater flexibility for companies seeking to remain publicly listed. Supporters argued that more permissive governance frameworks are necessary to attract capital, foster innovation, and compete globally for listings. Other markets invoke corporate governance as a national strategy to foster and attract capital, moving toward stronger governance frameworks, capital efficiency reforms, and enhanced shareholder orientation. These competing narratives increasingly sit at the centre of governance reform discussions worldwide.
3. We have observed that corporate governance operates within a broader ecosystem where practices adopted in one jurisdiction can influence expectations elsewhere. When governance structures are perceived as successful in attracting capital or generating superior returns, pressure can emerge in other markets to adopt similar approaches. Conversely, strong governance standards and shareholder protections can also spread beyond their original markets as investors, regulators, and companies seek to replicate frameworks viewed as fostering trust, transparency, and long-term value creation. As a result, governance developments can have contagion effects, both positive and negative, that extend well beyond their immediate context.

In relation to the developments above, TDAM continues to believe that effective governance frameworks support entrepreneurialism, innovation, and competitiveness while still preserving meaningful mechanisms through which shareholders can hold boards and management accountable. To that end, we believe strong governance and shareholder protections remain important contributors to market confidence, capital formation, and sustainable long-term value creation.

Shareholder Rights

Case Study



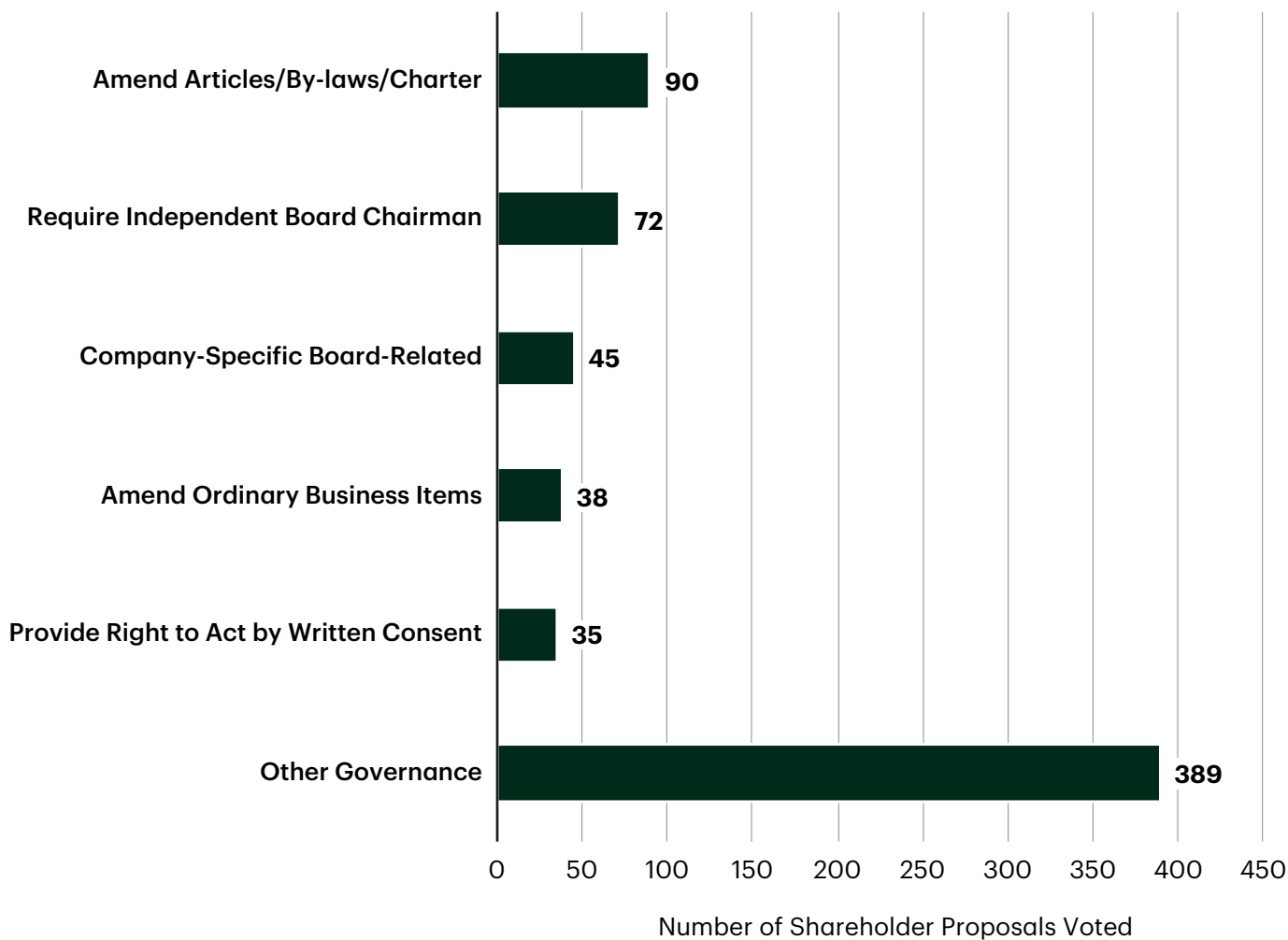
Case Study: Preserving Shareholder Rights in a Reincorporation Proposal for a Large North American Energy Company

At the annual meeting of a large North American energy company, shareholders were asked to vote on a proposal to change the company's state of incorporation. For TDAM, changes in corporate jurisdiction are assessed by weighing any demonstrated economic benefits of any reincorporation against potential reductions in shareholder rights and accountability mechanisms.

