



Discretionary LEA 02	Discretionary Mandate	Gateway	PRI 1,2,3
<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To encourage corporate transition or identify the need for additional or other support</p> <p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition or identify the need for additional or other support</p> <p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition or identify the need for additional or other support</p>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To encourage corporate transition or identify the need for additional or other support</p> <p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition or identify the need for additional or other support</p> <p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition or identify the need for additional or other support</p>

# RI TRANSPARENCY REPORT

## 2013/14

TD Asset Management (TD Asset Management Inc. and TDAM USA Inc.)

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Private							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	🔒	n/a	✓						
LEI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	✓	Private	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Public	✓						
FI 06	Types of screening applied	🔒	n/a	✓						
FI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
FI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Public	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	✓	Private	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					

# TD Asset Management (TD Asset Management Inc. and TDAM USA Inc.)

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory only services

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

Canada

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

461

OO 03

Mandatory

Descriptive

General



**OO 03.1**

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes  
 No

**OO 04****Mandatory****Gateway/Peering****General****OO 04.1**

Indicate the year end date for your reporting year.

31/12/2013

**OO 04.2**

Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		225	613	734	749
Currency	CAD				
Assets in USD		214	196	675	217

**OO 04.3**

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)  
 Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06****Mandatory****Descriptive****General****OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	35	5
Fixed income – corporate	20	0
Fixed income – government	25	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	0

Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	5	0
Other (1), specify	10	0
Other (2), specify	0	0

'Other (1)' specified

Overlay

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

**Gateway asset class implementation indicators**

OO 10	Mandatory	Gateway	General
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**OO 10.1** Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

**OO 10.2** Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

- Yes, our total listed equities are 10% or more of our total AUM
- No, our total listed equities are less than 10% of our total AUM

OO 11	Mandatory	Gateway	General
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**OO 11.1**

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Overlay

**OO 12****Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate

**RI implementation via external managers**

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities

**Closing module**

- Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# TD Asset Management (TD Asset Management Inc. and TDAM USA Inc.)

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

TD Asset Management (TDAM) believes that integrating relevant ESG factors into investment decision-making provides enhanced analysis of investment risk. TDAM has been a signatory to the PRI since 2008, and was the first of the Canadian 'Big Five' bank-owned managers to do so.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

[http://www.tdaminstitutional.com/tmi/content/AU\\_CorpVision?language=en\\_CA](http://www.tdaminstitutional.com/tmi/content/AU_CorpVision?language=en_CA)

- No

OA 03	Mandatory	Core Assessed	PRI 1,2
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**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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TD Asset Management has a range of potential conflicts of interest, including ones from being a member of the TD Bank Group. TD Asset Management has policies and procedures in place to ensure that, in all cases, it adheres to its fiduciary duty to act in the best interest of each client. For example, its personal trading policy, which is in addition to its Code of Conduct and Ethics Policy, requires that employees receive approval for trades and make an annual declaration that they have adhered to the policy. Failure to comply may result in disciplinary action up to and including termination of employment. TD Asset Management's potential conflicts are extensively disclosed in the relevant client disclosure documents; the Statement of Policies and Client Relationship Disclosure for TD Asset Management Inc. and the ADV Part II for TDAM USA Inc.

No

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
  - Biannually
  - Annually
  - Every two years or less
  - It is not reviewed
- No

## Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
Vice Chair, Portfolio Management



- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Other role, specify
  - Legal**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Other role, specify

## Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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**OA 10.1**

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

**OA 10.2**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Signatory as Investor member;

Signed on as a supporting investor for the CDP Fracking Collaborative Engagement;

Committed to engaging with five companies.

CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Signatory

CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

#### Signatory

- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

#### Signatory

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Canadian Coalition for Good Governance (CCGG)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

On TDAM's behalf, CCGG staff engaged with 48 Canadian companies on a range of governance issues during the reporting period.

Other collaborative organisation/initiative, specify

CDP Carbon Action

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

**Signatory**

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

No

<b>OA 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**OA 11.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**OA 11.2** Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

Taught the investment session of a pension law course at the University of Toronto law school, including a discussion of the law governing sustainable investing

No

**OA 11.3** Additional information. [Optional]

Spoke at the Rotman School of Business (University of Toronto) on sustainable investing.