As part of our review, TDAM engaged with management to better understand the rationale for the proposed change. In terms of benefits, among other things, the company emphasized administrative efficiencies and a more predictable legal framework. However, the reincorporation jurisdiction selected also presented opportunities for the company to reflect in their constating documents a higher threshold to file shareholder proposals, as well as for initiating shareholder derivative lawsuits. Although the company indicated that it did not currently intend to adopt certain available statutory provisions that could increase barriers to submitting shareholder proposals or pursuing shareholder litigation, it also confirmed that it wished to retain the flexibility to do so in the future. We have seen some examples in the market where companies have elected for statutory opt-outs of such provisions, thereby giving assurance to shareholders that such provisions will not be levied in the future. However, we did not receive this level of assurance from the company when we engaged with them.

After balancing the company's rationale and described benefits against the potential governance implications, TDAM concluded that the proposal was not in the best interests of shareholders and voted AGAINST the reincorporation. TDAM believes that the ability of shareholders to submit proposals and seek accountability through established legal processes is a fundamental governance right that should not be weakened. Moreover, we viewed the reincorporation as a potential pathway where future shareholder rights could be disenfranchised. Our vote aligned with our belief that the filing of shareholder proposals and initiating shareholder litigation are fundamental shareholder rights.

Figure 7: Governance Shareholder Proposals¹⁷



Source: TDAM, ISS. As of June 30, 2026.

In the 2026 proxy year, TDAM voted on 669 governance shareholder proposals, supporting 55% (369) and opposing 45% of these proposals.

The most frequently supported proposals involved amending constating documents (charters, by-laws and articles), with 90 such instances. These included both routine and non-routine amendments, as well as those expanding rights related to governance features like calling special meetings, among other things. Proposals seeking for an independent chair (72) and company-specific board-related proposals (45) were the second and third most frequently voted on.

¹⁷ This graph excludes contested director election related shareholder proposals (n=438), which typically denominate proposals where shareholders are seeking nomination of directors on a target company board.

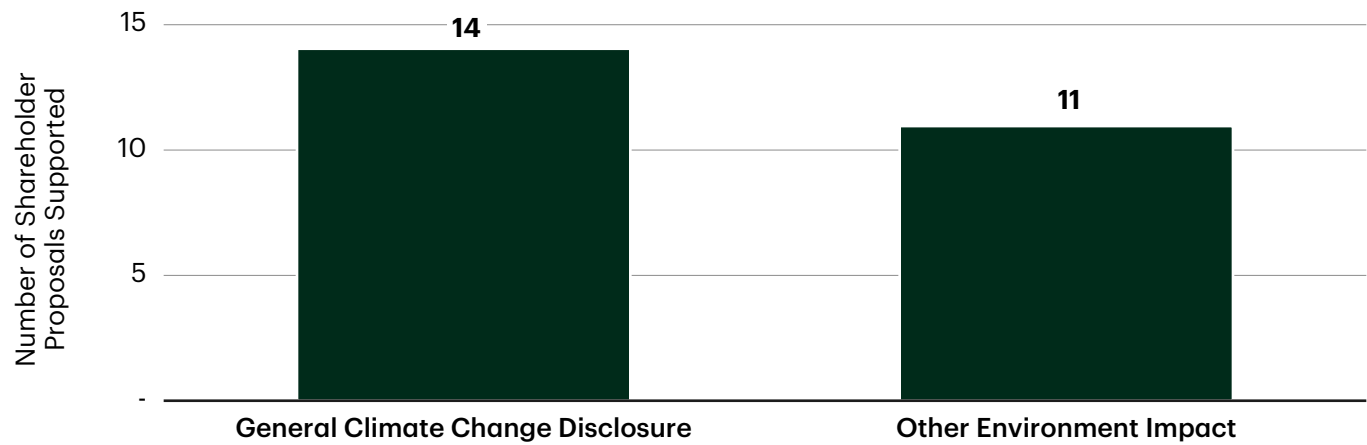
“Company-Specific Board-Related” pertains to a wide-ranging mix of shareholder proposals that relate to the board but are not related to specific director elections. Examples may include approving remuneration of directors, approving remuneration for supervisory members, and fixing terms of directors, among other items.

“Other Governance” includes proposals on a number of wide-ranging governance topics. These may be company-specific topics related to shareholder rights, general governance practices, executive and director compensation, among other topics.

Environment-Focused Proposals

TDAM supported 25 of the environmental shareholder proposals put forward (21% of all environmental shareholder proposals). These proposals continued to seek enhanced disclosure of company climate risks and opportunities, including disclosure of any company-set carbon reduction targets, emissions metrics and the strategies aimed at achieving such stated targets as well as disclosures related to the capex allocated to achieving targets.

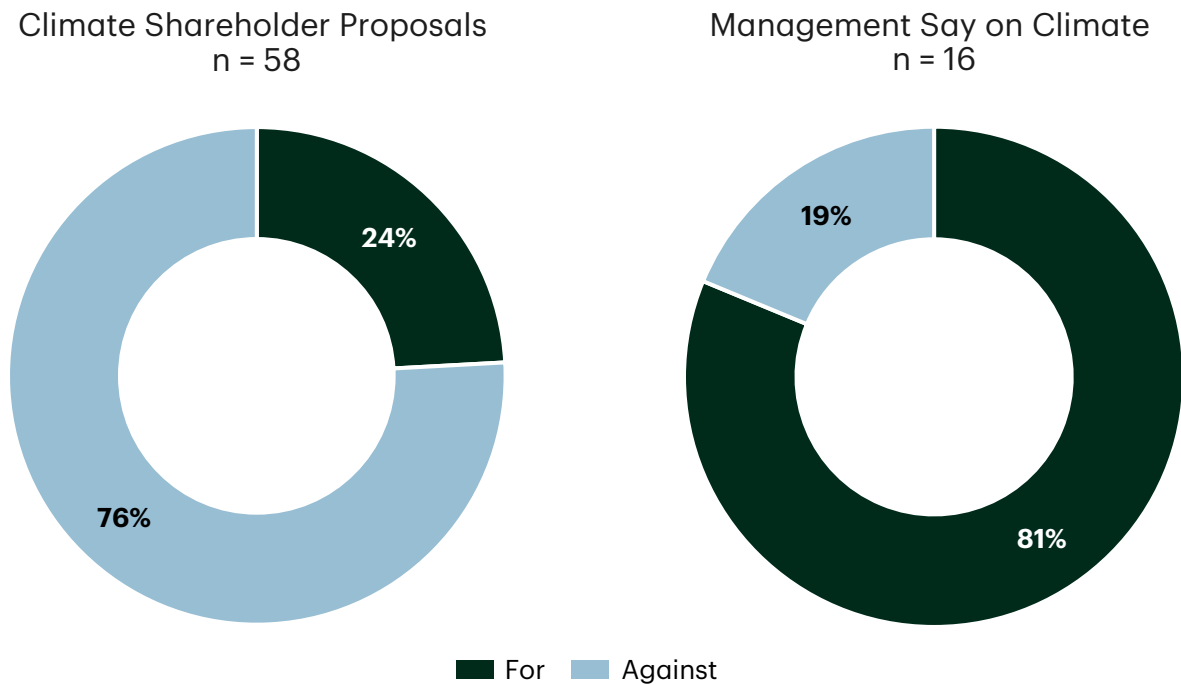
Figure 8: Supported Environmental Shareholder Proposals



Source: TDAM, ISS. As of June 30, 2026.

Climate Change

Figure 9: Percentage of TDAM Votes For and Against Proposals on Climate Change



Source: TDAM, ISS. As of June 30, 2026.

The clearest climate trends of the 2026 proxy year were that climate-oriented shareholder proposals have become fewer in number and more financially framed. This decline has been more pronounced in the U.S., where regulatory developments and political pressures have impacted proposal filings and investor support. In Canada, climate-related proposals continued to be concentrated among banks and large emitters. We also saw overly broad and repetitive climate-disclosure proposals lose appeal to shareholders while company-specific proposals tied to financial exposure, capital allocation, financing ratios or broken commitments attracted support. While support levels remain well below the 2021–2022 peak, there are pockets of strong support for foundational climate disclosures where companies materially lag their peers and fall short of basic investor expectations.

TDAM voted in line with management more often in 2026 (76%) than in the prior proxy year (46%). In many jurisdictions, we continued to observe improvements in the quality of corporate climate disclosures and transition plans.

TDAM continues to vote on climate-oriented shareholder proposals on a case-by-case basis. We continue to evaluate proposals for their financial materiality, relevance to a company's core business model, the cost associated with fulfilling the request, as well as the quality of the company's existing disclosures.

Case Study



Case Study: Supporting Enhanced Climate-Governance Disclosure at a Canadian Energy Company

TDAM supported a shareholder proposal at a Canadian energy company that requested the company to publish a report detailing its governance and oversight of climate-related risks, aligned with established frameworks such as International Financial Reporting Standards (IFRS) S2, the Canadian Sustainability Disclosure Standards, and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The proposal sought greater transparency regarding how the company's board and management oversee climate risks, including accountability structures, board competencies, reporting processes, executive compensation linkages, and the division of responsibilities between management and directors.