Appeared on Business News Network (television) to discuss sustainable investing.

Held discussions with another asset manager on becoming a PRI signatory.

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
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**OA 12.1** Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

Yes

Yes, individually

Yes, in collaboration with others

**OA 12.2** Select the methods you have used.

Endorsed written submissions to governments, regulators or standard-setters developed by others

Drafted your own written submissions to governments, regulators or standard-setters

Participated in face-to-face meetings with government members or officials to discuss policy

Other, specify

We are part of the CCGG, which made written submissions to various regulators on behalf of the Coalition members including on our behalf.

**OA 12.3** Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

Yes, publicly available

provide URL

<http://www.ccg.ca>

No

No

<b>OA 12.4</b>	Additional information.
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The submissions covered a range of governance issues, including proxy voting infrastructure, women on boards, a mandatory majority-voting rule for director elections, disclosure of significant shareholdings, takeover bid defensive tactics by target companies, and the importance of including corporate governance and shareholder democracy issues as regulatory priorities.

## Innovation

<b>OA 18</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
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<b>OA 18.1</b>	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.		
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TDAM has collaborated with Canadian securities regulators to an extent that no one else has. In the summer of 2010, we and the Canada Pension Plan Investment Board were the only two institutional investors who were on the expert panel that helped the Ontario Securities Commission write Canada's national regulatory notice on environmental disclosure. In the fall of 2010, we trained more than 150 staff of Canada's various securities commissions on environmental and social disclosure issues. In 2011, we helped the Toronto Stock Exchange (TSX) design and run E&S disclosure workshops for 75 representatives of listed companies across a wide range of industries. TDAM and the TSX have tried holding the workshops again since then, but every time we have tried, the event has had to be cancelled due to lack of interest by Canadian public companies. The TSX is aware of our willingness to hold the workshops again at any time.

# TD Asset Management (TD Asset Management Inc. and TDAM USA Inc.)

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

LEI 02	Voluntary	Descriptive	PRI 1
LEI 02.1	Provide a brief overview of how you incorporate ESG issues in listed equity investments.		

At TD Asset Management (TDAM), our ESG focus is in the Canadian equities space where we believe we have the best access to information and the best ability to influence management teams to improve outcomes on ESG-related issues.

Our equity team's incorporation of ESG into the investment process includes the following activities:

Company research reports include commentary on the company's ESG-related activities, highlighting areas where the company does well and the areas that need improvement. As fiduciaries to our investors, our main purpose is to identify risks and opportunities that could influence the value of the investment.

We maintain a proprietary ESG matrix with information obtained from a third-party research provider. The matrix score is included in company research reports.

Thematic ESG research is maintained on a shared network drive used by all the investment team.

Canadian sector analysts ask relevant ESG-related questions of companies under their coverage in face-to-face meetings and via email and telephone. Formal letters are sent to companies requesting information about particular issues of concern.

## ESG incorporation in actively managed listed equities


### Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.		

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)



Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	
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- Screening + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

**Total actively managed listed equities**

100%

**LEI 03.2 Describe your primary reasons for choosing a particular ESG incorporation strategy.**

We use integration alone because:

Our fund mandates do not include incorporating sustainability themed investing, but rather to focus solely on maximizing risk-adjusted return.

We do not use screening because we first consider an investment in light of providing the best return, and we do not believe that screening out sectors or companies from the outset is valuable in fulfilling our financial role.

Integration allows us to first consider the company's suitability and attractiveness as an investment and then overlay the ESG considerations to identify risks and opportunities. Integration also leads to discussions with management teams, encouraging them to improve disclosure.

<b>LEI 04</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**LEI 04.1 Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.**

**Type of ESG information**

- Raw ESG company data

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list
- Issue-specific analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

<b>LEI 04.2</b>	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
-----------------	---

We use qualitative information we receive from companies to determine their exposure to various ESG-related risks. Most of the information we receive directly from the company but at times we may obtain information from sell-side analysts.