The company recommended that shareholders vote against the proposal, arguing that it already provided the requested disclosures through various public facing documents. The company also maintained that additional voluntary climate disclosure could create legal exposure under the anti-greenwashing provisions of Canada's Competition Act (the Act). This concern followed the company's removal of its standalone climate reporting in 2024 after Bill C-59 amended the Act.

TDAM engaged the company twice ahead of the vote to discuss the proposal and to get its perspective on the requested disclosures.

Following our review, we ultimately supported the proposal because our assessment found material gaps in the company's existing climate-governance disclosure. While the company already provided adequate information on some pieces of the request, many fundamental disclosures on climate governance were incomplete or missing. Peer analysis also indicated that the company's climate governance disclosures lagged that of its competitors. These gaps limited investors' ability to evaluate whether the company had effective systems for identifying, monitoring, and managing financially material climate-related risks.

Executive compensation was a particularly important concern. The company's long-term incentive plan included Climate Performance Share Units tied to greenhouse gas emissions and emissions intensity goals, with potential payouts ranging from 0% to 200%. Yet the company did not disclose the underlying climate goals, relevant quantitative performance data, or sufficient evidence for investors to assess whether awards were appropriately earned.

Given that climate governance is a foundational pillar of globally recognized disclosure frameworks and is an area fully within management's and the board's control, we concluded that the requested report was both reasonable and beneficial for shareholders. Climate governance disclosures are fundamentally factual descriptions of oversight processes, controls, and decision-making structures, not a promotion or claim surrounding an environmental product or benefit. Supporting the proposal was therefore consistent with promoting board accountability, compensation transparency, and decision-useful disclosure, while also leaving the board flexibility to determine how climate-related risks and opportunities should be managed. The proposal ultimately received 20% support from shareholders.

Data Centre Shareholder Proposals Reflect Emerging Stakeholder Scrutiny

One notable development from the 2026 proxy year is that climate-focused shareholder proposals at technology companies have moved from generic climate-disclosure asks toward more targeted questions around the rapid build out of data centers and the corresponding electricity demand and

credibility of climate targets. We observe this as one piece of an evolving trend of community and government pushback against the rapid buildout of data centers driven by concerns around electricity, water consumption, noise, and costs to local communities, which is becoming an increasingly material development risk for hyperscalers.

Case Study



Case Study: Addressing Greenhouse Gas (GHG) Emissions from Data Centers of Hyperscalers

TDAM voted against shareholder proposals related to three large technology companies requesting the companies to issue a report explaining how they will meet their climate commitments in light of the growing energy demand from the rapid expansion of artificial intelligence (AI) and data center operations, which is driving up their GHG emissions.

The three shareholder proposals were driven by a common concern: whether the rapid expansion of AI infrastructure and data centers could jeopardize each company's ability to achieve its climate commitments. Proponents argued that growing electricity demand and accelerating data center construction are increasing greenhouse gas emissions and create climate-related, regulatory, and reputational risks. In each case, shareholders requested additional reporting explaining how the companies would meet its emissions reduction targets while supporting the continued growth of AI.

TDAM did not support these proposals because all three companies had already provided extensive public disclosure regarding the climate impacts of their data center operations, the emissions associated with those operations, and their plans to manage growth-related emissions. Each company publishes detailed sustainability reporting that includes greenhouse gas emissions data, climate targets, progress updates, and discussion of the challenges associated with scaling AI and digital infrastructure. In our view, investors already have sufficient information to assess how management is addressing the environmental implications of data center expansion, and the requested reports would provide limited incremental value.

Each company acknowledged that decarbonization pathways will not be linear and that scaling AI and digital infrastructure presents challenges, however they also provide evidence of active management, ongoing investment in clean energy, and regular reporting on progress. Given the strength of existing disclosures, the credibility of their climate strategies, and the absence of a clear informational gap for investors, we concluded that the additional reports requested by these proposals were unnecessary. The proposals received a range of support from 7% to 18%.

While TDAM did not support these proposals, we recognize that the rapid growth of AI and data center infrastructure presents a significant and evolving climate challenge that warrants continued investor attention. Increasing electricity demand, the availability of carbon-free energy, supply chain emissions, and the pace of data center expansion all have the potential to affect companies' ability to meet their long-term climate commitments. As a result, we view this as an important area for ongoing monitoring and engagement.