We monitor sectors that have higher ESG-related risks. This includes environmental risks in the energy, materials and utility sectors, and social risks in the consumer discretionary, consumer staples, energy, materials and industrials sectors.

We evaluate country risk for companies with operations in higher-risk countries. We evaluate a variety of factors including the conduct of the country's government, corruption levels and environmental and employee safety standards.

Some of the companies in which we invest are involved in operations which may be considered environmentally damaging in ways that create financial risks for the company. We follow these issues and evaluate each company's risk exposure, amount of disclosure and standards of conduct.

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
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Yes

<b>LEI 04.4</b>	Describe how you incentivise brokers.
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TDAM's regulatory risk group coordinates our semi-annual broker vote process whereby portfolio managers and analysts are given the opportunity (100 points) to vote for those broker-dealers whom they believe provide valuable research products and services, including ESG, that contribute to and enhance the investment process. The results of the broker vote process produce a budget that is used to allocate commissions to broker-dealers over the next six months.

No

**(C) Implementation: Integration of ESG issues**

<b>LEI 10</b>	Voluntary	Descriptive	<b>PRI 1</b>
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<b>LEI 10.1</b>	Describe how you integrate ESG factors into investment decision making processes.
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As discussed earlier, we choose potential investments based on the company's financial prospects and the investment return expectations. As part of the analysis process, we choose to consider ESG factors as they pertain to the company's risk and opportunities profile in order to gain a complete picture of a company. In some cases, ESG risks - particularly environmental risks - may be quantified in terms of costs that may be incurred to meet environmental compliance while in other cases the risks are not quantifiable and may be related to reputational or other risk.

Similarly, a company may have business opportunities based on ESG factors that give it a competitive advantage. Again, this opportunity is folded into the opportunity profile of the firm which influences the investment decision.

When we ask a company's management team about an ESG issue, the answers they give us also form part of our assessment of the qualities and priorities of the management team.

<b>LEI 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 11.1</b>	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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<b>ESG issues</b>	<b>Coverage/extent of review on these issues</b>
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

## Outputs and outcomes

<b>LEI 17</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 17.1</b>	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
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ESG issue 1

ESG issue and explanation
Governance: Portfolio manager initiated a position in a company after it collapsed its dual-class share structure.
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
Company was an unattractive investment prior to collapse of dual share structure due to unbalanced voting power of the founder. Eliminating this "overhang" on the company has been beneficial for performance.

ESG issue 2

ESG issue and explanation
Governance: A gold company's prospects improved after significant changes to the board of directors and a proposed change to director compensation.
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
The company's Board of Directors compensation was overly-generous relative to peers and there was a perceived lack of board independence. We view the company more favourably now and we expect compensation expenses to improve.

ESG issue 3

ESG issue 4

ESG issue 5

<b>Communication</b>
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<b>LEI 18</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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**LEI 18.1** | Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

**Provide URL**

<http://www.tdaminstitutional.com/tmi/pdfs/PRlandEngagement2012.pdf>

**Provide URL**

<http://www.td.com/corporate-responsibility/index.jsp>

**LEI 18.2** | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEI 18.3** | Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation  
 Detailed explanation of ESG incorporation strategy used

**LEI 18.4** | Indicate how frequently you typically report this information.

- Quarterly or more frequently  
 Between quarterly and annually  
 Less frequently than annually  
 Other, specify
- No
- We disclose it to clients and/or beneficiaries only  
 We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.5** | Additional information. [Optional]

Please see the TDAM PRI and Engagement Report and TD Corporate Responsibility Report, Sustainable Investing Section

# TD Asset Management (TD Asset Management Inc. and TDAM USA Inc.)

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

We engage companies in several ways:

Individually: Analysts and Portfolio Managers and the Head of Proxy Voting discuss issues with senior management (CEO, CFO) and Investor Relations teams.

Collaboratively: We participate in collaborative engagements relevant to our portfolios, such as CDP Fracking Collaborative Engagement as a Supporting Investor, and we are a member of the Canadian Coalition for Good Governance.

Proxy Voting: We are active in our proxy voting, casting approximately 30,000 votes by proxy around the world.

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		



Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

<b>LEA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

- Yes  
 No

<b>LEA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 04.1** Indicate if you define specific objectives for your engagement activities.