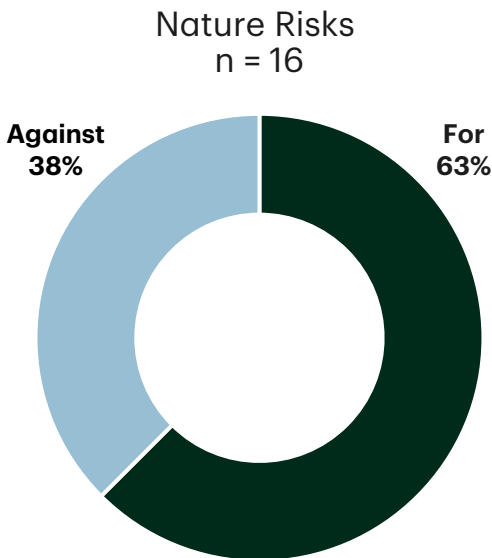
Say-on-Climate Proposals

In proxy year 2026, we saw a slight decrease in the volume of management-sponsored Say-on-Climate proposals. These non-binding proposals request that shareholders vote for a company’s climate transition plan. TDAM supported 81% of the management-sponsored Say-on-Climate proposals it voted on during the 2026 proxy year, signaling strong support for management teams and the plans they put forward.

TDAM continues to vote on these proposals on a case-by-case basis. Our evaluation framework is broadly based on the relevancy, materiality, cost, and existing climate strategy, similar to shareholder-driven proposals. Our assessment of a company’s climate action plan may include, but is not limited to, the strength of targets within the climate plan and related duration of such targets, pathways toward achieving set targets, commitment of capital expenditure (capex) to support the achievement of climate goals, alignment of lobbying activities with targets, disclosures based on the recommendations of the TCFD, as well as any additional context gained through our engagements with companies where applicable.

Natural Capital

Figure 10: Percentage of TDAM Votes For and Against Nature-Focused Proposals



Source: TDAM, ISS. As of June 30, 2026.

The number of nature-focused proposals remained modest during the 2025–2026 proxy year. TDAM supported 63% of the proposals voted where requests focused on financially material risks, including deforestation, sourcing practices and outcome-based disclosure. We continued to see some nature-related proposals withdrawn as companies commit to advancing their oversight, management and disclosure of nature-related risks. These shape how we assess proposals seeking decision-useful disclosure on biodiversity, deforestation, water and other natural-capital issues, particularly where those risks may affect long-term value creation.

Over the last few years, nature-related disclosure frameworks and adoption have resulted in stronger corporate capacity to identify, assess, and manage natural-capital risks. Market adoption of nature-related reporting has continued to expand, indicating that the topic is moving from early commitment towards practical implementation. The TNFD reported that adopters increased from 502 organizations at COP16 (2024 United Nations Biodiversity Conference of the Parties) in October 2024 to 733 organizations ahead of COP30 (2025 United Nations Climate Change Conference) in November 2025, representing an increase of approximately 46% during that period. TNFD’s 2025 status reporting also identified more than 500 first- and second-generation TNFD reports. Continued progress in this direction may increase transparency for investors to price risk around investee natural-capital dependencies and impacts, including implications for corporate supply chains, resource availability, operational and business continuity, and regulatory compliance.

Case Study



Case Study: Regenerative agriculture and pesticide disclosure

A large packaged food company received a proposal requesting the company to disclose the extent to which its regenerative agriculture practices have reduced pesticide use. The proposal noted pesticide reduction as a key desired outcome of regenerative agriculture practices. Lower pesticide use can help mitigate operational and supply chain risks tied to soil health, ecosystem resilience, as well as negative health impacts on farm workers.

The request was clearly scoped around outcome-based disclosure, noting pesticide reduction as a practical measure of whether the company's regenerative agriculture program is translating stated ambitions into tangible benefits, such as improved soil health and biodiversity. The company had made a public regenerative agriculture commitment but provided limited visibility into measurable outcomes, including whether this effort was reducing reliance on pesticides – an outcome central to the credibility and effectiveness of the strategy.

The proposal ultimately received approximately 28% shareholder support in both the current and prior proxy years, indicating sustained investor interest in clearer disclosure on program effectiveness.

Social-Themed Proposals

TDAM supported 56 social shareholder proposals during the 2025–2026 proxy year, representing 46% of social proposals voted. These proposals primarily requested enhanced disclosure and oversight related to human rights policies and due diligence, AI risk management, and political and lobbying activities.

Figure 11: Social Shareholder Proposals Supported¹⁸



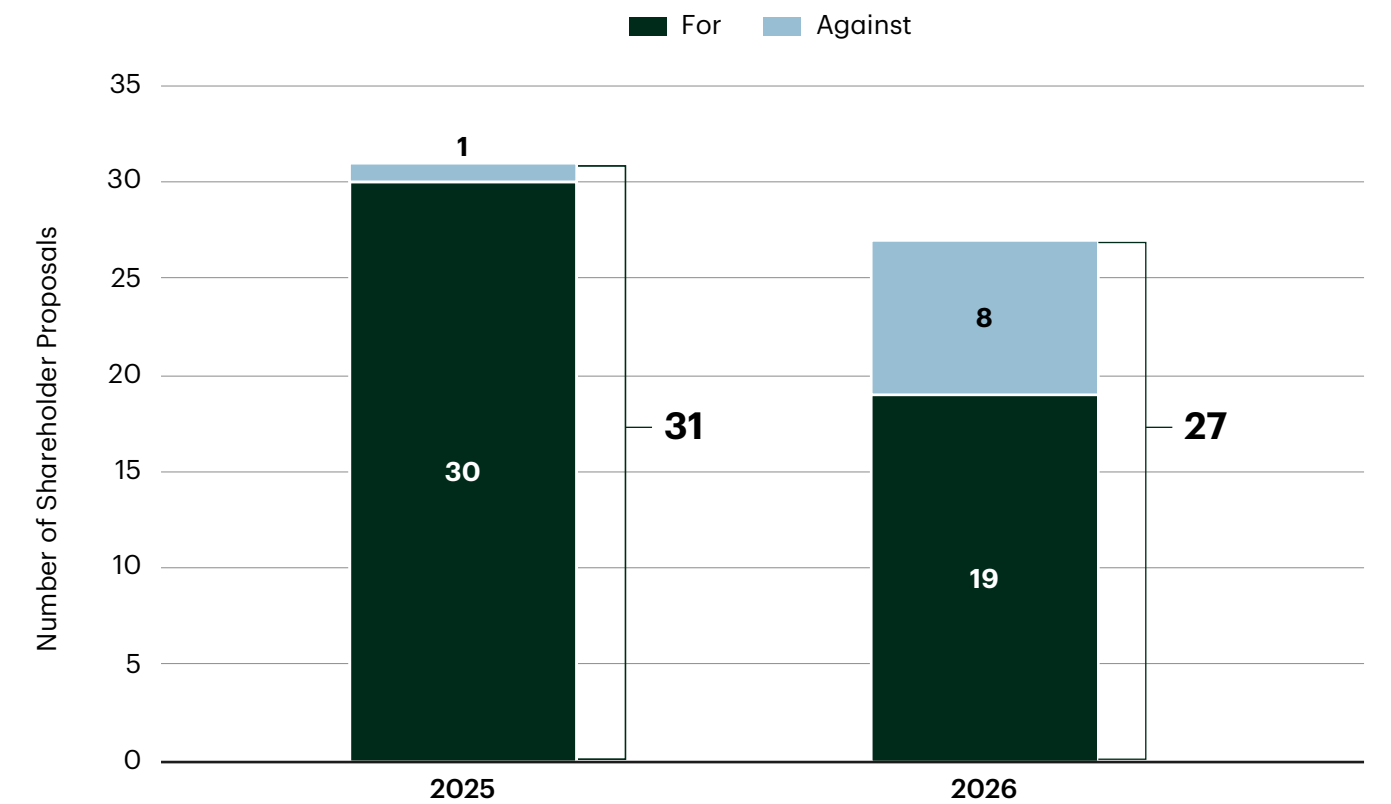
Source: TDAM, ISS. As of June 30, 2026.

¹⁸ "Other" includes proposals on various other topics, including labour issues, food affordability, etc.

Social proposals remained meaningful but lower in volume during the 2025-2026 proxy year, consistent with a broader decline in environmental and social shareholder proposals. In the U.S., this reflected a more uncertain regulatory and political environment. Despite lower volumes, social proposals continued to raise recurring investor concerns and often arose where there were clearer disclosure gaps, company-specific risk exposure, or emerging oversight issues, particularly around AI accountability and human rights due diligence. These two topics received significant shareholder support, with various proposals still garnering more than 20% of shareholder support despite the overall decline in social proposals. This level of support suggests that, even as overall proposal volumes declined, investors remained attentive to well-defined social risks with potential implications for corporate oversight, accountability, and long-term risk mitigation.

Human Rights

Figure 12: TDAM Votes For and Against Proposals on Human Rights Policies and Risk Assessments



Source: TDAM, ISS. As of June 30, 2026.

Companies associated with human rights concerns can face regulatory, legal, reputational, and operational risks. During the 2025–2026 proxy year, human rights proposals continued to request stronger policies, independent impact assessments, enhanced due diligence and clearer disclosure on how companies identify, prevent and address adverse impacts, including in conflict-affected and high-risk areas.

Although human rights proposals declined year over year, the decline was more moderate than in some other social categories. A need to mitigate these risks and align with related regulations keep human rights a regular topic of concern. TDAM supported 70% of human rights proposals aimed at strengthening transparency, due diligence, and risk mitigation.

Case Study



Case Study: Human rights due diligence in high-risk contexts

This season, shareholders continued to advance an emerging set of proposals asking technology companies to assess and disclose the effectiveness of their human rights due diligence processes for preventing, identifying, and addressing potential customer misuse of technologies in ways that could raise human rights or international humanitarian law concerns. These requests were focused on customer end-use oversight, particularly in conflict-affected and high-risk areas, where companies may face heightened expectations to identify and manage adverse impacts.