- Yes  
 No

<b>LEA 04.2</b>	Indicate if you monitor the actions that companies take following your engagements.
-----------------	---

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

<b>LEA 04.3</b>	Describe how you monitor and evaluate the progress of your engagement activities.
-----------------	---

We may follow up with an email or have a follow-up conversation at a subsequent meeting.

- No

### Process for engagements conducted via collaborations

<b>LEA 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 05.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
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- Yes
- No

<b>LEA 05.3</b>	Additional information.[Optional]
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We evaluate the collaborative engagements that are available as well as the resources available to participate. Collaborative engagements conducted on our behalf by the staff of the Canadian Coalition for Good Governance are conducted based on their process for identifying and prioritizing engagements.

<b>LEA 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 06.1</b>	Indicate if the collaborative engagements in which you are involved have defined objectives.
-----------------	--

- Yes
  - Yes, for all collaborative engagement activities
  - Yes, for the majority of collaborative engagement activities
  - Yes, for a minority of collaborative engagement activities
- No

<b>LEA 06.2</b>	Indicate if you monitor the actions companies take following your collaborative engagements.
-----------------	--

Yes

No

<b>LEA 06.4</b>	Additional information. [Optional]
-----------------	------------------------------------

The collaborative engagements we take part in are monitored and evaluated on our behalf (a) on environmental and social issues by the firm(s) leading the activity, and (b) on governance issues by the staff of the Canadian Coalition for Good Governance.

**General processes for all three groups of engagers**

<b>LEA 10</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 10.1</b>	Indicate if you track the number of companies you engage with.
-----------------	--

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

<b>LEA 10.2</b>	Additional information. [Optional]
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We have a point person within the investment management team who records individual engagement and who regularly asks the team for any recent engagement activities. The activities are recorded in a spreadsheet.

The head of our proxy voting team tracks additional engagements conducted in connection with proxy votes.

The collaborative engagements are recorded by a point person for each type (e.g. GDP, CCGG).

## Outputs and outcomes

<b>LEA 11</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 11.1</b>	Indicate the number of companies with which your organisation engaged during the reporting year.
-----------------	--

	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	13
Collaborative engagements	49

<b>LEA 11.2</b>	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
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<b>Type of engagement</b>	<b>% Comprehensive engagements</b>
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

**LEA 11.3** Indicate what percentage of your collaborative engagements you were a leading organisation during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

**LEA 12** Voluntary Additional Assessed **PRI 2**

**LEA 12.1** Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

**LEA 12.2** Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Environmental only

38

% Social only

8

% Corporate Governance only

31

	% Overlapping ESG issues
--	--------------------------

23

**100%**

	Collaborative engagements
--	---------------------------

	% Environmental only
--	----------------------

2

	% Corporate Governance only
--	-----------------------------

98

**100%**

<b>LEA 14</b>	Voluntary	Descriptive	PRI 2
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<b>LEA 14.1</b>	Provide examples of the engagements that your organisation carried out during the reporting year.
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Add Example 1

Topic or ESG issue	Pipeline safety
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To obtain information on the companies' activities to ensure pipeline safety and integrity and avoid environmental damage
Scope and Process	Mailed and e-mailed formal letter with a variety of questions to two major Canadian pipeline companies
Outcomes	Received formal, fulsome responses from both.

Add Example 2

Topic or ESG issue	Fire and Building Safety in Factories
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To understand the company's reaction to the collapse of a factory in Bangladesh and its actions to avoid another similar tragedy
Scope and Process	Had a discussion with the company and followed up with an email
Outcomes	Received a satisfactory response that the company has signed onto the Accord on Fire and Building Safety and has audited its factories and removed non-compliant vendors from the approved list.

Add Example 3

Topic or ESG issue	Water use in oil and gas extraction
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To understand the companies' approach to water use and whether they have achieved efficiencies on water use.
Scope and Process	Had discussions with two companies and followed up with an email
Outcomes	Both companies responded and indicated they have recycled water and have reduced water usage through new techniques in hydraulic fracturing.

Add Example 4

Topic or ESG issue	Executive compensation
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To provide suggestions about the company's disclosure of executive compensation issues
Scope and Process	Spoke with C-level executives at four companies.
Outcomes	The companies considered our suggestions. One of the four has proactively sought our advice this year, given our earlier suggestions

- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

## Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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**LEA 15.1** Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

please provide URL

<http://www.tdaminstitutional.com/tmi/pdfs/PRlandEngagement2012.pdf>

**LEA 15.2** Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEA 15.3** Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.



## Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

**LEA  
15.4**

Indicate how frequently you typically report engagements information.

- Disclosed continuously (prior and post engagements)
  - Disclosed quarterly
  - Disclosed annually
  - Disclosed every two years or less
  - Other, specify
- No
- We disclose it to clients and/or beneficiaries only
  - We do not proactively disclose it to the public and/or clients/beneficiaries.

## (Proxy) voting and shareholder resolutions

### Overview

LEA 16

Voluntary

Descriptive

PRI 2

<b>LEA 16.1</b>	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
-----------------	--

Consistent with our legal duty of undivided loyalty to our clients, and the financial nature of our role, we vote all proxies based on the best financial interest of the specific account.

Votes at Canadian portfolio companies are analyzed and voted by our internal proxy analyst, who is based in our arm's-length legal department and is independent of both us and our parent bank (a public company). We use an internal analyst partly because of the conflicts of interest that proxy advisory firms periodically have. If our internal analyst becomes aware of a conflict involving another part of TD, the matter is referred to an independent TD Asset Management proxy committee staffed with individuals unaware of the conflict, to ensure that all votes are cast in the best interest of the account. If the committee cannot render an independent decision, we vote based on the recommendation of an independent proxy advisory firm. We do not vote at meetings of our parent bank, not even based on the analysis of an independent proxy advisory firm.

Most items at non-Canadian companies are voted on our behalf by an independent proxy advisory firm based on standing instructions from us, supplemented by their analysis. Some items are referred to us for a decision, including proxy contests, change-of-control transactions and some of our environmental and social votes.

Between the votes we cast internally and the votes cast on our behalf, we cast approximately 30,000 votes by proxy at companies around the world.

## Process

<b>LEA 17</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 17.1</b>	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-----------------	---

### Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

### Based primarily on

- the service provider voting policy signed off by us
  - our own voting policy
  - our clients requests or policy
  - other, explain
- We hire service provider(s) which make voting decisions on our behalf.

<b>LEA 18</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 18.1</b>	Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.
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**Percentage of voting recommendations your organisation reviewed**

- >20%
- 5-20%
- 1-5%
- <1%

**Reasons for review**

- Specific ESG issues
- Votes where a significant level of ownership is held
- Votes against management or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Other, explain

Ensuring that our standing instructions have been followed

<b>LEA 21</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

<b>LEA 21.2</b>	Additional information. [Optional]
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We believe that our vote speaks for itself.

**Outputs and outcomes**

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 22.1</b>	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

Votes cast (to the nearest 1%)

%

100

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

**LEA 22.2** If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

As mentioned earlier, we do not vote at meetings of our parent company bank (a public company), not even based on the analysis of an independent proxy advisory firm. It represents a negligible part of our overall holdings.

We do not track or collect this information

<b>LEA 25</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**LEA 25.1** Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1

Topic or ESG issue	Financial risks to company from climate change
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Better disclosure of risks
Scope and Process	Supported shareholder proposals at 3 companies
Outcomes	Vote cast

Add Example 2

Topic or ESG issue	Amount of greenhouse gases emitted
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Better disclosure of risks
Scope and Process	Supported shareholder proposals at 6 companies
Outcomes	Vote cast

Add Example 3

Topic or ESG issue	Spill reduction and other environmental risk reduction efforts
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Better disclosure of risk management practices
Scope and Process	Supported shareholder proposals at 3 companies
Outcomes	Vote cast

Add Example 4

Topic or ESG issue	Management of risks associated with hydraulic fracturing
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Better disclosure of risk management practices
Scope and Process	Supported shareholder proposals at 3 companies
Outcomes	Vote cast