The proposals reflected investor interest in how companies apply human rights commitments to customer use of technologies such as AI systems, cloud infrastructure, data services, surveillance-enabling tools and other digital capabilities used in sensitive security contexts.

TDAM viewed these requests as relevant where disclosure gaps limited the investor's ability to assess governance, escalation, and customer-use review processes. The proposals highlight the importance of embedding human rights due diligence into product governance, client review and risk-escalation processes before issues become public, regulatory or legal concerns. While vote outcomes varied by company, one such proposal received more than 26% shareholder support, a notable level for an emerging human rights due diligence topic.

Human Capital

TDAM recognizes that employees are a crucial stakeholder group for any company, given their central role in executing strategy, sustaining operations, and supporting long-term growth objectives. As a result, human capital practices can create both risks and opportunities, particularly in relation to how a company builds and maintains its corporate culture, engages with its workforce, supports diverse perspectives, and attracts and retains talent in competitive labour markets.

Human capital proposals during the 2025-2026 proxy year focused on how companies are managing workforce-related risks, with more attention on potential workforce implications of AI adoption. While proposal volumes declined, several human capital proposals continued to receive meaningful shareholder support where they raised clear questions about governance, legal exposure, and/or operational resilience.

Markets

Case Study



Case Study: Worker Collective Bargaining Rights and Legal Risks

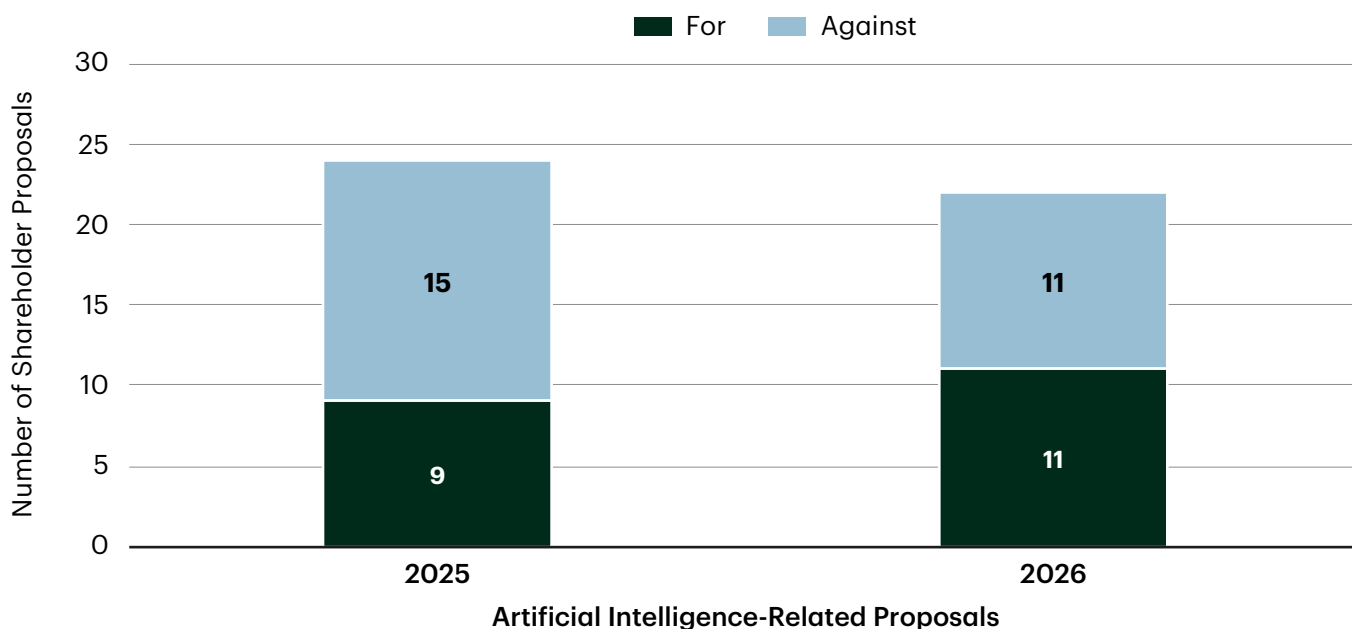
A large U.S. regional airline received a proposal requesting an independent assessment of its approach to employee representation and worker rights. The proposal focused on whether flight attendants had fair, independent, and effective channels to choose representation and raise workplace concerns.

Recent legal developments added relevance to the proposal, including allegations related to internal election processes and whether the company-sponsored employee association provided sufficient independence and procedural fairness.

TDAM supported the proposal because an independent assessment could help investors evaluate practice gaps, legal exposure, and workforce-related operational risks. The proposal received 28% support in 2025 and 26% support in 2026, indicating sustained interest from a meaningful minority of shareholders.