Add Example 5

Topic or ESG issue	Management of human rights risks, including in developing countries
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Better disclosure of risk management practices
Scope and Process	Supported shareholder proposals at 5 companies
Outcomes	Vote cast

Add Example 6

Topic or ESG issue	Political contributions and lobbying payments
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Based on Citizens United ruling of U.S. Supreme Court, better risk disclosure and confidence that the company's earnings are based on product and price, not payments to governments
Scope and Process	Supported shareholder proposals at 53 companies
Outcomes	Vote cast

Add Example 7

Add Example 8

Topic or ESG issue	Environmental expertise on the board
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Sound risk management
Scope and Process	Supported shareholder proposals at 2 companies
Outcomes	Vote cast

Add Example 9

Topic or ESG issue	Board diversity
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Sound risk management
Scope and Process	Supported shareholder proposals at 6 companies
Outcomes	Vote cast

Add Example 10

Topic or ESG issue	Link of executive pay to performance
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Sound risk management
Scope and Process	Voted against 203 directors on compensation committees for approving bad executive compensation practices, including disconnects between pay and performance
Outcomes	Vote cast

## Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

LEA  
26.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

<https://www.tdassetmanagement.com/showFormsDocumentsHome.form?lang=en>

provide URL

[http://www.tdaminstitutional.com/tmi/content/FI\\_P\\_ProxyVotingRecords?language=en\\_CA](http://www.tdaminstitutional.com/tmi/content/FI_P_ProxyVotingRecords?language=en_CA)

LEA  
26.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEA  
26.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions  
 Some voting decisions  
 Only abstentions and opposing vote decisions  
 Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions  
 Explain some voting decisions  
 Only explain abstentions and votes against management  
 No explanations provided



LEA  
26.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
  - Continuously (soon after votes are cast)
  - Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other, specify
- No
- We disclose it to clients/beneficiaries only
  - We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA  
26.6

Additional information. [Optional]

We disclose our votes for all investment funds that are reporting issuers under Ontario securities law. We published proxy voting reports for 129 funds in 2013, disclosing how the funds voted at thousands of companies around the world.

# TD Asset Management (TD Asset Management Inc. and TDAM USA Inc.)

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
FI 03.1	Provide a brief overview of how you incorporate ESG issues in fixed income investments.		
Fixed Income - Corporate			

For our investment-grade corporate Fixed Income investments (including Money Market), we integrate ESG factors into our credit analysis where consistent with the mandate and otherwise permitted. The process, including assessment of ESG issues, is carried out by the corporate credit analysis team within the TDAM research team.

## Fixed Income - Corporate

### Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
FI 04.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.		

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	
	100

- Screening + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

**FI 04.2** Describe your primary reasons for choosing a particular incorporation strategy.

We use a systematic and repeatable process for evaluating fixed income issuers. Where ESG issues present material credit risks, we incorporate them into our systematic review of an issuer. We integrate rather than screen for the reason discussed earlier under listed equities.

<b>FI 05</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**FI 05.1** Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

**Type of ESG information**

Raw ESG company data

Describe who provides this information.

**Company provided information**

- Issuer-related analysis or ratings
- Sector-related analysis or ratings
- Country-related analysis or ratings
- Screened bond list
- Issue-specific analysis or ratings
- Other, specify

**FI 05.2** Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

An example: For heavy carbon emitting industries such as utilities and automotive manufacturing, we consider the cost of meeting regulatory CO2 requirements and its potential impact on credit-worthiness.

**(C) Implementation: Integration of ESG factors**

<b>FI 10</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>FI 10.1</b>	Describe how you integrate ESG issues into investment decision-making processes.
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ESG issues are incorporated into our process of assessing risk. We do not do a separate analysis of ESG issues, but we focus on ESG issues which are relevant to the issuer's credit-worthiness.

<b>FI 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 11.1</b>	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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<b>ESG issues</b>	<b>Coverage/extent of review on these issues</b>
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

## Outputs and outcomes

<b>FI 17</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>FI 17.1</b>	Provide examples of ESG issues that affected your fixed income investment view and/or performance during the reporting year.
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ESG issue 1

Fixed Income - Corporate and/or Government		
<input checked="" type="checkbox"/> Corporate		
<table border="1"> <tr> <td style="background-color: #cccccc;">ESG issue and explanation</td> </tr> <tr> <td>Offshore drilling, risk of oil spills</td> </tr> </table>	ESG issue and explanation	Offshore drilling, risk of oil spills
ESG issue and explanation		
Offshore drilling, risk of oil spills		
<table border="1"> <tr> <td style="background-color: #cccccc;">ESG incorporation strategy applied</td> </tr> <tr> <td><input checked="" type="checkbox"/> Integration</td> </tr> </table>	ESG incorporation strategy applied	<input checked="" type="checkbox"/> Integration
ESG incorporation strategy applied		
<input checked="" type="checkbox"/> Integration		
<table border="1"> <tr> <td style="background-color: #cccccc;">Impact on investment view or performance</td> </tr> <tr> <td>We consider the probability and potential impact of litigation risk in our internal credit ratings.</td> </tr> </table>	Impact on investment view or performance	We consider the probability and potential impact of litigation risk in our internal credit ratings.
Impact on investment view or performance		
We consider the probability and potential impact of litigation risk in our internal credit ratings.		

ESG issue 2

Fixed Income - Corporate and/or Government		
<input checked="" type="checkbox"/> Corporate		
<table border="1"> <tr> <td style="background-color: #cccccc;">ESG issue and explanation</td> </tr> <tr> <td>Electric Utilities reliant on coal, risks from high CO2 emissions</td> </tr> </table>	ESG issue and explanation	Electric Utilities reliant on coal, risks from high CO2 emissions
ESG issue and explanation		
Electric Utilities reliant on coal, risks from high CO2 emissions		
<table border="1"> <tr> <td style="background-color: #cccccc;">ESG incorporation strategy applied</td> </tr> <tr> <td><input checked="" type="checkbox"/> Integration</td> </tr> </table>	ESG incorporation strategy applied	<input checked="" type="checkbox"/> Integration
ESG incorporation strategy applied		
<input checked="" type="checkbox"/> Integration		
<table border="1"> <tr> <td style="background-color: #cccccc;">Impact on investment view or performance</td> </tr> <tr> <td>We consider the probability and potential impact of high levels of environmental compliance expenses in our internal credit ratings.</td> </tr> </table>	Impact on investment view or performance	We consider the probability and potential impact of high levels of environmental compliance expenses in our internal credit ratings.
Impact on investment view or performance		
We consider the probability and potential impact of high levels of environmental compliance expenses in our internal credit ratings.		

ESG issue 3

Fixed Income - Corporate and/or Government
<input checked="" type="checkbox"/> Corporate
ESG issue and explanation
Car manufacturers, risk from high CO2 emissions
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment view or performance
We consider the probability and potential impact of large regulatory fines and investments for reducing vehicle CO2 emissions in our internal credit ratings.

- ESG issue 4  
 ESG issue 5

## Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
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- We disclose it publicly

Provide URL	
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[http://w3.td.com/public/Intranet-Portal/Corporate/CORP\\_COMP/documents/TDAMCAN\\_Sustainable\\_Investing\\_Policy.pdf](http://w3.td.com/public/Intranet-Portal/Corporate/CORP_COMP/documents/TDAMCAN_Sustainable_Investing_Policy.pdf)

FI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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- Yes

FI 18.3	Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.
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- Broad approach to ESG incorporation  
 Detailed explanation of ESG incorporation strategy used

**FI 18.4** | Indicate how frequently you typically report this information.

- Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other, specify
- No
- We disclose it to clients/beneficiaries only
  - We do not proactively disclose it to the public and/or clients/beneficiaries

**Engagement in fixed income investments**

**Fixed Income - Corporate**

FI 19	Voluntary	Descriptive	PRI 2
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**FI 19.1** | Indicate if you engage with corporate issuers.

- Yes

**FI 19.2** | Describe your organisation's approach to engagement in corporate fixed income.

We regularly meet with officials from companies and the governments that we invest in, or consider for investment, to discuss all issues (including ESG) which might have an impact on our internal credit ratings. Engagement is carried out by the individual credit analysts responsible for the particular sector. Meetings typically take place face to face, or occasionally by phone.

- No