Artificial Intelligence (AI)

Figure 13: TDAM Votes “For” and “Against” Proposals Requesting Reports on AI Risks¹⁹



Source: TDAM, ISS. As of June 30, 2026.

AI offers significant commercial opportunities but also introduces ESG risks. For investors, key considerations include whether companies have appropriate oversight to manage responsible development and use, mitigate risks from AI training and deployment, address workforce impacts, and account for the infrastructure and resource demands of scaling AI.

¹⁹ AI proposals often intersect with other ESG issues, including issues of labour management, data centre energy and water use, and the need to develop appropriate AI corporate governance. The proposals reflected here include all such proposals.

Efforts are underway globally to develop responsible AI practices and risk oversight, including a continued push for standards for corporate AI principles and regional laws and regulations. The Organisation for Economic Co-operation and Development's AI Principles remain an internationally recognized framework for trustworthy AI, while the European Union's Artificial Intelligence Act has moved parts of the governance landscape from broad principles toward implementation requirements.

TDAM expects AI to remain an important stewardship topic as regulation, standards and corporate practice continue to evolve. Companies that do not implement appropriate governance and controls may face data-security failures, litigation, regulatory penalties, loss of trust and talent-related risks.

TDAM expects companies to implement governance structures that support responsible oversight of AI development and use, including risk identification, escalation, accountability and alignment with emerging standards where relevant to the company's business model.

AI-related shareholder proposals remained a significant part of proxy-year discussions. TDAM supported 11 proposals where enhanced disclosure would help investors assess AI-related risks, and did not support proposals where existing governance, board expertise or disclosure already provided sufficient information.

Case Study



Case Study: AI data governance and privacy risk

Proposals were filed at several global technology firms whose scale, data reach and role in digital infrastructure make their AI governance practices particularly material for investors. One such proposal reflected investor concern that, as large technology companies scale AI systems, the collection and use of external data can create material risks where consent, data sourcing, privacy controls and governance processes are unclear or inconsistently applied. The proposal sought greater transparency on how companies identify, mitigate and measure risks associated with the use of external data in AI development, training and deployment, particularly where data practices may affect user trust, regulatory compliance and the credibility of AI governance frameworks.

At one of these technology firms, those concerns were reinforced by recent privacy-related legal developments involving data collection, user consent, and governance practices. In 2025, the company agreed to pay a US\$1.375 billion settlement related to location tracking, private browsing, and biometric data collection claims. Later that year, a federal jury awarded approximately US\$425 million in a privacy class action alleging continued data collection after users had turned off a tracking setting. While smaller 2026 settlements involving assistant recordings and mobile data transfers added to the broader context, the larger settlement and jury finding clearly illustrated the potential financial, legal and reputational exposure associated with data-governance weaknesses.

TDAM considered the proposal relevant because data-governance weaknesses can quickly move from compliance issues to broader questions of trust, resilience and enterprise value as AI systems scale. The proposal received 12.3% overall shareholder support, or approximately 26% support among independent shareholders, indicating meaningful minority support despite the company's dual-class voting structure.

Concluding Thoughts

This proxy year reflected both a continuity in TDAM's stewardship principles and a more dynamic voting environment, particularly in regional market developments and a continued tempering of shareholder resolutions. TDAM's approach continues to focus on applying our proxy voting guidelines, particularly on matters related to board quality, executive compensation, shareholder rights and material environmental and social risks. Shareholder proposal trends pointed to a more selective environment, reinforcing the importance of focusing on proposals that presented clear risk relevance, decision-useful disclosure needs, and long-term value implications.

With regards to corporate governance, our perspectives on well-structured and high-performing boards, management incentives aligned with long-term sustained value creation, and maintenance of equitable shareholder rights remain unchanged. These principles will continue to inform and shape how we vote our proxies.

TDAM's views on the effective management of climate risks and opportunities will shape how we vote on climate proposals presented by management or shareholders. As always, when evaluating climate

shareholder proposals, we will consider the relevancy and materiality of the request in the proposal, the cost associated with fulfilling the ask, as well as the quality of the company's existing transition plan and climate reporting.

The 2026 proxy year demonstrated that, even as social shareholder proposals declined in volume, the issues that remained were closely aligned with broader macro dynamics shaping corporate risk, including rapid AI adoption, geopolitical tension, evolving human rights due diligence regulation, and a continued need for companies to evaluate workforce and corporate culture. Going forward, we anticipate proposals on social issues to remain relevant, with proposals drawing more concrete connections to corporate strategy, operational resilience, and long-term risk mitigation.

Stewardship remains an important tool for understanding corporate context, assessing progress, and supporting long-term value creation. As market practices, client and regulatory expectations and TDAM's market exposures evolve, TDAM will continue to review its voting approach with a continued focus on the long-term performance of the portfolios it manages. ■



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.

Bloomberg and Bloomberg.com are trademarks and service marks of Bloomberg Finance L.P., a Delaware limited partnership, or its subsidiaries. All rights reserved.

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.